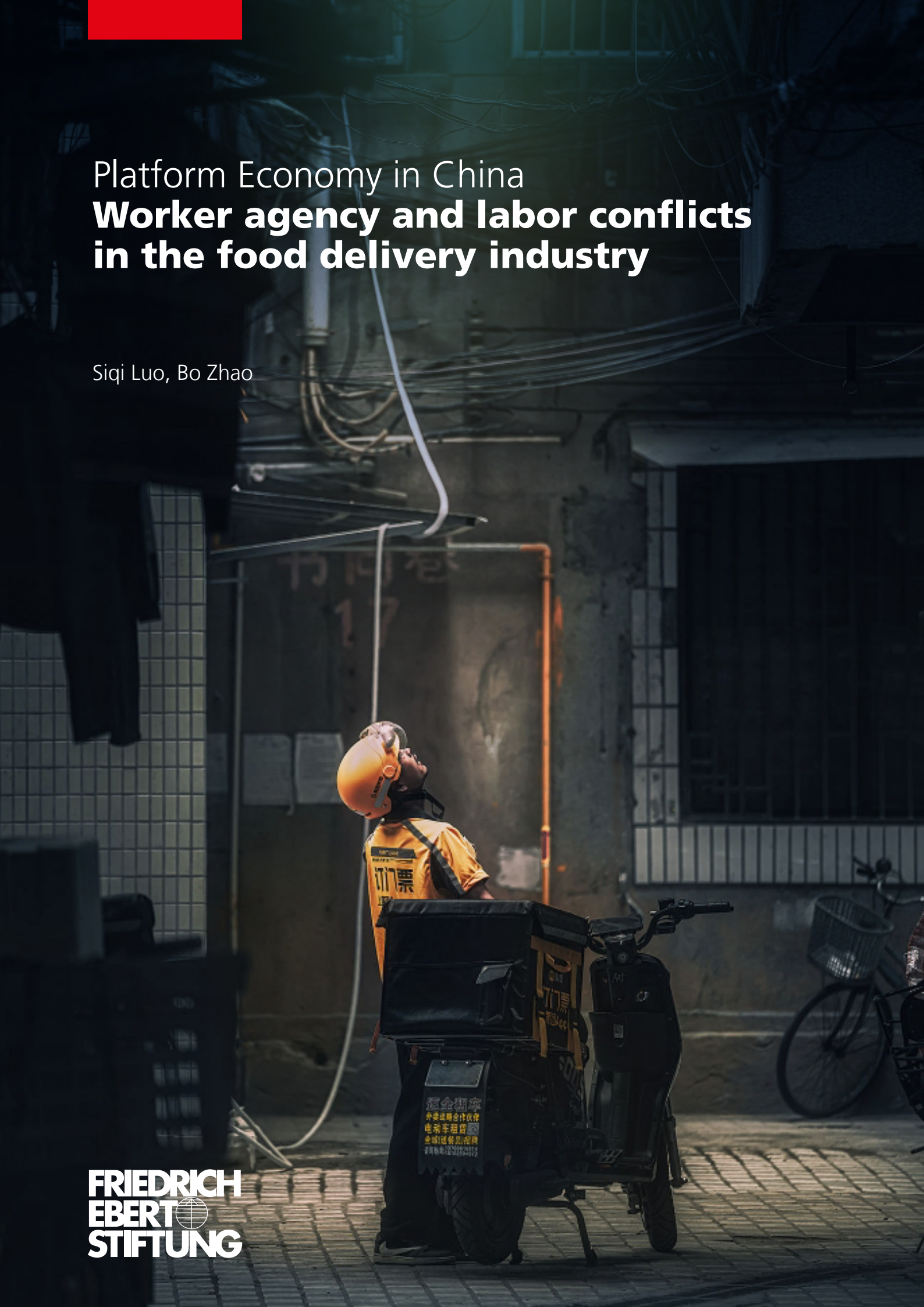
Platform Economy in China

Worker agency and labor conflicts in the food delivery industry

Siqi Luo, Bo Zhao



FRIEDRICH EBERT STIFTUNG

Platform Economy in China

Worker agency and labor conflicts in the food delivery industry

Siqi Luo, Associate Professor,
School of Government at Sun Yat-sen University

Bo Zhao, Post-Doc Researcher,
Fudan University

December 2024

Foreword

Digitalization has changed life and work in breath-taking speed. Products and services are increasingly traded on digital marketplaces, also known as platforms. Digital platforms can already be found in diverse areas of the economy and will find their way into almost all areas of society, not least in production (Industrial Internet of Things). In China, the platform economy has developed particularly dynamic. Chinese internet firms such as Alibaba, Tencent or Meituan can be seen as world leaders in platform technology and management.

