



Food Delivery Workers in China

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Abstract

As digital platforms have become increasingly important in China, food delivery service has grown exponentially, constituting millions of workers. This study examines the labor conditions of two Chinese food delivery platforms: Ele.me and Meituan as well as analyzes the exploitative nature of the platforms and the agency of workers. It first provides an overview of the platform-based food delivery industry. Workers enjoyed the built-in flexibility the platforms offered, but are subjected to algorithmic control of the platforms. Couriers have the autonomy to master the rules and make a relatively decent livelihood compared with working in the factories, becoming increasingly dependent on the platforms. An increasing number of workers joining has instead resulted in a volatile economic outcome and faced with insufficient social security when the platform companies try to minimize profits. The lack of legal protections and social security from the platforms makes couriers highly precarious as the platform companies outsourced labor recruitment to third-party specialized staffing agencies and employed little personalized management towards workers. Based on this, this article tries to raise and understand the question: under what conditions does labor politics lead to collective resistance in China's food-delivery platform economy? The "platform architecture" may help shed light on these doubts. Couriers may consider their work relations exploitative, which sometimes results in collective action, despite atomization and individualisation of makes mobilization harder. Workers found self-help alliances on WeChat and engage in small-scale strikes. However, these strikes fail to properly promote their interests in the increasingly strict political constraints.

Keywords: Platform Economy; Gig Economy; Delivery Workers; Informal Workers; Algorithmic Control; Labor Unrest; Collective Action; China.

Introduction:

The informal economy has been the engine of domestic economic growth in China. Often characterised by an unorganized and ill-educated workforce, the informal economy falls beyond the scope of governmental regulations. The dynamic and flexible nature of the informal economy has created jobs that can meet global demand for labor at lower wages and rapid urbanization all over China as well (Jütting & Xenogiani, 2008). With various definitions and exercises, the informal economy is composed of a heterogeneous workforce, including agricultural workers, rural migrants, and laid-off employees from state-owned enterprises. They engage in diverse sectors of employment, ranging from self-employed small businessmen, contractual practitioners such as construction workers and babysitters, to current internet-based platform employees. Up to May 2021, the labor force in the informal economy has reached a scale of 200 million¹, around 1/7 of the whole population in China.

The global emergence of digital platforms has significantly changed the dynamics of economic activities. It changes the way in which companies hire, manufacturers produce, and people work. The advent of the platform economy allows employees to connect with employers via online digital platforms to finish specific tasks (Malik et al, 2021). The platform economy refers to economic activities on online platforms, where economic agents connect with each other algorithmic applications. In labour markets, flexible workers are absorbed by platforms that mediate the supply and demand of labour (Koutsimpogiorgos et al, 2020). The development of e-commerce and technology also boosts job creation, involving workers from a variety of backgrounds, from drivers to babysitters, from software engineers to designers, who sell their labor as contractual workers on platforms. With these characteristics, the platform economy is an important segment of the informal economy. Informal jobs refer to work outside the regulatory framework which is not subject to labor legislation, social protection, taxes, or employment benefits. The informal sector indicates not only has a highly dynamic workforce but also offers lower wages, less security, longer working hours, and sometimes bad working conditions. The rise of digital platforms has only strengthened the existing precarity.

The term “platform economy” also overlaps with “sharing economy” or “gig economy”, with the aim of proving service to customers or moderating work between service providers and customers. The demand has made digital labour platforms flourish across the world. Under the influence of the globalized market, China is no exception. The rise of the platform economy reshapes social relations and labour practice (Sun, 2019). Gig platforms such as food-delivery (Meituan), and taxi (Didi), have greatly altered and attracted the surplus labor in the informal economy. Based on the platforms, gig employment unleashed greater flexibility, and short-term contracts and freelance work are normalized and responsive to the uncertainties of the employment market. The informal economy relates to and even supports the formal economy. Instead of being a separate sector that is disconnected from the formal economy, the platform economy is intertwined with the formal economy. With the trend of rural peasants migrating to the city, the informal sector is integrated into the economy, acting as a huge labour reservoir (Jütting and Xenogiani, 2008). In this article, we focus on food-delivery apps and deliverymen in China as our discussion of the gig economy in the development sector.

