

Digital Platforms in Mexico

What are the Insurance Preferences and Profiles of DiDi Drivers and DiDi Food Couriers?

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Labor Markets Division

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DIGITAL PLATFORMS IN MEXICO

WHAT ARE THE INSURANCE
PREFERENCES AND PROFILES OF DIDI
DRIVERS AND DIDI FOOD COURIERS?



Oliver Azuara Herrera
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Introduction

Labor informality in Mexico is chronic and translates into a more significant population vulnerable to adverse shocks. Traditional social security systems link social protection access to employment status for workers and their economic dependents. For this reason, it is not surprising that in countries with high informality, such as Mexico, where 55% of active workers have informal coverage in terms of pensions, healthcare is limited ([INEGI, 2022](#)). In this context, searching for new cost-effective, and sustainable insurance alternatives is essential.

Technology has become a way to generate income for people who would otherwise be vulnerable. Digital platforms for on-demand services have created an essential source of income, especially during the pandemic. Given the low barriers to entry and the flexible hours they offer, part of the economically active population has remained that way thanks to platforms such as DiDi and DiDi Food.

Although digital platforms provide additional income, there are opportunities to improve access to insurance systems that are against different risks while maintaining the flexibility of the platforms. Users of digital media are examples of groups that have been excluded from traditional social security systems¹. Surveys of DiDi drivers and DiDi Food couriers show they are not covered for unforeseen risks such as health emergencies or retirement. They show interest in having basic plans that protect them against different threats. Most users value the flexibility to generate income offered by these platforms, which could be at risk if the traditional social security framework continues to be used as the basis for these new forms of work.

The flexibility valued by platform users may be at risk if the traditional social security frameworks are not adapted to new forms of work. Strict social security legislation leaves people vulnerable. Therefore, the need arises to:

1. Promote existing social security products or solutions offered by the public sector (such as voluntary savings through AforeMóvil, offered by Consar) or private industry among platform users.
2. Pilot new alternatives based on behavioral economics and technology; and
3. Rethink how regulations can be modified to facilitate access to other insurance and benefits, especially among people with no traditional jobs, without losing the platform's flexibility.

The characteristics of those who decide to use digital platforms are heterogeneous, which determines the type of social insurance they can use. Digital platforms such as DiDi and DiDi Food provide opportunities for people with different profiles to generate or supplement their incomes by delivering food or providing other services. In some cases, it serves as “unemployment insurance”,

1. The Mexican formal social security system includes unemployment insurance, health insurance and retirement savings.



as they take it as a temporary job until they find other employment. Additionally, it is a full-time job for people who are only dedicated to providing on-demand services. Therefore, insurance options need to be flexible and adapt to the needs of the individual.

Only recently, there was more knowledge of the differences between drivers and couriers using digital platforms in post-pandemic Mexico. In the same way that it is difficult to assume that someone who provides services through Zolvers, Glitzi, or Doctoralia² will have the same profile as someone using a mobility platform such as DiDi, it is crucial to understand the different characteristics and motivations of the drivers and couriers active on this platform. In addition, the pandemic changed the employment status of many people and highlighted the lack of general protection that people faced in health or economic emergencies.³

In this context, the IDB, IDB Lab, DiDi, and DiDi Food have joined forces to learn more about the profiles and needs of people who use these digital platforms as an income source and therefore identify voluntary savings channels and other insurance systems that would be a good fit. Central to this effort is the collaboration between public and private sectors, essential pillars for developing new insurance systems. This alliance began with a survey in Mexico of 583 DiDi drivers and 1,231 DiDi Food couriers in 2021. The purpose of the survey was to understand the characteristics of users, their use of digital platforms to generate income, their financial behavior, and health and social security coverage, including voluntary savings. Survey results were used to inform the design of interventions to address the lack of access to savings systems and other needs among DiDi drivers and DiDi Food couriers.

The IDB Group, under the initiative of the [Laboratory of Digital Social Security](#), is leading efforts to rethink social security systems in the digital age. The rise of new ways to generate income is transforming the nature of work, and it represents a significant challenge to traditional design — especially financing— of social security systems.⁴ There is a need to adapt social security to these new forms of work and reduce the number of people disconnected from social protection benefits, such as health insurance and pensions.

These two surveys represent the first intent to compare different profiles of platform workers. Specifically, these surveys permit measuring the differences between couriers and drivers using

2. These platforms connect clients with service providers, including domestic workers in the case of Zolvers, certified therapists in the case of Glitzi, and medical specialists in the case of Doctoralia.

3. Azuara, Oliver; Fazio, Maria Victoria; Hand, Anne; Keller, Lukas; Rodríguez Tapia, Catalina; Silva Porto, María Teresa. (2021). “[El futuro del trabajo en América Latina y el Caribe: ¿Cómo puede la tecnología facilitar la recuperación del empleo tras el COVID-19?](#)” Banco Interamericano de Desarrollo.