The platform economy is a business model enabled by the digitalization of the economy that has changed lives and economies and will change them even more. It has profound impact on work and employment. Large numbers of jobs have been created by the providers of digital marketplaces and their suppliers of goods and services. Whether it is delivery or transport services, in the form of gig providers or home-based work in the garment industry, the types of employment in the platform economy are diverse. But many of them only pay low wages, employment is precarious, and workers are hired as private contractors with no social insurance and other benefits. Therefore, the conditions of work and employment in the platform economy have become an important topic of public policy in many countries. In China, the regulation of platforms has emerged as a key issue to develop common prosperity.

For the customers, the platform economy means above all an expansion and flexibilization in the supply of services and goods. For the providers, it means new employment and earning opportunities. At the same time, the model of the platform economy endangers many achievements of the welfare state. While employers bear social responsibility for their employees in traditional employment relationships, the large platforms usually "outsource" this responsibility to the employees, who are supposedly self-employed and have to take care of their own social security. The principle of the platform challenges the traditional definition of "employee" and "employer".

However, the landscape of business models in the platform economy is very diverse. There is no such thing as "the" model of the platform economy. Employment structures and conditions are extremely different depending on the sector and provider.

To address the diversity of platform employment and the complexity of the resulting social problems, Friedrich-Ebert-Stiftung (FES) Shanghai Office has been commissioning case studies to empirically investigate the concrete situation and possible solutions in the most important sectors of the platform economy in China.

Contents

1. Introduction

In recent years, China's food-delivery platforms have expanded rapidly enabled by advancing big data and cloud computing technologies. In 2021, nearly half of Chinese internet users made orders through the platforms, and the platforms accounted for 21.4% of the total revenue of the catering sector.[1] Platform work usually involves three major bodies: the customer, the platform, and labor, or the service providers. Workers in the platform economy rely on the platform's guidance to work, the time and place of work are relatively free. They often have more flexibility and freedom than those in traditional industries, and many work for extra income outside their regular jobs. Accordingly, platform work has attracted a huge number of Chinese workers. In the year of 2021 alone, more than 4.7 million couriers delivered food for Meituan and at least 1.14 million for Eleme.[2]

Nevertheless, the actual working conditions of food delivery couriers have become causes of concern particularly since September 2020, when a series of reports quickly began to go viral.[3] Two issues dominate: frequent accidents that are caused by strict service time, and the couriers' legal identities, particularly whether they are platform employees[4]. While these reports drew great attention from Chinese society and aroused debates among the policymakers, the couriers' own voice had rarely been heard. The platform workers are often depicted as atomized individuals in previous studies, and the domination of digital technologies, the platforms' counter-mobilization tactics, and easy substitution of individual workers all make the workers the "disadvantaged" or "weak" party. Particularly, these features are regarded as great obstacles to labor solidarity.

However, collective actions do occur in the new platform economy in different countries and sectors. For instance, Uber drivers in many places, as well as couriers from Deliveroo and Foodora in Europe, and Meituan and Eleme in China, have organized protests and strikes. In other words, the possibilities of extra income and the high barriers to mobilization have not exempted the platforms from labor actions.

This article aims to explore the organizational models and worker agency on the Chinese food delivery platforms. The data has been collected from multiple sources, including participatory observation (author B worked as a food delivery courier for 18 months), governmental documents, the strike maps from the China Labor Bulletin, reports from research institutes and platform firms, and news reports. Based on both first-hand and secondary materials, this article illustrates the organization and work on the Chinese food delivery platforms and analyzes how these connect to workers' collective actions. It contains three major sections: the first part introduces the two major models of organizing labor on the platforms – outsourcing and crowdsourcing – and their different ways of management. The comparison shows the divergent degrees that "algorithmic management" functions at the ground level in the two models and accordingly highlights the role of human intervention in the daily labor processes of the outsourcing model. In the second part, it firstly provides a comprehensive picture of Chinese food delivery couriers' collective actions. A typical case study is selected to carefully analyze the key mechanisms that lead to such actions. The last section summarizes the major findings and discusses the implica-

1. State Information Center, 2022 China Sharing Economy Development Report, February 2022, http://www.sic.gov.cn/archiver/SIC/UpFile/Files/Default/20220222100312334558.pdf.
2. Meituan Research Institute, 2020 Corporate Social Responsibility Report, June 2021, https://about.meituan.com/details/society/responsibility; Ali Research, 2022 Blue-rider Development and Security Report, Feburary 2022, http://www.aliresearch.com/ch/yuq6Ff.
3. The debates involved major websites and newspapers, e.g.https://finance.sina.com.cn/chanjing/gsnews/2020-09-08/doc-iivhvpwy5554456.shtml; https://epaper.gmw.cn/wzb/html/2020-09/12/nw.D110000wzb_20200912_1-01.htm.
4. Chang, Kai and Zheng Xiaojing. 2019. "Employment or Cooperative Relationship?" Journal of Renmin University of China 33(2),78-99.