Old precarity in the new disguise

Food delivery services have been widespread in China as a result of the slowed economic growth rates (Lei, 2021) and the influx of venture capital (Sun et al, 2021). Meanwhile, with

the government's continuous endeavours to upgrade and diversify the industrial structure (Sun et al 2021 & Huang 2021), migrant workers discharged from factories have become the labour pool.

According to Lei (2021), State Council shows that the platform economy is one of the main sources of attracting surplus labor since 2014. Food delivery services increased exponentially with regard to the growth of on-demand economic activity in China. China's online food-delivery market emerged in 2009 and has expanded since around 2015. The market is highly concentrated, dominated by two companies, Meituan and Ele.me. (Sun 2019, Lei 2021, Doorn & Chen, 2021), jointly control over 90% of the food delivery market in China (Doorn & Chen, 2021). Meituan shows that on its platform alone, active deliverymen exceed one million, and daily orders have reached 38.9 million on averageⁱⁱ by August 2021. More than 600 million users, roughly half of the Chinese population are using this app. Until 2021, food-delivery platforms have 7.7 million deliverymen registered altogetherⁱⁱⁱ.

As the platform economy escalates, socioeconomic consequences have surfaced. Lacking stability, the employment threshold is low. Workers who have an electric motorbike can be employed and deliver food or groceries for unlimited hours. Couriers can be characterized into different types: platform-employed, outsourced, crowdsourced and restaurant-employed delivery workers (Sun et al, 2021). The gig employment not only provides jobs to those who wish to take part-time work but also became a source of income for the low-skilled workers. The restrictions set by the hukou system (household registration) that divides urban and rural people have led to a segregated labor force. Rural migrants are deprived of urban social benefits and act as a cheap labor force in capital accumulation (Huang, 2021). In 2018, 77% of the delivery workers are from rural areas and 25% come from poverty-stricken areas (Xiao, 2019). The magnitude of the market and the number of workers represent the precarious mass (Huang, 2021). In addition, according to ILO (Zhou, 2020), important characteristics that set China's case apart from its counterparts include a full-time working schedule and workers' economic dependence on the platform. The report also shows that 74.5% of workers take it as a full-time job, and 42.9% work more than a year. 43% of couriers regard this as their only source of income. These attributes have made the gig economy more urgent and important in the context of China.

Platforms constitute a distinct type of work organisation and governance mechanism that reflects the institutional landscape (Huang, 2022). All their work, including assignments, performances, and evaluations, is set in the food delivery mobile application (Sun, 2019). Algorithmic control is what lies behind this process and is essential in the operation of online labour platforms (Wood et al, 2019). Algorithmic management techniques often offer workers high levels of flexibility and autonomy. However, the same mechanisms of control can also result in self-exploitation such as working irregular hours and overwork (Wood et al, 2019). In addition to supervising and assessing couriers' performance, the control also includes automatically assigning tasks based on performance metrics. The algorithms have made the platform economy possible by linking consumption, service provision, and delivery together. Labors have been interlinked together by new digital platforms, and the algorithms have been pushed from the backstage to the frontline. The platforms incentivize drivers to work during specific hours by linking bonuses and income guarantees to certain times and days, further reducing worker flexibility (Ravenelle 2019). The targets set by these platforms are difficult to meet. Every order that the courier fulfills will be uploaded to the cloud data of the platforms as part of the big data. Workers' income is directly linked to their orders. To complete the order in time and to get more rewards, the number of accidents has increased. The algorithm in the order dispatching system of the platforms prevented delivery workers from controlling their time, so many have to work longer times and have less time for social reproduction (Sun, 2019).