4. The lack of social security for independent workers in the digital economy is a major concern, as it can leave them vulnerable to financial hardship in the event of illness, injury, or other life events. In Mexico, for example, only around 1% of independent workers have social security, leaving the vast majority without access to vital benefits. There are several structural challenges that contribute to the disconnect between independent workers and social security benefits. For example, traditional social security systems are designed around the concept of a stable, long-term employment relationship, which is often not present in the gig economy. Many digital platform workers are not considered employees and are therefore not entitled to the same benefits as traditional employees. Additionally, the financing of social security systems is often based on contributions from employers, which can be difficult to collect from digital platform companies that operate across multiple jurisdictions.



mobility apps. Unlike other surveys in the past, these surveys recognize the need to collect evidence on the behaviors and preferences of drivers and couriers who generate income through two flexible forms of on-demand work, such as ride-hailing and delivery. In addition, they facilitate analysis of driver and courier needs in the face of a crisis such as the one caused by the pandemic. This information is critical to understand how to respond to the current situation, given that many people of different backgrounds and needs opted to engage in these new forms of work when 31 million jobs were lost in the worst period of COVID-19.



Mexican Social Security in the Digital Era

In Mexico, social security coverage is low. According to data from [the IDB's](#), Information System on Labor Markets and Social Security, only 30% of active workers in 2020 contributed to social security. The contributions of self-employed workers are meager, as less than 1% of these workers contributed to social security in the same year.

This low social security coverage means people are unprepared for short- and long-term risks, such as health emergencies and aging. An estimated [two out of ten](#) Mexican workers from the first four deciles of the income distribution contribute to some formal pension plan, leaving them unprotected when they reach old age. In terms of health, although there is 89.5% coverage through affiliation with federal public health institutions, [universal coverage of the public health system is 22.5%.](#)

Decades after the rise of social security and low coverage, there is a clear need to adapt these systems to a new labor market reality. Currently, Social security systems link social protection to conventional employment status, leaving out a large part of the population that does not work as full-time employees under the traditional definition. Examples of individuals whose employment status eludes the standard definition are digital platforms or gig economy workers.

The pandemic as a catalyst for ride-hailing and delivery apps

Before the pandemic, the flexibility of digital platforms made them an attractive means of generating additional income. By offering flexibility and low barriers to entry, these platforms contribute to income generation by people with different profiles and needs. For this reason, it is difficult to standardize the employment status of people working on these platforms, as it varies from person to person and platform to platform: only a fraction of users are active on the platforms for at least eight hours a day. Most people use platforms to generate income and do not consider them, nor do they want to consider their full-time jobs. The definition varies to such an extent that it breaks with the system established by traditional labor regulations.

The use of digital platforms, such as DiDi and DiDi Food, has seen an exponential increase. According to data from SensorTower, which measures downloads of this type of app, the use of delivery platforms increased by 50% on average between the first and last week of March 2020, when the pandemic broke out in Latin America and the Caribbean ([Azura et al., 2020](#)). However, this trend was observed even before the pandemic. For example, in 2019, downloads from on-demand platforms (including ride-hailing and delivery) reached 29 per hundred inhabitants in the region, almost four times more than in Europe and nearly doubled that in the United States. ([Azura et al., 2020](#)).



Digital platforms such as DiDi and DiDi Food became an alternative to additional income during falling employment. DiDi Global Inc. is the world's leading mobile technology platform. It offers a wide range of app-based services across markets including Asia-Pacific, Latin America, and Africa, including ride-hailing, taxi-hailing, chauffeur, hitch and other forms of shared mobility, auto solutions, food delivery, intra-city freight, and financial services. DiDi provides flexible work and income opportunities for car owners, drivers, and delivery partners. It is committed to collaborating with policymakers, the taxi industry, the automobile industry, and communities to solve the world's transportation, environmental, and employment challenges through AI technology and localized smart transportation innovations. DiDi strives to create better life experiences and greater social value by building a safe, inclusive, and sustainable transportation and local services ecosystem for future cities. DiDi started operations in Mexico in 2018.

DiDi Food is DiDi's Food delivery platform. DiDi Food is a technological platform that connects the user with restaurants and delivery partners to facilitate the ordering and delivery of food. It is a technical intermediary for registered restaurants that allows them to increase their sales by connecting them with delivery partners looking for an opportunity to generate income independently and users who want to place food orders at any time without having to cook or move.

The alliance between the IDB and IDB Lab with DiDi and DiDi Food was established to know the characteristics of drivers and couriers in Mexico and thus explore insurance alternatives that adapt to their needs. Analytical work on the profile of drivers compared to couriers in Latin America is limited. Insurance preferences for these types of gig workers include retirement savings and health insurance. Assessing the preferences and demand for insurance plans was particularly important during the pandemic. Decreased income affected many people, and lack of access to basic insurance systems. The IDB conducted surveys for drivers and couriers, together with Didi and Didi Food, to better understand their needs and preferences and thus be able to inform future pilot programs that offer alternative insurance programs.



Two surveys in Mexico: Drivers who use DiDi and couriers who use DiDi Food

We conducted two surveys in Mexico to better understand the profile of gig workers who use Didi and Didi Food. The first was a survey for Didi drivers (583), and the second was for Didi Food couriers (1,231). The survey of couriers was conducted in August 2021 with a confidence interval of 95%, a margin of error of $\pm 3\%$, and national representation for couriers active that same month. For the driver survey conducted in April 2021, the confidence interval was 95%, and the margin of error was $\pm 4.05\%$. There are some differences between the two surveys since the one administered to drivers is longer and more detailed than couriers: the first had 34 questions, compared to 29 in the second.