2. Organization and management of Chinese food delivery platforms

For years, the food delivery platforms have developed their distinctive organizational structure, differing from the traditional catering sectors. At the same time, their structure has not always been the same but also evolved gradually. A prominent change in terms of their employment is that the dominant model of platform-employed couriers at the beginning has shifted towards a combination of outsourcing and crowdsourcing – all couriers in the two employment models do not have legal labor relations with the platforms. At present, both of the two oligopolies – Meituan and Eleme – have adopted these two employment models, and their management is based on the different models.

2.1 The development of the platforms and their evolving architecture

Food delivery service has existed in China before the platforms appeared. In 1992, "Jingshi Lühuan Food Delivery Company" (京氏绿环送餐公司), the first specialized food delivery firm was established. This company had only 22 employees and 4 temperature-keeping vehicles. Beijing Daily reported about it and emphasized that this company did not have a cooking tool, neither a cook[5]. In the following decade, more and more restaurants set up their own delivery services, including domestic and international brands such as Quanjude (全聚德), KFC and MacDonald. At the time, customers ordered their food mainly by making phone calls.

Eleme became the first food delivery platform in the early 2000s, and soon followed by Baidu, Meituan, and many others. The advancement of digital technologies and mobile equipment boosted their rapid expansion since 2008. Some small- and medium-sized restaurants began to cooperate with the platforms – they posted meal information on the platforms and the platforms provided delivery services for them. Simultaneously, some larger restaurants also hired courier to deliver food only for their own meals. During this period, except that some platforms occasionally used dispatched labor, the majority of couriers, either hired by the platforms or the restaurants, were all legally "employees" and fully regulated by the Chinese labor laws. The food delivery platforms signed labor contracts with most couriers and paid social insurances for them; the electric bikes, clothes, and hats were all provided for free; and in case of work injuries, the platforms may even continue to pay them wages. Based on their legal status, the couriers could also claim for all kinds of labor rights and benefits directly from the platforms, including overtime pay, compensation for illegal dismissal, etc.[6]

After 2012, the food delivery platforms issued their new APPs, through which the customers could make orders more conveniently than through phone calls or via webpages. This made the small restaurants' cooperation with the platforms even more beneficial – the platforms' unified delivery service could not just help promote their sales but also reduce the delivery costs. The platforms also kept optimizing their algorithms to match the customers' demands and offer higher efficiency. However, the number of food delivery couriers at the time was still small as

5. Beijing Daily, March 22, 1993, Beijing has "karate" fast-food, the front page.
6. Zhicheng laodongzhe, Sep. 13, 2021, Myth of couriers: How can the law de-mystify the food-delivery platform labour situations? https://mp.weixin.qq.com/s/FIdsv8K-tESolDNLIXGMog

the platforms directly hired those workers as their own delivery teams. The enthusiastic investment and propaganda of the capital side had cultivated explosive numbers of consumers in China's food delivery market. Between 2014 and 2015, the food delivery sector entered a new stage of rapid expansion with hundreds of such platforms, headed by three largest platforms – Eleme, Meituan, and Baidu.

Under the fierce competitions of capital and market, some platforms endeavored to reduce labor costs by shunning off their employment responsibilities, typically through outsourcing and crowdsourcing. From 2015, crowdsourcing was adopted by several major platforms including Meituan, Eleme, Jingdong, and Dianwoda. For crowdsourced couriers, the platforms no longer provide the basic equipment such as electric bikes, food containers, and clothes. Instead, the platforms claim to "cooperate" with the individuals, and the latter must equip themselves with all these necessary means. For other specialized delivery couriers, the platforms also used a new model of outsourcing. In this model, the platforms assigned the designated areas to some external third-party delivery suppliers, and these suppliers directly manage the outsourced couriers. As the overall outsourcing parties, the platform firms "hide" themselves behind the delivery applications but try to tightly control everything through the system and algorithms.

2.2 Two dominant models of employment and management: crowdsourcing and outsourcing

Crowdsourcing is a newly emerging and widely used way of obtaining necessary labor for the global food delivery platforms. When the food delivery platforms in China firstly introduced the crowdsourcing model, they hired crowdsourced couriers directly, signed "cooperative agreements" with them, and purchased accident insurance. But this changed very soon. The platforms cooperated with external suppliers, often third-party labor agencies, and outsourced delivery services to the latter. Following this, the suppliers signed agreements, paid wages, and purchased accident insurances for the crowdsourced couriers. In this way, the labor costs and risks that used to be assumed by the platforms are now shifted onto the shoulders of the outsourced suppliers. Consequently, all the crowdsourced couriers have no legal labor contracts with the platforms or these suppliers, no guaranteed wages or social insurances, no matter how long they might work.