Why do so many couriers choose this job despite the algorithmic control? On one hand, as argued by Jütting and Xenogiani (2008), a share of informal employment is voluntarily chosen and may offer benefits to certain individuals. In China, 17.2% (Zhou, 2021) of delivery workers choose this job because it is "flexible". This flexibility refers to couriers' autonomy in determining their work location and schedule (Sun et al, 2021). They can choose where to stay and work, and gig workers are not required to work a minimum amount of time. Flexibility is also enabled by algorithmic control and management (Chan, 2021). With the uncertain number of food orders and piece rates of each order, crowdsourced workers' minimum earnings are not guaranteed. On the other hand, workers can master and take advantage of the rules of platforms.

'Gamification' is also central to the running of platforms and its control over couriers. The notion of "gamification" entails applying game systems to the life or working domain, in order to enhance or curtail work (Woodcock & Johnson, 2018). In this case, food delivery can be understood as an 'activity system' that is deconstructed, mapped, and modeled in a certain methodology (Doorn & Chen, 2021). The acts of couriers arriving at, collecting the dish prepared by the restaurants, and delivering it to the customers will need to notify the platform. In addition, bonus pay schemes encourage couriers to continuously challenge and hit bonus targets. The crowdsourced riders can grab and choose orders instead of being dispatched. The more orders they grab, the more bonuses they can get. The platforms stimulate riders to deliver as many orders as possible (Sun, 2019). This labor process gamification can be described by the term 'Grab-and-Stack' (Doorn & Chen, 2021). For platform workers and independent contractors, their orders are dispatched by the platforms, and their bonuses will be determined by achieving certain levels (Sun, 2019). Under the gamified mode, workers are thus incentivized to fulfill more orders if they desire to earn higher wages.

While promising flexibility, the platform economy is actually restoring to an earlier industrial age where workers face high levels of precarity without a safety net (Ranevella 2019). Although new technologies and platforms offer couriers flexible working schedules and higher earnings compared with factories, couriers work for long hours with unstable income and insecurity. The identity of being rural workers makes the matter complicated when they are excluded from the social protection rights in urban cities. The flexibility that delivery workers used to enjoy has been decreasing, a process that is called "de-flexibilisation" (Sun & Chen & Rani, 2021), as the work is likely to become a full-time job with a fixed schedule, the increasing algorithmic discipline control, and the continued long working hours on these platforms.

In COVID, the politics of platforms have changed accordingly. The food delivery apps and their workers are pivotal to maintaining a normal pace of life in the lockdown. The country prioritized delivery services^{iv}. Pieces of policies were introduced to ensure the smooth delivery to the people, which is one of the few times that delivery workers are supported by the government.

Mostly, they face uncertainty and vulnerability in the work. According to Jutting (2008), Informal work is characterised by higher uncertainty in terms of income flows as well as renewal of unwritten and oral contracts and may be associated with higher unemployment risk. Informal activities are often temporal and more dependent on weather conditions. They also lack social protection and other basic benefits such as unemployment benefits, sick leave, and social protection. Public social security such as accidents, health, and pensions is beyond reach. Without access to developed social security mechanisms, informal economy workers are particularly vulnerable and face increasingly severe risks (Jütting and de Laiglesia, 2009). Like informal sector workers, delivery workers tend to perform self-exploitation by working longer hours because it can increase their income. As ILO (2020) demonstrates, workers

generally earned more than manufacturing workers, whose wages are 30 percent lower than platform workers in certain provinces. Higher income requires longer working hours, which in part results in income instability. Also, they are often exposed to occupational hazards and work accidents. In Shenzhen, there are 12,000 traffic violations related to delivery workers, accounting for 10% of the total number of non-motor vehicle violations in August 2020 alone.^v Because unions and workers' associations tend to be less powerful than those in the formal sector, workers' rights are not always protected. Contractual employment also means that workers don't have a chance of accessing formal training or career development.