A potential self-selection bias could influence the representativeness of the surveys for different reasons. We designed the surveys to represent workers' main sociodemographic variables. However, more is needed to have a completely random sample for several reasons. The message sent to survey respondents invited them to participate by emphasizing that the survey was related to their financial needs, pension savings, and insurance to offer innovative solutions for the future. Therefore, those who decided to respond could be more interested in economic or social protection issues. Second, since participation was voluntary, there could be a bias due to the simple fact that those who had more time could respond to the survey, which could exclude busier people, such as those who work multiple jobs simultaneously or could also exclude those who use the DiDi app less frequently.

The survey was presented in 6 parts, as described below.

- 1) Demographic data:** This section collects basic data such as gender, level of education, age, and occupation in addition to DiDi or DiDi Food, among others.
- 2) Life post-COVID-19:** This part focuses on changes in the use of DiDi since the pandemic started. It attempts to identify who did not drive with DiDi or deliver with DiDi Food before the pandemic, changes in the use of the platforms since the pandemic, and whether the pandemic influenced the decision to use the platforms.
- 3) Life with DiDi/DiDi Food:** This section attempts to understand better the drivers' circumstances and motivations for using the app.
- 4) Financial health and social security:** This section measures workers' coverage against different risks. It includes questions on identifying the risk of old age and the preparedness against it, contributions to pension schemes, use of financial instruments affiliated to health insurance, and other questions.



5) Financial Literacy: This section asks standard questions on basic financial concepts to measure their financial knowledge.

6) Interest in savings services: A final section focuses on drivers' preferences regarding the possibility of having a service that allows them to save through DiDi and DiDi Food. These questions attempt to gauge the demand among drivers and couriers and some of their preferences for basic social protection systems.

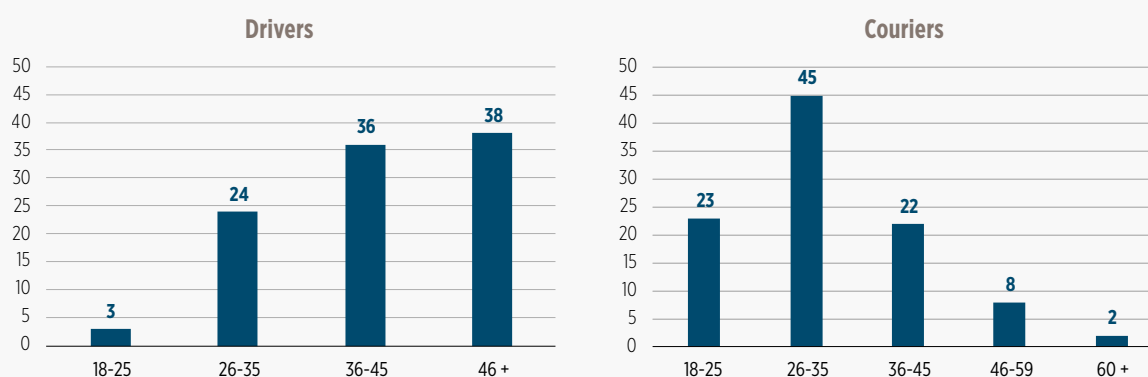
Who are the DiDi drivers and DiDi Food couriers in Mexico?

The profile of the drivers is different from the couriers. Although the majority is male in both cases, there is a significant age difference. Among couriers, 68% are under 35 years of age, while among drivers, 74% are over 36 years old. Young people are the predominant majority among couriers.

TABLE 1 • DEMOGRAPHIC PROFILE OF DRIVERS

	DiDi Drivers	DiDi Food couriers
Responses	583	1231
Survey Date	May-June 2021	August 2021
% Men	93%	95%

CHART 1 • AGE RANGE (%)

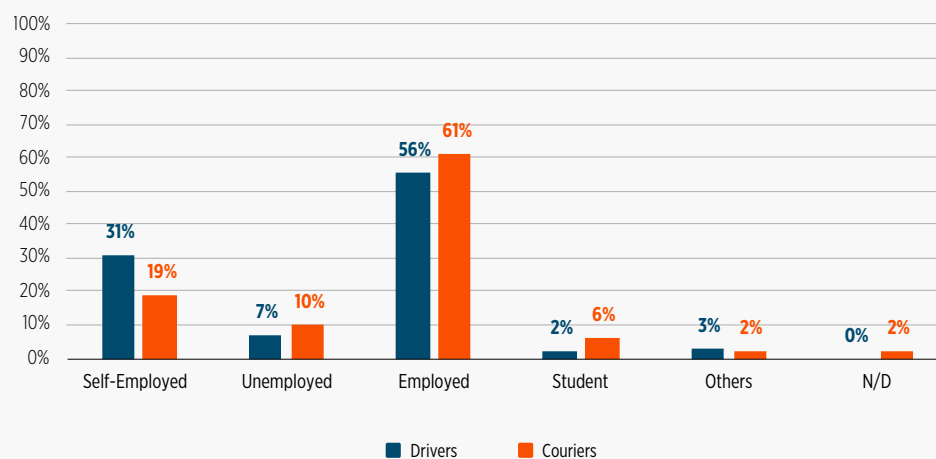


Source: DiDi-IDB Survey (2021)



The survey indicates that lack of formal employment is one of the reasons why people choose to use DiDi. Most respondents declared being employed before joining DiDi or DiDi Food. For example, 61% of couriers considered themselves employed before joining DiDi Food, and 19% considered themselves self-employed. The employment status changed when they joined the platform. The majority reported they were employed before using DiDi (56%), but although they are strictly generating income through the platform, only 13% consider themselves employed.