Crowdsourced couriers have some freedom at work. They have the autonomy to choose whether, when, and where to work. They can freely log in or out of the system at any time and there is no fixed schedule or alike. When crowdsourced couriers log in the smartphone apps, they may receive orders randomly allocated by the system or may wait and compete for orders on the platform.
However, there are rules and constraints, too. Usually, couriers with higher ranks have the priority to receive orders, and those with lower ranks often have fewer orders. Crowdsourced couriers could reject an order sent by the system, but if they reject many times, they may have to wait longer for next orders. In practice, the pay for a crowdsourced order depends on the distance, the price and weight of the order.

For crowdsourced couriers in China, their work is directly under the platforms' technological management. This is not too different from similar workers in other countries. The algorithms govern their work, dispatch orders, determine piece rates, and distribute bonuses based on individual performance, measured by the completed orders

and customer ratings. Their connections with the platforms are loose and entirely virtual.

The outsourcing model is quite different. Like the crowdsourcing model, the platform designs the framework of delivery service, builds the system and algorithm, and adjusts the procedures, quality standards, and piece rates for the agencies. However, outsourced couriers are typically recruited by a third-party labor agency and are arranged to work based on a fixed station. Their delivery areas are small, e.g. within a 2.5 to 3.5 km radius, or only for fixed restaurants if as store-based couriers. Most of the outsourced couriers work full-time with regular schedules. For outsourced couriers, the pay per order is fixed, regardless of weight, price, or distance. They receive the orders automatically allocated by the platform system but cannot compete for extra orders or reject assigned ones.

Although both the crowdsourced couriers and outsourced couriers work under stringent algorithmic control, there is a big difference that the outsourced couriers have human supervisors at their stations. These supervisors arrange the work schedules for every courier and are in charge of daily management. Outsourced couriers face all-sided rules, such as regular morning meetings, attendance check, requirements for leave, and different kinds of fines. Accordingly, they interact with their station supervisors every day. Clearly, outsourced couriers are under the dual management of both the virtual technologies of the platform and these human supervisors.

The role of the supervisors resembles the foremen in traditional industries. As the outsourcing model has higher quality requirements to the delivery services, the outsourced couriers must follow stricter times and offer better services. The supervisors make every effort to guarantee this. They decide the numbers of couriers, and take charge of their recruitment, scheduling and monitoring. By maintaining a proper number, neither too small nor too large, the supervisors try to make sure that the workforce is just enough for normal deliveries and leaves no spare hand. These supervisors also tend to keep a good relationship with the couriers, for instance, they ease some rules that are too strict or cancel a fine if the courier only makes a first violation of some non-essential rule of the platform. They also help coordinate conflicts between couriers and restaurants, or among couriers themselves. To a certain degree, the supervisors could alleviate the tension created by a 'virtual' platform and the mostly offline delivery activities by adding more human relational factors. Nevertheless, not all the problems could be solved by the supervisors, especially wage-related issues. While the platforms shunt their labor functions onto external agencies, they decide the total amounts of pay for each outsourcing agency. Outsourced couriers, although legally not platform employees, are subject to all the platform rules and receive payment from the amounts allocated to each agency and then the stations.

A first problem is when a platform's technological governance attempts to improve efficiency by unilaterally changing its rules, workers are irritated and cause management trouble. In practice, a platform rule change directly affects the outsourced couriers, but they have no say. The platforms, entrusted by the restaurants, have the rulemaking power and exert virtual control. At the platform level, a delivery is regarded as a calculated process. But a seemingly small adjustment can greatly change every courier's work. During the investigation period, all of the platforms adjusted their delivery rules to tighten labor control, including detailed criteria for store arrivals, pickups, order completion, and explicit

fines for delays, bad comments, and consumer complaints. For instance, the time restrictions forced many couriers to click the complete buttons before making the actual delivery, but under the new rules doing so became a violation. Additionally, centralized decision making did not always match local conditions. Despite the improving accuracy of GPS and algorithms, geographical conditions, building types, and other local happenings can easily invalidate the calculations and cause inconsistencies in delivery data.

The other related problem is the payment. Most agencies were established for the platform outsourcing market and competed for it. The platform contracts thus often squeeze the profit margins of the agencies. Under the given contracts, these agencies plan staffing for each station, allocate resources, and adjust the detailed pay rates and fines for violations. Accordingly, the outsourcing agencies' hands were tied too. When workers complained, e.g., outsourced couriers frequently did so toward their supervisors, the agencies could only make concessions on some rules, which usually do not affect the data of the platforms but cannot effectively respond to other essential rules or workers' claims on wages.