In the neoliberalism era when individuals are responsible for their prosperity as the state retrieves back, the informal economy is central to development. In an economic downturn such as COVID, delivery service absorbs a huge surplus of the labor force from the manufacturing sector, which came to a sudden halt due. In 2020, within two months' time, couriers increased by 580,000, among whom 40% are manufacturing workers^{vi}. Despite the growth of the delivery industry, the precarity of drivers' work is amplified by the pandemic, resulting in surging work insecurity and financial instability (Huang, 2021). The platforms profit from having a large potential workforce who are ready and willing to commit themselves to meet the increasing and flexible demands of potential clients (Ravenelle 2019).

It can be seen that new technologies facilitate the job market and improve wages for workers. However, workers might otherwise find themselves vulnerable to physical, social, and economic risks and exploitation. As a new economic activity, the platform economy offers job opportunities to workers, yet as an organizational structure, it creates new precarity as well. The precarity was further made by the high risks of accidents. With no access to health care in the city, the injured migrant workers left for their home villages.

Fragmented labor relations

The platforms' management and the absence of state protection led to couriers' precarity. However, the informal work-labor relationship happened historically in manufacturing industries to reduce labor costs by evading responsibilities (Sun et al, 2021). To obtain a higher share of the market, the platform companies further undermined workers' rights and worsened the working condition by the labor management practice. Most platforms in China regard their workers as self-employed, thus under a contract-for-service relationship (Zhou, 2021). When the accidents happened, it is hard to find out the recruiters to be responsible for their work injuries.

The indifferent algorithm is not the only tool that entraps couriers. The fragmented web of labor relations can be more harmful. The use of third-party labor agencies has been a loophole in the regulation of platform companies (Doorn & Chen, 2021). The platforms devolved risks by hiring third-party agencies and shirking off their responsibilities. In other words, platforms purchase labor services from a specialized company instead of directly establishing employer-employee contracts with couriers (Huang, 2021). They also adopt different models to recruit laborers and avoid the responsibilities of providing social security. As the platform services have grown and proliferated, the frontline workers' financial gains and workplace protections have been debased (Ravenelle 2019). According to Zhicheng's report (2021), platforms stripped away and separated the costs and couriers' employment risks. Through a series of superficial legal arrangements and cooperation with distributors, crowdsourcing service companies, and flexible employment platforms, the delivery workers' labor relations have been torn apart, thus violating their rights.

The fragmented labor relationships can be understood by the concept of "platform architecture" (Lei, 2021). The labor relationships have deteriorated by the interplays of technological, legal, and organizational aspects of control and management. Delivery workers cannot negotiate with the automated management of the platform, which focused only on the operational and organizational structure instead of on workers. Within the gig platform, the three dimensions reinforce one another, which has led to the intensification of complaints. The labor relationship does not exist for the company that recruited the worker, which means that he couldn't have any work injury compensation once there is an accident (Zhicheng, 2021).

This practice not only infringes on the rights and interests of delivery workers but also undermines China's labor and employment legal system. Currently, the state has not tackled new labor problems that emerged in the platform economy.

Collective action in the neoauthoritarian regime

As the informality of the delivery workers exist and this trend will continue in the foreseeable future, workers' rights are critical to addressing their insecurities imposed by the exploitation of the platforms. Among the four pillars of Decent Work to make the informality more formal suggested by ILO, "rights" is a means that provides space for collective action. According to Lei (2021), algorithmic control in the platform economy triggers couriers' concerted objection and their collective action against platform companies in Europe.

However, China is characterized as the "despotic Leviathan" (Acemoglu and Robinson, 2019), where the state is too strong while the civil society cannot exercise supervision or restraint. Without legal protections over the food delivery sector, delivery workers are struggling for livelihood (Chan, 2021). While solutions to social protection are not given from above or from recruiters, delivery workers seek to find a way out themselves. However, the labour union in China functions only as a space to distribute things such as festival gifts for workers, instead of fighting for workers' rights. Besides, labor movements are under strict surveillance and repression by the government (Huang, 2021). To make matters worse, the flexibility and dispersion of the couriers mean that they are often not unionized. Consequently, their weak bargaining power further brings about precarious work relations (Sun et al, 2021).

