

# Labour Conditions in China's Platform Economy

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# Outline

1. Working conditions of parcel and food delivery workers in China
2. Law cases and Chinese government's new move

# Brief History

## Parcel Delivery

Business document (1993)

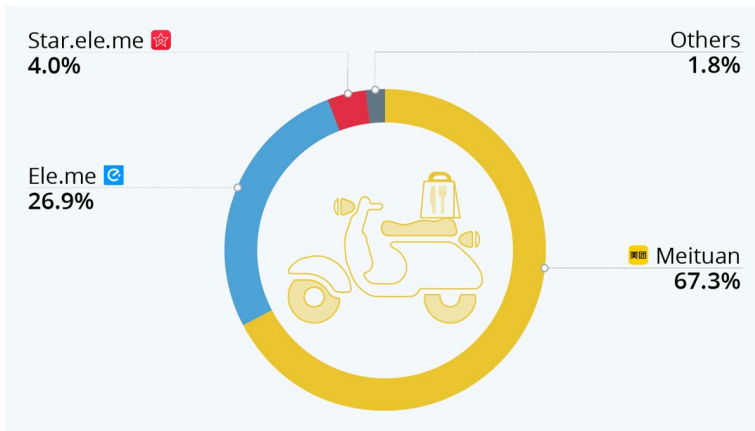
E-commerce parcels (2008)



## Food Delivery

Groupon (2009)

Food delivery to campus (2013)



# Brief History

## A survey from CBNdata and Suning

Former job of parcel delivery workers:

- Courier (43%)
- Factory worker (35%)
- Driver (10%)

## A survey from Meituan

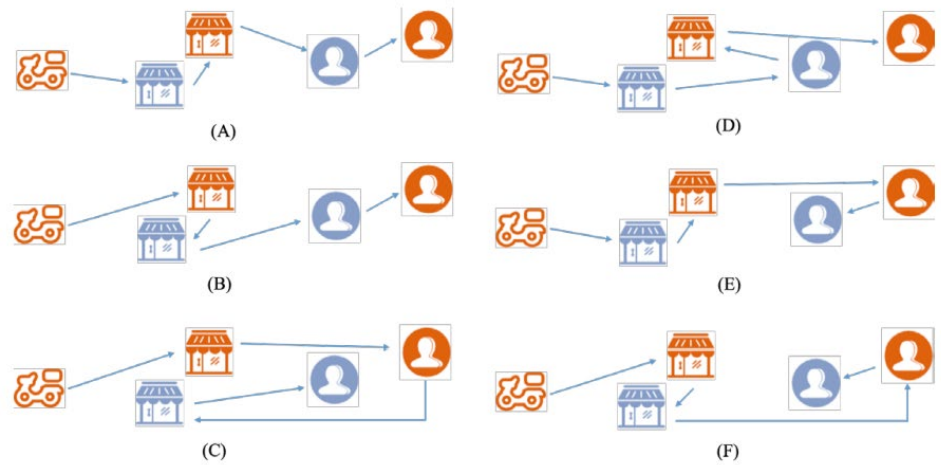
Former job of Meituan food delivery workers:

- Factory worker (31%)
- Restaurant worker (16%)
- Small businessperson (13%)
- Delivery worker (12%)
- Food delivery worker from another platform (8%)

# Trends: Labour control



FIGURE 5. Possible ways of insertion.



- Multiple orders deliver in the same route
- Picking up new orders while delivering another one
- Path planning

# Trends: Pay

Delivery workers received 1.2 to 1.5 yuan per order two years ago. This year it's 0.4 or 0.6 yuan. The pay to local franchise is 1.2 yuan, while workers get 0.7 yuan per order

Delivery pay to local franchises per order (2016-2019)

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
YTO Express	1.9	1.88	1.76	1.52
Best Express	/	1.76	1.6	1.51
STO Express	1.62	1.64	1.74	1.72

# Trends: Working intensity

## Description from a delivery worker

*“We have a base pay of 1800 yuan. Once you work over this limit (for example 2000 yuan), you will be paid by that number (2000 yuan).”*

*“For each parcel collected, we receive 2.2 yuan, plus 5% of the delivery fee. For each parcel we deliver, we get 1.4 yuan, plus 20% of the parcel’s (weight-1) kg”*