CHART 2 • PROFESSIONAL EXPERIENCE BEFORE USING DIDI AND DIDI FOOD

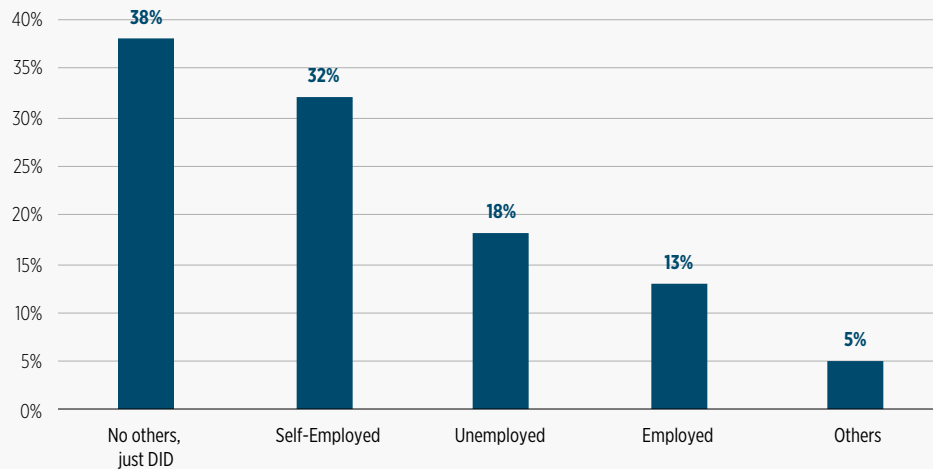


Source: DiDi-IDB Survey (2021).

Upon joining the platform, drivers' employment status changed from formal employment to self-employment. The majority indicate that they only drive for DiDi (38%) or are self-employed (32%). This change between occupation before and after joining DiDi suggests that the loss of a job may contribute to the decision or that someone previously employed values this new form as an alternative to traditional employment. This information is not available for DiDi Food.



CHART 3 • CURRENT PROFESSIONAL EXPERIENCE (DIDI DATA)



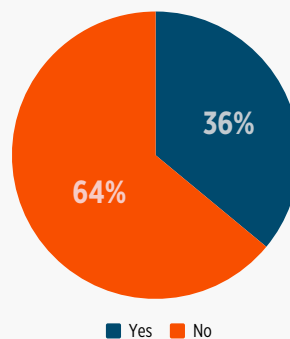
Source: DiDi-IDB Survey (2021).

Note: Multiple choice responses were provided for the question, "In addition to driving for DiDi, what is your occupation?"

What do drivers value on the DiDi platform?

Drivers and couriers value the flexibility offered by the digital platform. When asked those surveyed to rate their valuation of the platform's flexibility from 1 to 10 (10 being the highest rating and one being the lowest), 78% of drivers and 89% of couriers chose 9 or 10.

CHART 4 • WOULD YOU STOP DRIVING FOR DIDI IF OFFERED A FULL-TIME JOB?

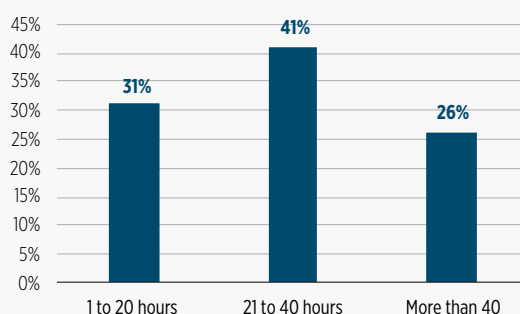


Source: DiDi-IDB Survey (2021)..



Drivers prefer driving with DiDi over a traditional job. 64% of drivers would not stop using DiDi if they had a full-time job. In addition to high levels of satisfaction, there is high loyalty since 76% have been with DiDi for more than two years. A critical factor that could explain this is the flexible schedule offered by the platform.

CHART 5 • WEEKLY HOURS DRIVING FOR DIDI (%)



Source: DiDi-IDB Survey (2021).

The variation in the number of hours driving for DiDi reinforces the importance of the digital platform's flexibility. A quarter of drivers will drive more than 40 hours per week, which equates to more than 8 hours per day on average. Similarly, approximately 72% work less than 40 hours, a third work less than 20 hours, and two-fifths work between 21 and 40 hours. The platform's flexibility adapts to the different needs of drivers, some using it as if it were a full-time job and others to generate additional income. This data is not available for DiDi Food, although these results are like those found for other platforms.

Post-pandemic, users value the flexibility offered by platforms like DiDi and DiDi Food more than ever. Post-pandemic, users value the flexibility provided by platforms like DiDi and DiDi Food more than ever. This flexibility enables digital platforms to be used as unemployment insurance, sometimes a way to supplement income in times of crisis, or simply to make additional income.



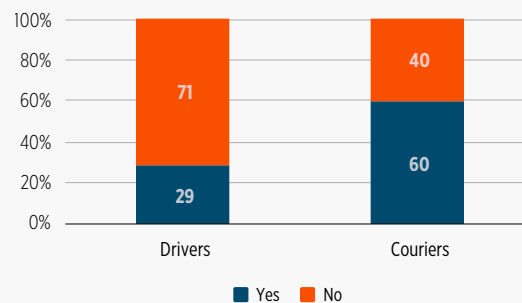
The pandemic and digital platforms: an option to generate income in times of crisis?