3. Collective actions of Chinese food delivery couriers: an overview

Both crowdsourced and outsourced couriers may take collective actions. Although some previous studies argued that the legal and organizational dimensions of the two models tend to escalate grievances among crowdsourced couriers while reduced outsourced workers' willingness to strike (e.g., Lei 2022), other observations show different scenarios – outsourced couriers could also easily, and even more frequently, engage in strikes (e.g., Friedman 2022; Zhao and Luo 2023). There are differences. While the crowdsourced couriers tend to mobilize at a larger scale, the outsourced workers often keep their actions smaller, usually limited to the scale of their stations – no more than 100 persons, and low-profiled. The only exception by far was the outsourced couriers' collective action in April 2023, in which couriers mobilized in many stations of Shanwei city, Guangdong province, and stopped all the delivery services in the whole city. With few but distinctive exceptions, most collective incidents were unknown to the public. Among them, most actions were organized by crowdsourced couriers, although the resistance of outsourced couriers may have occurred more frequently. Despite of the differences in form and frequency, the food-delivery couriers' collective actions share some important similarities.

One of the common contexts is the technological monitoring of the platforms. The platforms could check couriers' whereabouts whenever they log into the APP. For outsourced couriers, their supervisors, besides all other management tasks, constantly keep an eye on "emergent incidents", meaning stoppage, protest, or any other collective labor actions. The supervisors are obliged to report to their agency bosses and the platforms as well as handle them immediately. At the broader level, the political environment, particularly the internet censorship, rarely allows reports on workers' collective actions. Therefore, some overseas organizations usually collect information posted on informal channels and social media, such as Tiktok, Weibo, and Baitu tieba, to construct databases, which are not complete or accurate but at least offer an overall impression of the "myth".

The first recorded collective action happened in 2016. The year of 2016 marked a peak of the market competition in the food-delivery sector. Many platforms attempted to use subsidies, awards, and other methods to recruit more couriers in order to expand their market shares. During the competition, many smaller-scaled platform firms closed down, and eventually an oligopoly of three companies, Meituan, Ele.me, and Baidu Waimai, won out and split the market. The first collective action, amongst high demand of labor, occurred. Since then, the overseas database recorded more than 140 collective actions on Chinese food-delivery platforms. The market competition further escalated in 2018, when the platforms shortened delivery times, imposed higher fines, and reduced piece pay rates. These measures aggravated labor-capital tensions, making 2018 a peak year of collective actions. Collective actions in 2018 alone accounted for two thirds of all actions from 2016 to 2023.

All the food-delivery couriers' collective actions share at least three common features. First, they are all self-organized, mainly or partly mobilizing through Wechat or other social media. Second, they tend to be small scaled and last only very short time. In particular, the outsourced stations usually have dozens of workers, which are much smaller than typical factories, and the influence of labor actions is also limited. Finally, the couriers' actions, both for crowdsourcing and outsourcing, are typically wage-centered, such as wage arrears, reduced piece rates, changes of subsidies, and fines. Other grievances such as delivery time, order allocation, and labor relations, are either indirectly related to their incomes or raised together with wage issues as additional requests.

Wage arrears usually occur in the outsourcing model. As crowdsourced couriers receive pay for each order, they could withdraw the payment from the apps any time. However, outsourced couriers are paid monthly – their wages would go through the platform, the agency, and the station before reaching their own pockets. Thus, if any of the other parties have financial difficulties, wage payment may be delayed. Collective actions on rear wages took place in all kinds of platforms before, and workers may struggle against the platforms as well as the agencies and their specific stations.

Reducing the pay rates is another common cause for collective actions. On many platforms, the average piece rate has dropped compared to that at the beginning of the market competition, e.g., from an average of 8 RMB per order to only 3 or 4 RMB. Additionally, some agencies set up new progressive rates. For instance, Meituan couriers in Anhui province in 2019 protested against this. "In the past, if one delivers fewer than 1100 orders, the piece rate was 4 RMB, if between 1100 to 1500, the rate was 4.5, and if higher, the rate was 5. However, the new scale states that the rate would be 3 RMB if below 600 orders, 4 RMB for between 601 to 1200 orders… Since most of us could only delivery around 1400 orders, we would lose 600 RMB per month".

In addition, couriers also complain about fines and subsidy changes, together with reduced pay rates. Compared to the crowdsourcing model, the outsourcing model has stricter rules and higher fines. Crowdsourced couriers, if exceeding the delivery times or damaging the product, may be fined by the platform system, but the fine would usually not be higher than the pay for this very order. However, fines often become a disciplinary tool of the agencies and their stations. The platform has set up several layers of fine mechanism – the platforms fine the agencies, the agencies fine the stations, at the end, the station supervisors fine the couriers. It means an outsourced courier may suffer from a fine that equals to his wage for one day or even several days – it may vary from 100 to 2000 RMB. In some cases, a courier was fined 2000 RMB because of quarreling with the boss, and another complained about a total of more than 4000 RMB of fines in half a year. Other requests involve reduced or canceled subsidies for bad weathers such as storms, coldness, high-temperatures, and social insurances. The latter has been a focus in the academia and among policymakers, but currently, some workers are not satisfied about it, but they do not act on it.