## A subsidy scheme set by FD platform

Ranking	Subsidy (yuan)	Points needed
God level	1.5	6000
Paladin level	1.2	4100
Diamond level	1.0	2800
Black gold level	0.8	1800
Gold level	0.5	900
Silver level	0.3	400
Normal level	0.1	N/A

\* All the points are reset each month

\*\* To upgrade your rank, one needs to complete an extra 50-200 orders

# Trends: Employment relation

<b>Formal worker, agency worker</b>	<b>Informal worker (crowd-sourcing)</b>
Full time	Both full time and half time
Fixed working hours, 8 hours minimum	Flexible working hours
Receive orders	Compete for orders
Limited delivery area, mostly within 2-3 km	Unlimited delivery area, up to 10km
Fixed rate	Flexible rate
Monthly wage	Redeem when needed
Part of social security included	No social security



# Struggles

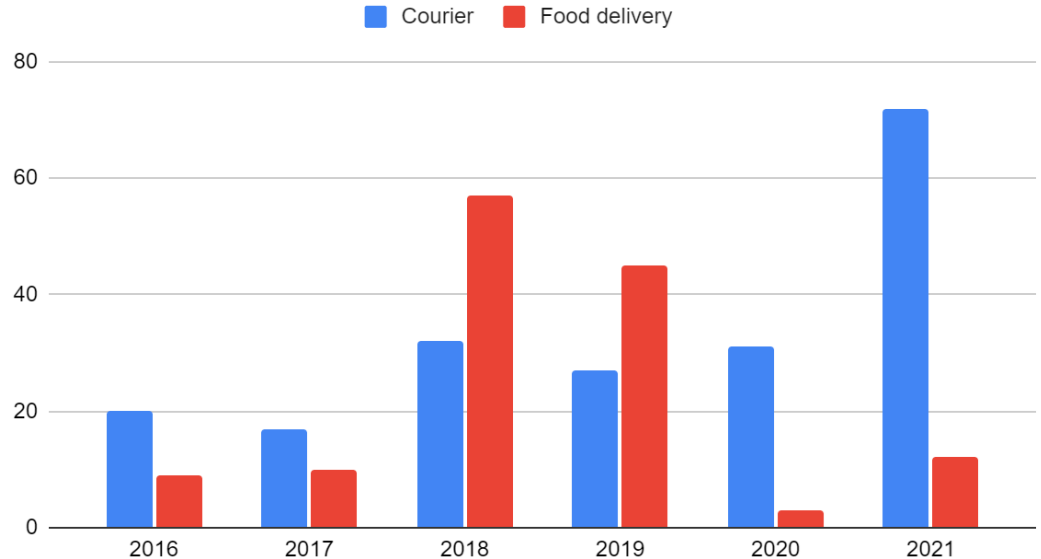
## Courier

- Most common demands: wage arrears (79.4%)

## Food delivery

- Most common demands: pay increase (64.0%)

Courier and food delivery protests (2016-2021)



# Law cases

## Inconsistent judgment on labour relationship

### **On the eligibility of work injury insurance after a traffic accident in Beijing (2016)**

1. The labour relationship should be judged by actual circumstances. Contract agreement cannot replace the application of labour law
2. The food delivery company is not only an information service provider, but also a company which gets profits by providing commodity delivery services
3. The delivery worker is subordinated to the company. The company manages the service process by work rules and owns the products of workers' labour
4. The driver has the freedom to accept orders and determine the online/offline time, but the freedom is limited if the driver needs to earn a reasonable income
5. The information provided by the platform is the crucial means of production, while the motorcycle is not

# Law cases

## Inconsistent judgment on labour relationship

### **On claiming compensation after a traffic accident death in Wuxi, Jiangsu (2019)**

1. The worker engages in a labour service agreement, which was accepted when he registered through the app
2. The driver has the freedom to accept orders and determine the online/offline time. His freedom also includes planning delivery routes and arrange his work
3. The driver is working on piece wage, which is also determined by route distance and delivery time. The worker can redeem the pay when needed
4. The driver should also bear risk himself, if he arrives late

# Government new policies

*Guiding Opinions on Protecting Labour and Social Security Rights and Interests of Workers Engaged in New Forms of Employment (2021)*

1. Regulations on labour relationships
2. Issues on medical insurance, work injury insurance and pension scheme
3. Revise work rules on penalty, commission and pay scale
4. Broaden union scope in organizing workers and start negotiating with companies and their associations