Several million Mexicans faced job loss or reduced income during the pandemic. In Mexico, the most significant job loss was in April 2020, with [12.5 million jobs lost, according to data from the IDB's COVID-19 Labor Market Observatory](#). This complex situation was similar in the rest of Latin America and the Caribbean, highlighting the importance of flexible income-generating options. In many cases, the lockdown measures hurt the demand for on-demand services that required physical proximity, especially transport services in countries in regions with stricter standards. However, the existence of different options to generate income flexibility has attracted people with other profiles to work on apps.

Digital platforms can serve as a resource for generating income and act like “unemployment insurance.” Thanks to the low barriers to entry and flexible hours, platforms such as DiDi and DiDi Food offer an alternative for those who have lost their jobs, are currently low-income, or simply want additional income.

The pandemic reinforced the importance of flexible work available to deal with a crisis, especially among DiDi Food couriers. The pandemic influenced the decision to use DiDi Food in 60% of couriers. The age group impacted the most in the pandemic was 35 years of age. These findings reinforce the idea that some platforms can serve unemployment insurance in times of crisis.

CHART 6 • INFLUENCED BY THE PANDEMIC % RESPONSES



Source: DiDi-IDB Survey (2021)..



In the case of drivers, the pandemic did not have such a marked effect. Only 29% indicated their decision was influenced by the pandemic, with those aged 26-35 being the age group most affected by it (34%). The reduction explains this difference in people's mobility due to prevention and social distancing measures, which could have also reduced trips through the DiDi platform. In contrast, these measures increased the demand for food delivery as a labor alternative since people could not go to stores and restaurants or avoid doing so. While traveling on platforms like DiDi requires physical proximity between the driver and the passenger for long periods, food delivery like DiDi Food limits contact between the delivery person and the customer. In some cases, the driver and customer can altogether avoid any kind of contact or interaction with each other.



Financial Literacy and Health

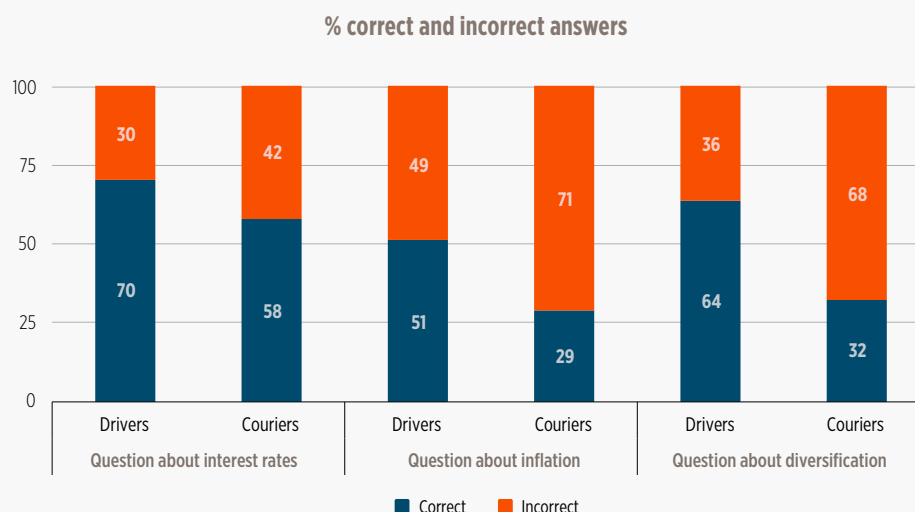
Financial literacy: What do drivers and couriers know about basic financial concepts?

Basic knowledge of financial concepts is essential when offering a financial product, whether it is related to social security. These data are necessary for designing invitations to participate in savings or insurance schemes. For example, a higher level of education regarding these concepts facilitates the promotion of a savings plan or product that helps with financial planning.

We used basic financial questions to measure the basic financial literacy of drivers. Our questions are similar to the three “big questions” of financial education proposed by [Lusardi y Mitchell](#). They are used worldwide as a standard to measure basic concepts of financial education, including inflation, compound interest, and diversification.

The results show drivers better understand basic financial education concepts than couriers. Most drivers answered correctly when asked the three questions that measure financial education. By contrast, couriers could only correctly answer a question about interest.

CHART 7 • QUESTIONS REGARDING FINANCIAL LITERACY FOR DRIVERS AND COURIERS :



Source: DiDi-IDB Survey (2021).



INTEREST. The fundamental question on interest rate was the following: *Suppose you have 100 pesos in a savings account, and the interest rate is 2% per year. After five years, how much do you think you would have in your account if you let your money grow?* Both drivers and couriers using the platform successfully answered this question. Among DiDi drivers, this rate was 70%, while it was 58% among couriers. This was the only question that most respondents answered correctly.

INFLATION. The inflation question was: *Imagine the interest rate on your account is 1% per year, and inflation is 2% per year. After one year, how much could you buy with the money in this account?* Half (51%) answered the question correctly among the drivers who use the platform, while very few did so among the couriers who use the forum (29%). Although this was the question with the lowest correct response rate among drivers, it is still higher than among couriers.