Despite China practicing neoauthoritarianism (Li, 2015), labor disputes and strikes have been endemic (Elfstrom 2021, Lei 2021). The lack of platforms to file and address complaints and protect workers' rights has led to protests against the platforms. Despite there being many obstacles to collective action, strikes and protests organized by couriers have attempted to bring about positive changes in the limited space for protecting their rights. The platforms focus on managing the system rather than couriers, which provides free spaces for collective action (Lei, 2021).

A deliveryman Chen Guojiang has started the "Delivery Riders Alliance" to provide a platform for delivery workers to help each other. He has created 16 WeChat groups among couriers based in Beijing, and the number of workers involved surpassed 14,000^{vii}. These delivery men gather when they need legal or material aid or when it organizes some educational activities that are tailored to workers. In a struggle to challenge lower wages and deteriorating working conditions, Chen posted a video on Sina, the Twitter counterpart in China to express their grievances, but later he was detained as alleged by the police of intending to "pick quarrels and provoke trouble"^{viii}. The alliance came to an end. The resistance was meant to affect platforms' regulation of couriers' benefits, yet the current administration used repression to resolve challenges (Elfstrom, 2021). Without a strong labor union, the atomic and

individualized nature of independent service contracting remains largely unchanged (Chan, 2021).

According to Shami (2012), the bargaining power of the service provider and receiver determines the rate of the public goods and services. Despite the size and the scope of the gig labour market in China, the bargaining power of the workers is low, whereas the service provider is unregulated by the state. Without checks and balances in the society, the state becomes a “despotic Leviathan” (Acemoglu & Robinson, 2012) by further cracking down right lawyers. With the absence of NGOs and the presence of repressive state power, the precarity of workers will be increasing.

Conclusion:

Digital labour platforms will continue to have a broad and comprehensive impact (Zhou, 2020) on the economic, social, and national aspects. Food delivery workers constitute part of the urban setting, and the informal economy will stay with us in the future (ILO 2013, Jütting and Xenogiani 2008). The Gig economy itself seems like an advancement. It has created a lot of jobs and technology provides flexibility for clients and increases workers' autonomy. Yet it came at a cost of increasing economic insecurity and worker vulnerability (Ranevella 2019). Workers are contingent upon complex algorithms that distribute orders from the front and determine their presence in site searches and task assignments.

A reexamination and reevaluation of the platforms and their workers are necessary, as they will influence the labor politics, labor relations, and the transformation of Chinese society. However, as shown above, the flexibility and freedom promoted by the platforms are restricted (Chan, 2021). The platform economy will continue to weaken workers' rights and protections if no measures have been taken to solve the current situation.

When we plan for the future of e-commerce, technology, and employment, we need to improve the working conditions of contractual workers, for instance, to exert supervision on the platform companies and make contracted employment for couriers to have decent work. While this sector is unproductive and employee protection is lacking, we need to recognize that realistically, as Ng'weno and Porteous (2018) put it, it's where a lot of workers are going to find their livelihoods.

Better benefits and inclusion for the workers are expected. This requires the efforts and regulations from the state, such as abandoning the rural migrants and providing access to more rights and social protection. Currently, the Chinese government is still in the initial stage of regulating platform development (Sun, 2019).

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ⁱ See: http://www.xinhuanet.com/politics/2021-05/20/c_1127467253.htm

ⁱⁱ See: https://news.stcn.com/sd/202108/t20210831_3633896.html

^{iv} See: <https://nymag.com/intelligencer/2020/04/life-after-covid-the-view-from-beijing.html>

^v See: http://www.xinhuanet.com/local/2020-09/14/c_1126492962.htm

^{vi} See: <https://news.cctv.com/2021/04/19/ARTI3Rtw9dZNiXGo9H1Dh4yk210419.shtml>

^{vii} See: <https://zh.wikipedia.org/wiki/外送江湖骑手联盟>

^{viii} See: <https://zh.wikipedia.org/wiki/陈国江案>