4. The role of and interaction among workers, employers, and the state

4.1 How do workers act?

In practice, couriers tend to act only under certain conditions. Most couriers follow the platform changing rules, even though the rules are getting stricter, and their pay is not increasing as they would like. However, it does not mean that workers simply obey everything. They also develop their own tactics trying to make daily work tolerable. The platforms, with digital technologies and strict rules, are far from keeping everything under control, but local situations vary greatly. For instance, some couriers learn to compete for easy orders, e.g., taking several orders on the same route, or avoiding slow-preparing restaurants or demanding customers. Only when many couriers felt that they shared a similar problem under a new rule and this problem would seriously harm them, the couriers may act against it. For instance, in a strike we observed in K store, all of the 20 station couriers were disappointed over the reduction of piece rates, in addition to the already shrinking order numbers. Worrying of low incomes, they raised voice and eventually acted.

For outsourced couriers, the preparation and mobilization process has been based on their frequent daily contact, which makes solidarity relatively easier than crowdsourced couriers who rarely see or even know each other. In K store, couriers started to complain about the new rule, hoping that their supervisors could communicate their messages to the agency and restaurant. The supervisor was hesitating. After a few times talking with the supervisor, they realized that it would not work and accordingly started to mobilize. Rather than being "atomized or cellularized" as most crowdsourced couriers, outsourced couriers frequently gather near certain restaurants while waiting for new orders, or at their stations. They often chat, play cards, or team up for video games on cellphones. Some couriers live together in dormitories or rent rooms together, and they often eat and spend resting time together. Although their work is atomized, the outsourced couriers were not.

In many cases, some workers realize their shared grievances, then start to mobilize their friends and colleagues, and eventually initiate actions. In other word, they have some bargaining power, e.g., by interrupting the delivery process and through informal association, and actively use it to form solidarity among their peers, when they deem necessary. Throughout the process, the couriers actively use the online communication tool to facilitate their offline actions.

WeChat is the dominant chatting tool for Chinese people today, so, naturally, it also becomes a main channel for couriers to communicate and keep daily contact with each other. They do not only have individual WeChat friends, but also chat groups, such as the group for couriers in the same city, group for friends and acquiescent, and group for outsourced stations. In every city, some new businesses developed to engage in profitable activities in this sector, e.g., to help couriers get health certificates, and some of these businesspeople set up couriers' groups for the city. These groups have very low entry requirements, no matter one is a crowdsourced or an outsourced courier, or anyone who wants to become a courier. However, the WeChat company has a rule that each group can only have a maximum of 500 persons, so there are usually many groups for a city. Couriers do not usually know each other in such groups, but they may share information about deliveries or just chat about anything. In smaller groups, couriers may only include friends or someone they know offline. Station groups are mostly set up by the station supervisors and mainly for work purposes, some including the restaurant managers while others not. The supervisors plan work schedules, announce new rules, and arrange daily work

in these groups, and couriers report their work or any unusual situations and get the feedback or help from the supervisors. Workers do not usually use the work groups to communicate during collective actions, but their regular interactions in such groups at least help them to build "weak ties".

Before and during collective actions, couriers talk to each other in their informal WeChat groups, but also make use of the platform system. In a few larger-scaled actions, couriers who were familiar with the platform software knew that customers could edit ordering information on the system, so they announced the details of their planned actions through the platforms' customer interface. For instance, in June 2018, some couriers in Hefei city made several orders on the Meituan platform. In the orders, they filled the information of the time, location, number of strikers on the ordering form – in the picking up part, it was written "tomorrow all 'strikers' gather at xx restaurant; about 1000 persons will be there; come before 10am"; and in the receiving locations, "see you all at xx restaurant; 'curse' those who continue to deliver". In order to broaden the scope and influence of their actions, some couriers also flexibly use other digital channels. In some cases, couriers contacted internet influencers, or by themselves, to spread news through Weibo, Tiktok, and Baidu Tieba.

4.2 How do employers respond?

In most collective actions, couriers have clear claims – they mainly want to maintain or improve their wages and other working conditions. They act in order to get attention from the platform and perhaps the government to help deal with their difficulties.

The platforms and their agencies would immediately respond. In reality, the majority of the couriers' collective actions emerged spontaneously and disappeared quickly. The platforms could rapidly notice the abnormal data following the stoppage of deliveries, but they may not identify it as a collective action because there might be many other causes. The role of the supervisors is crucial, particularly for outsourced stations and increasingly also for the crowdsourcing model.