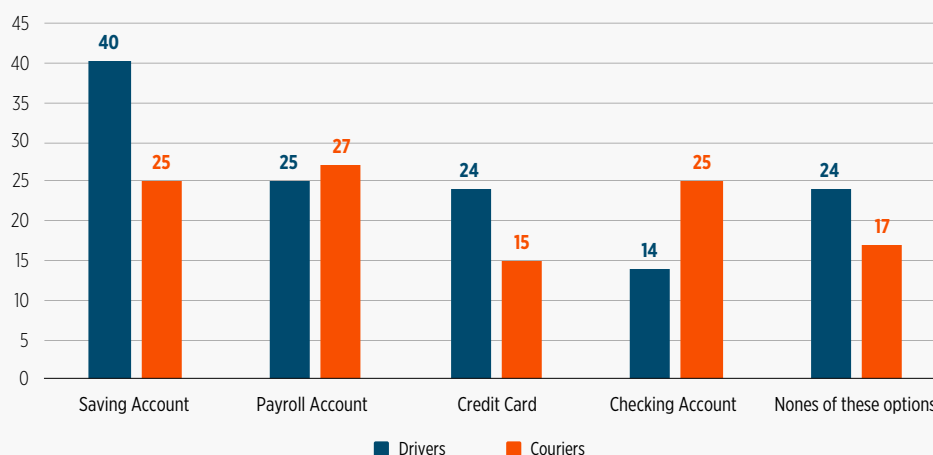
DIVERSIFICATION. Regarding diversification, the question was: *Please answer if this statement is true or false: "Buying the stock of a single company usually offers a safer return than a fund made up of several stocks."* Most couriers answered incorrectly (68%), while most drivers answered the same question correctly (64%).

Are DiDi drivers and DiDi Food couriers financially healthy?

Both groups have access to traditional financial instruments, but there is an opportunity to expand their access to financial services that meet their needs responsibly and sustainably. Among drivers, 40% have a savings account, while among couriers, this percentage is only 25%, a difference of 15 percentage points. Additionally, 24% of drivers have a credit card, compared to 15% of couriers (a difference of 9 percentage points). 24% of drivers and 15% of couriers do not have any of these options, so there is an opportunity to expand banking and access to credit.

CHART 8 • FINANCIAL PENETRATION:

% Of respondents with financial accounts



Source: DiDi-IDB Survey (2021).



Social security in a digital age: how should the traditional model be adapted?

Income generation through mobility and delivery apps breaks the traditional social security system. The rise of digitization and process automation has facilitated the provision of services and goods, connecting service providers with customers in an automated manner through digital platforms. Additionally, these digital platforms eliminate the need for a formal employer, with important implications for access to social security. The traditional system links social security with employment status, assuming that people have a single employer with a conventional employment relationship ([Levy, 2018](#)). For some sharing economy users, not having a permanent employer can imply a disconnect from traditional social security.

These trends force us to rethink how to adapt social security systems to current forms of work. The need arises to find designs for digital platform service providers, including but not limited to drivers and couriers. Pilots connecting platform users with social security can be evaluated to ensure that workers enjoy basic protections without eliminating the flexibility they value in mobility apps, such as access to digital channels to make voluntary pension contributions. In addition, there is a need to analyze the social security regulations and laws to identify opportunities for improvement that allow more inclusive rules for all types of people, including self-employed workers and users of digital platforms.

The challenge of saving for retirement: are survey respondents taking steps to face old age?

Since 2016, the IDB and IDB Lab have used behavioral economics and technology to increase voluntary pension savings for self-employed and low-income workers in Mexico, Chile, Colombia, and Peru through the [Retirement Savings Laboratory](#). As part of this project, it has been possible to identify some barriers to voluntary savings in Mexico, from psychological biases to regulatory obstacles.

Behavioral economics highlights some barriers to retirement savings, which can be used to interpret the DiDi and DiDi Food user survey results. Behavioral economics, the hybrid science between psychology and economics, illustrates how to help overcome barriers that prevent people from fulfilling their purposes, including saving for retirement ([Azura et al., 2021](#)). Among the biases, some of the most important preferences include.

- **Over-optimism:** The tendency to have an overly optimistic view of one's ability to work in the future or underestimate the probability of an adverse event, such as a health emergency, which translates into more people considering working after retirement age.



- **Bias towards the present:** People tend to overvalue the benefits obtained today or soon compared to those achieved in the distant future. This tendency manifests in preferring to use the money to buy something today rather than invest it in the distant future.
- **Procrastination:** This leads to postponing decisions that could be favorable.

The results of the survey show an over-optimism bias. Couriers overestimate their ability to continue working well into retirement. A total of 57% of couriers plan to continue working when they reach retirement age, compared to 23% of drivers, or a difference of 34 percentage points. One potential explanation for the high optimism among couriers is that they are younger than drivers. As a result, the future may seem further away for couriers, and the need to save for retirement is less urgent.

Most of those surveyed have not taken measures to finance their old age, something that could be explained, in part, by the procrastination bias. Even among drivers, who are less optimistic about their ability to continue working in their old age, the majority (54%) have not taken concrete measures to finance it. In other words, they may not be able to work when they reach retirement age, but they have not acted in this regard. We see the same trend among couriers, with 68% indicating they have not taken any steps. Among couriers, the group that has taken the most measures to finance their old age is 45, while the majority of drivers who have taken measures are the youngest, between 18 and 25 years of age.

CHART 9 • HAVE YOU TAKEN STEPS TO FINANCE YOUR RETIREMENT?



Source: DiDI-IDB Survey (2021)

A minority plan to finance themselves with pensions. Only 18% of drivers and 10% of couriers plan to invest themselves in government or private pensions. Additionally, 33% of drivers and 26% of couriers have yet to think about how they will support themselves financially once they stop working.



Although most respondents have pension accounts, they do not contribute to them. A total of 74% of couriers and 83% of drivers have a retirement savings account with a pension fund administrator (called afore in Mexico).⁵ Still, only 10% (couriers) and 13% (drivers) contributed last year. While 30% of active workers in 2020 contributed to social security, only 1% of self-employed contributed in the same year. This data emphasizes connecting DiDi and DiDi Food users with existing technological solutions for voluntary retirement savings. One option is AforeMóvil, a digital app developed by the National Commission for the Retirement Savings System (CONSAR)⁶ in conjunction with the Afores. Through AforeMóvil, any person with a CURP (a unique code that identifies all Mexican citizens and residents) can check which Afore they are affiliated with, open an Afore account if they do not have one, keep track of their savings and carry out other actions, all from their cell phone. Despite the existence of AforeMóvil, only 19% of drivers and 18% of couriers are registered with this app.

CHART 10 • HAVE YOU CONTRIBUTED TO A PENSION PLAN IN THE LAST YEAR?



Source: DiDI-IDB Survey (2021)

Although psychological biases partially explain the low voluntary contributions, another potential reason is the low availability of savings products adapted to the reality of drivers and couriers. In many countries in the region, there are no products that meet the needs of workers in the gig economy, as in the case of drivers and couriers who use the DiDi and DiDi Food platforms. For example, people who only generate income through platforms do not have a fixed monthly salary but instead generate income that depends on their active hours, creating weekly variations. This type of candidate would require a flexible system that allows them to make periodic micro-contributions, which could result in high collection costs. Although the AforeMóvil app presents an attractive option by allowing voluntary and flexible contributions, attracting users is still a challenge. Therefore, there is an opportunity to pilot new tools, from platform integration that facilitates voluntary savings within the same app to the expansion of new channels for savings.

5. AFORE, or a pension fund administrator, is a private financial institution in charge of administering retirement funds for workers affiliated with social security. In Mexico, AFORES are regulated by the National Commission for the Pension System (CONSAR).

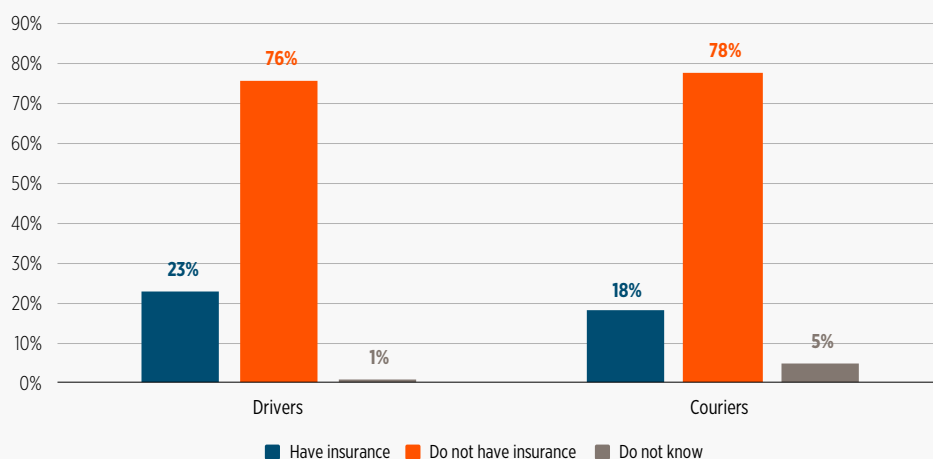
6. The National Commission for the Pension System (CONSAR) is the administrative body of Mexico that regulates the Pension System. It is a decentralized agency of the Ministry of Finance and Public Credit.



Health insurance: Are survey respondents prepared for a medical emergency?

Low health system coverage is observed across both groups. Only 23% of drivers and 18% of couriers are affiliated with health insurance. This leaves both groups unprotected in the face of health emergencies, such as emergencies related to COVID-19.

CHART 11 • HEALTH INSURANCE COVERAGE (% RESPONDENTS)



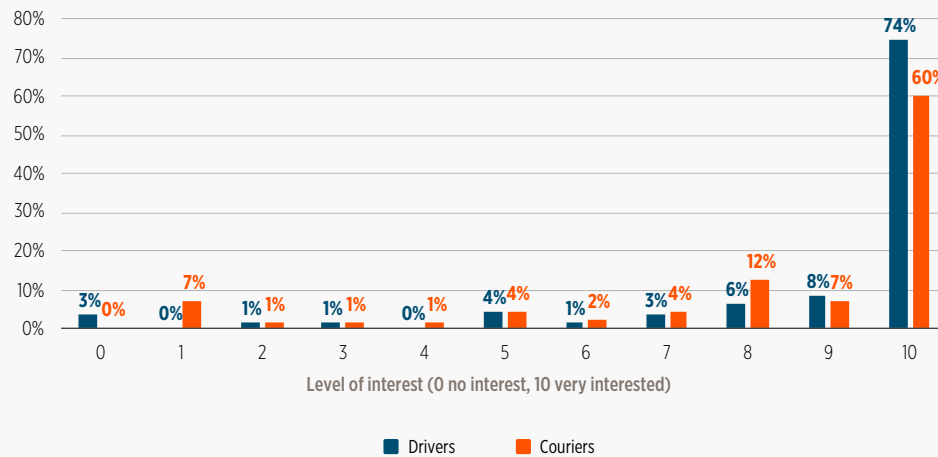
Source: DiDi-IDB Survey (2021).