In the case of K store, workers' action only lasted a few hours, but the supervisors, the restaurant, the agency and the platform's regional management were all shocked by it. The supervisor of the station knew the occurrence immediately and arrived at the restaurant within 10 minutes. The regional manager also arrived in half an hour. The station supervisor did not simply force the workers to come back to work, instead, he started to contact couriers in the work group, asking them what happened. After striking couriers, who gathered at a place close to the K store, refused to answer, the supervisor urgently allocated several couriers from a nearby station to carry on the delivery tasks. When the couriers came back to work, the supervisor took a "mild" method – he did not fire them but informed several active ones to rest. In the next days, he arranged other couriers who expressed regret to other stations and kept the rest of the workforce busy. The workers were divided. Eventually, the active ones, who initiated the action at the beginning, left the station and became crowdsourced couriers. Clearly, the supervisor was experienced in dealing with similar cases. In the following months, the supervisor and other management constantly checked couriers' locations and delivery status. As long as there was any abnormal signal, they reminded everyone in the WeChat work groups.

It is important to note that the employers' response was not just fast but also very quiet. When a collective action occurs, the agency is most nervous – they worry about the negative impact on the platform and restaurant brands and consequently their own contracts. The resolution of the labor conflict has been kept very secretly and information is "locked down". In the case of the K store,

the supervisor never mentioned a word about this strike in the group chat or other written documents, and later the management also reminded couriers not to mention to anyone. In fact, the couriers in other stores that this same supervisor works do not even know anything about it. It is likely that the big labor platforms may have more negative information about labor rights and interests, but the tactics of the agencies and supervisors in dealing with labor conflicts could be a significant variable to disguise it.

4.3 Would regulatory policies help?

In many cases, couriers seek for help from the local governments. The resolution of labor conflict is not just a labor-capital interaction but an important part of the state function. In August 2019, Eleme couriers in Deyang, Sichuan struggled against their platform over reared wages, and they went to local government departments and labor inspectorates, but did not get a solution. In April 2023, Meituan couriers in Shanwei, Guangdong, stopped work because of reduced piece rates and cancellation of multiple subsidies. While the supervisors started to disable couriers' accounts, Meituan also allocated many couriers from other cities. The official trade union expressed concerns of couriers' rights and interests. After a week, the outsourced agencies compromised to the requests of the strikers and promised to "build a dialogue mechanism with couriers".

In the K store case that we observed closely, several strikers also looked for help from the local governments. They did not know which departments would be the best for this, so they went to the street-level administration. Four couriers, as the representative of others, called the street administration the next day of the strike. The official told them to meet together with the supervisor and the agency managers and negotiate a resolution next week. Nevertheless, the negotiation did not work because the workers believed that "the bosses were very tough, and the street officials were on their side".

It is unclear whether the grassroots officials could actively involve in resolving labor conflicts of the platforms, but at the central and provincial/municipal level the policy-makers have been proactive. In terms of law and policy, the national labor law has clear stipulations about wage arrears, but no clauses on the wage standards, except minimum wages. In this sense, for most of the wage standard claims, there is no law to follow.

More importantly, the platform economy is a new economy with new forms of employment that academia has debated for long whether the existing law and policies could directly apply. Accordingly, since 2014, especially after 2021, tens of new policies were promulgated at the central level to specifically target at the new forms of employment. As an article about the hardship of food-delivery couriers went viral in September 2020, at least three important opinions or guidance were issued by different ministries in 2021. In these new policies, the most frequently appearing words are platform, employer, internet, transaction, market, service, economy, employment, development, and enterprise. "Worker" came at No. 11.

Employment creation and labor protection are two main areas that the policies focus on. Primarily, the platform economy has been expanding and brought about many new jobs, no matter of the terms and conditions. The capability of job creation at least absorbed many people who lost their way of living in traditional sectors. Accordingly, many policies support the expansion of new economy and new forms of employment. For instance, the state council issued "Opinions on supporting flexible employment through multiple channels" in July 2020. At the same time, the increasing social concerns about ride-hailing drivers, food-delivery couriers and other platform labor also made labor protection a major issue on the policy agenda. The national "Safe Production Law" amended in June 2021 stipulated that "new economies such as the platform economy shall build and implement

safety mechanisms in production and strengthen the education and training of the employees, according to the sectoral characteristics". The ministry of human resource and social security, together with other seven ministries, also passed a new policy to emphasize fair employment, wages and compensation, rest, safety, and social insurances for new forms of workers. In particular, it introduced a new occupational injury insurance for flexible forms of workers and started to implement the system in several pilot cities. Additionally, the ACFTU also have new policies to organize platform workers into the unions.