Is there a demand for basic protection mechanisms?

There is a demand for health insurance. Despite the low affiliation to the health system among drivers and couriers, the vast majority indicated they are interested in having health insurance. When asked on a scale of 0 to 10 (0 being no interest, and ten being very interested), the vast majority selected 10: 74% among drivers and 60% among couriers.



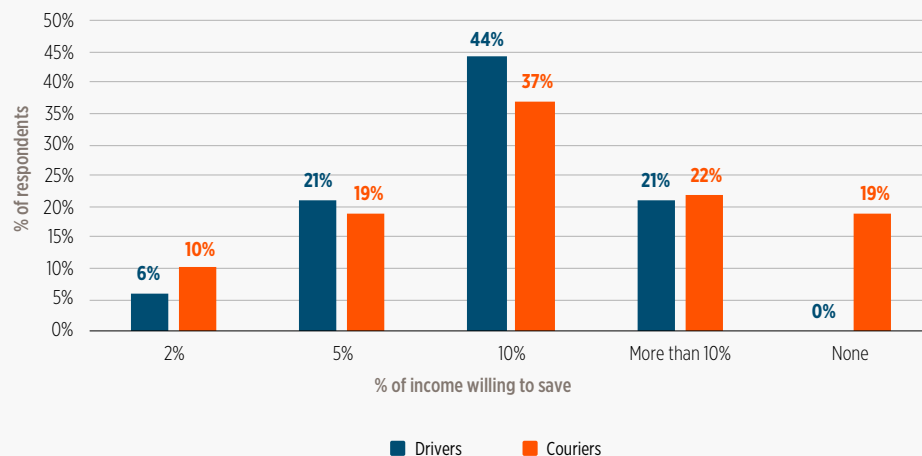
CHART 12 • INTEREST IN MEDICAL INSURANCE



Source: DiDi-IDB Survey (2021)

There is unsatisfied demand for insurance services among platform drivers and couriers. Most drivers (58%) and couriers (68%) would opt into an automatic savings program for part of their DiDi or DiDi Food earnings. This option is high among young people between 18 and 25. As part of that savings plan, most users would save 10% of their income through DiDi. In the case of drivers, 44% would save 10%, while 37% of couriers would save this amount.

CHART 13 • WHAT PERCENTAGE OF YOUR INCOME ARE YOU WILLING TO SAVE?



Source: DiDi-IDB Survey (2021).



Conclusion: What insurance options could be developed for new forms of income generation?

Increasing adequate insurance for workers in the gig economy requires a proper understanding of needs and preferences. Digital platforms have changed the dynamics of labor markets and offer an alternative means of generating income for thousands of users in Mexico. Additionally, it is essential to differentiate between the types of users, such as drivers and couriers. There are marked differences in the context, profile, and app use between drivers and couriers. The results of the surveys discussed in this report help inform the public and regulatory debate and can serve as tools for strengthening collaboration between users, companies, and authorities at different levels.

Drivers and couriers have different sociodemographic characteristics and needs. The needs of drivers and couriers vary depending on how much time they dedicate to this activity. Additionally, the pandemic among couriers influenced a more significant share of generating income through DiDi Food, while among DiDi drivers, this was not the case. Similarly, there are essential differences in terms of age and financial education. Generally, they are younger than drivers and need more knowledge of basic financial literacy concepts.

Both groups value the flexibility offered by the platforms. One of the added values of these platforms is that they allow users to generate income at any time of day as drivers or couriers require.

The current social security system does not protect drivers and couriers from various risks generally covered by social security. The reality is that there are insurance options for self-employed workers. For example, Consar offers the AforeMóvil app, through which one can voluntarily contribute to retirement. Private sector options also serve people often disconnected from traditional insurance. Although these systems, which use a flexible business model comparable to digital platforms, exist, the survey shows that couriers and drivers do not take advantage of these systems. Therefore, they are unprotected against risks such as health or pensions for retirement.

There is a demand from drivers to have access to general protection mechanisms. Although most drivers are not taking action to secure their future regarding pensions or health, they are interested in better protection. The survey results confirm the importance of finding solutions—linked or not to traditional social security—that adapt to the flexible status of workers in the gig economy to guarantee them more excellent protection against crises and shocks without putting their incomes at risk.



Making these social security systems more flexible implies piloting new solutions to old problems. The survey identified the possibility of connecting DiDi and DiDi food users to existing tools such as AforeMóvil in the case of voluntary savings, as only a minority use it, very few contribute, and many are interested in saving.

Along this line, the IDB and IDB Lab will continue to collaborate with DiDi and DiDi Food to design and evaluate solutions in Mexico that adapt to the reality of drivers and couriers. For this reason, a pilot has been created between DiDi, DiDi Food, and the IDB Group to promote the AforeMóvil app to drivers and couriers of both platforms. The pilot will identify the obstacles behind low social security coverage in the next stage. Through this cooperation, we have the opportunity for new and innovative instruments with this evidence that would facilitate protection mechanisms for platform users.



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