Nevertheless, there is some distance from the law and policy on paper to the front line where ordinary platform workers could experience the changes. The main policy changes are on labor contract, social insurance, and wage payment. Most couriers, when they heard about these new policies, would embrace such policies. But in the meantime, they often stated that they did not have such "privilege" and doubt about its feasibility.

In the end of 2022, we interviewed more than 30 couriers in two cities in Guangdong, a small-scale survey, but covering different samples from downtown to suburb districts, from different platforms, working part-time or full-time, experienced or newly entered. Although these couriers had very different experiences and divergent opinions on many specific questions regarding work and life, they share strikingly similar ideas about the new policies and whether these policies had improved their conditions. Most of them were not optimistic.

When asked about whether signing a labor contract or having social insurance, the majority of the couriers clearly answered "no". A few mentioned that they signed something online, but no one read it through "because it was very long" or "I had no time". The effect of such agreement, if existing, was also unknown. For most front-line couriers, some may have rural insurances or alike, but no one had social insurances based on their delivery work. In a word, there has been no visible difference on the top two policy issues.

Wages are the most important concern of workers as well as the major cause for collective actions. For the couriers who had two years of experience, they may receive 8-9000 RMB per month if working 12 hours per day, and they should pay 600 for renting the electric bike and 350 for batteries. Many complained about a recent price deduction, "the rates are particularly low this year", "for the same incomes, if you work 12 hours in the past, now you must do 15 or 16 hours – and it cannot guarantee". Apparently, while workers still focus on their wages, the problem has been substantially untouched by the new policies.

In fact, many couriers were not sure what policies existed. They didn't really care, or more accurately, they had no energy to care. They doubt that "how can the government intervene?", "what does it matter with us?" The government departments or officials they dealt with in practice was mainly the traffic police, who usually educated them or punished them. So, they did not want such interactions. As to unions or union services, crowdsourced couriers almost never heard of "what?", "never heard of anything like that in so many years"… Only for a few couriers who used to work in factories, they said "yes, but not after I became a courier", "how can we have it now – we are only working for a platform". Relatively speaking, outsourced couriers heard about the unions more: "from the news", "one day someone came to give us a few blankets", "I had some drinks". Nevertheless, some couriers felt those were not very useful, "I don't need a few drinks", "I have no time to attend. I just come here to make money…"

What types of policies do the couriers need? Mostly they want direct answers to their practical problems. Some talked about income – they want piece rate be

more reasonable and no longer bear so many costs on themselves. For instance, the accident insurance, 3 rmb a day, is on them. Others mentioned safety issues – essentially, they wanted the delivery time to be longer: "in the past one order had 30 minutes, but now 23 minutes only" "if one order is delayed, all the following orders will have trouble"…

Some couriers have doubts about trade union and policies because they felt the platforms were too powerful, or too tactic that they may just transfer the legal costs to workers. At the same time, some expected the government to help ordinary people. For instance, a courier mentioned that only a systematic solution could actually solve the labor problem – not toward a single platform but "all people have high income and pay high taxes, then everyone can be guaranteed a life, and every child can go to school. Then things can be fair."

5. Conclusion

By far, the platform economy in China has been expanding and many labor problems emerged. The organizational models and worker agency on the Chinese food delivery platforms have unique features. At the same time, the central state and some local governments have responded rather rapidly. However, labor conflicts, including collective actions, have still emerged and the core problems are untouched by the new policies. In particular, wage related issues are the core concerns of workers, both for daily grievances and open actions. In this sense, collective labor mechanisms such as meaningful unionism and collective bargaining, are inevitable topic for the policymakers and the trade unions in China.

About the Authors

Siqi Luo, Associate Professor, School of Government at Sun Yat-sen University

Bo Zhao, Post-Doc Researcher, Fudan University

Imprint

Shanghai Representative Office
Bella's Tower, 7th Floor, 705
1325 Huaihai Zhong Lu, Xuhui District
200031 Shanghai, PR China

Responsible:
Benjamin Reichenbach | Resident Director

T +86-21-6431 0026
https://china.fes.de

To order the publication:
info@fes-shanghai.org

Cover Image Credits: 500px / 一诚

Friedrich-Ebert-Stiftung (FES) is the oldest political foundation in Germany with a rich tradition in social democracy dating back to its foundation in 1925. The foundation owes its formation and its mission to the political legacy of its namesake Friedrich Ebert, the first democratically elected German President.

The FES Shanghai Representative office was founded in 1985 and works with long-standing Chinese partners, like universities and think tanks, focusing on the areas of European Chinese economic relations, international climate policy and geopolitics. In the context of a geopolitically contested global order topics like trade relations, industrial transformation and digitalization are at the heart of the project, with the aim of a constructive and critical dialogue between political stakeholders of German social democracy and Chinese partners in Shanghai and southern China.