

**Thesis title: Factory Regime of Duty Contractor under Platform  
Capitalism: an Example of Chinese Logistics Industry**

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**Abstract:** In this thesis, by doing ethnographic fieldwork at two courier stations, I put forward a concept of factory regime of duty contractor to better understand the production politics of informality in the third-party logistics companies under the demand of the booming platform economy. As pointed out by Burawoy(1985), the factory regime should be examined with regards to four factors: labour process, reproduction of labour power, market competitions among firms and the state intervention. Within the framework composed of these four dimensions, I examine the production politics in the courier sector and conclude that: first, as a result of the fierce market competition, intention to lower the labour cost and the characteristics of the work itself, the courier worker is organized by the capital both as an employee and a contractor, which indicates the tension of loose labour control and intensified labour control ; secondly, the first point may contribute to the discussion of the separation of the execution of work and the conception of work in an informal work sector; thirdly, such a concept indicates a self-motivated and self-responsible ideology; fourthly, the state's public governance may have a direct impact on the worker's condition, so as to the factory regime. The state intervention of an authoritarian regime, in the case of courier sector, may be the key factor to trigger the collective resistance of the workers.

**Key Words:** factory regime, duty contractors, informal employment, platform capitalism, logistics, courier workers

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## Introduction

Online shopping has already become a new fashion in China. Accompanied by the boom of E-commerce, a great demand for courier services has been generated, making courier services an increasingly important sector in the logistics industry. While online platforms connect the customers and individual merchants virtually by providing online previews of the goods and transactional channels; the logistics companies physically connect the purchasers and the sellers by transferring commodities. According to the State Post Bureau of China, the total amount of the courier parcels delivered in 2018 exceeds 50 billion (People's Daily, 2018). In China, there are E-commerce platforms like Jingdong, who builds their own logistics system (including the warehouses, transport fleets, courier sectors) as Amazon does, and also platforms like Alibaba, who relies on the third-party logistics companies to fulfill the delivery. According to a report (Ali Institute, & Beijing Jiaotong University, 2016), there were more than 2.03 million workers working in the third-party logistics companies that provide services for E-commerce in 2016 in China (including courier workers, warehouse workers, truck drivers, customer service, frontline managers, and manager in the headquarters), among whom the courier workers account for 1.18 million. Another report in 2018(CBNDATA, & Suningyigou, 2018) shows that the total number of workers engaged in the third-party logistics industry has a 50% rise compared to that of 2016 and reaches 3 million(CBNDATA, & Suningyigou,2018). As the number of workers contributing to E-commerce is growing, it is increasingly important to study the labour-capital relation under such digital economy. Furthermore, most studies in the Chinese

logistics industry are from the perspective of management science and laws on how to improve the efficiency of the delivery or legal issues caused by the informal employment in the industry with little attention paid to the condition of the workers. Thus, my thesis is aimed to fill in this gap.

As the courier workers take up the largest part of the employees in the logistics industry and most of them are employed informally, I will focus on the courier workers in China in this thesis. I refer the informal courier workers to those who are engaged in the courier stations scattering around China with an informal-employed status. Therefore, in this thesis, by doing ethnographic fieldwork at two courier stations and having interviews with the courier workers, I put forward a concept of factory regime of duty contractor to better understand the production politics of informality in the third-party logistics companies under the demand of the booming platform economy.

The contribution of my work includes three aspects:

First, my study focuses on informal employment relations in China, which can contribute to the discussion of the formation of a working class in China. Secondly, I situate my case under the prosperity of platform capitalism in contemporary China to show the macro power of capitalism in shaping the capital-labour relation. Thirdly, I use Burawoy's concept of factory regime(Burawoy,1985) in the field of informal work, which provides a useful tool to connect the micro ethnography analysis and macro process of capitalist development. I try to conclude the production politics of the workplace with a concept of "factory regime of duty contractor".

By situating the courier workers under the background of platform capitalism, I want to point out that: first, the boom of E-commerce also prospers the courier sector; secondly, it is in the interest of the platform capitalism to foster the price competition in the courier market and improve the efficiency and accuracy of the delivery, which has consequences on the labour process and leads to a factory regime of duty contractors; thirdly, the platform capitalism has a tendency to turn the workers into “independent contractors”.

As pointed out by Burawoy(1985), the factory regime should be examined with regards to four factors: labour process, reproduction of labour power, market competitions among firms and the state intervention. Within the framework composed of these four dimensions, I examine the production politics in the courier sector and conclude that: first, as a result of the fierce market competition, intention to lower the labour cost and the characteristics of the work itself, the courier worker is organized by the capital both as an employee and a contractor, which indicates the tension of loose labour control and intensified labour control ; secondly, the first point may contribute to the discussion of the separation of the execution of work and the conception of work in an informal work sector; thirdly, such a concept indicates a self-motivated and self-responsible ideology; fourthly, the state’s public governance may have a direct impact on the worker’s condition, so as to the factory regime. The state intervention of an authoritarian regime, in the case of courier sector, maybe the key factor to trigger the collective resistance of the workers.



## Background

### The Second Great Transformation and Informal Work

Burawoy called the market transformation of the former socialist countries in the late 1980s as the second great transformation, during which class structures were reshaped, class struggles intensified (Burawoy, 2000; Shen, 2006). Shen (2006) concludes that there are two paths follow the discussion of the second great transformation: one is new classical sociology traced back to Max Weber; another one is sociological Marxism following Karl Marx. The former holds a positive attitude towards market society, the later have the opposite (Shen, 2006). On the path of sociological Marxism, new social structure is believed to be produced in the process of social struggles of the working class against oppression (Polanyi, 2001).

Thus, scholars in China following the path of sociological Marxism try to understand the formation of a working class in the market society (Pan, 2018; Shen, 2006). For example, Swider (2017) argues that the working class in contemporary China is fragmentized, which includes three important fragments: a large number of informal workers; a relatively smaller number of formal but precarious workers; very few privileged workers. Thus, she argues that while the Chinese academia spends much time on the precarious industrial workers, it is also necessary to include the informal work of all kinds of forms and the resistance of the informal workers into the analysis (Swider, 2017). Informal work, as Sarah Swider (2017) concluded, is usually temporary, but not regular work, sometimes with piece-rate salary, harsh working environment,

long working hours, and low pay. The difference between informal and formal work, as many scholars agreed on is whether the worker has a formal contract with the employer, which is protected by the law or making sure the workers covered by social welfare (Chen,2012; Husmanns,2004; Swider, 2017) .

Nevertheless, there are debates on whether we should give up the dichotomy of formal and informal sector, and instead, use the concept of precarious work to understand the globalizing labour process(Standing,2014; Lee, 2019;Smith, &Pun,2018). Swider (2017) here makes a good combination by looking in the history of informal work in China. She admitted that the late modern capitalism, also called globalizing neoliberalism has increased the precarity of formal and informal employment to improve the flexibility of the labour market(standing,2014; Swider,2017). However, different from precarious work, informal work has its own origin in capitalist development in China, which has long existed since China's earliest industrialization during 1898~1949. And since China joined the global capitalist system after 1978, more new forms of precarious work have emerged(Swider, 2017). Therefore, I would like to look into the capital-labour relationship by exploring the process of the extraction of the surplus value and the labour control of the capitalists on the courier workers with the informal-employed status, which can offer some insight into the informality of work in contemporary China.

### Burawoy and the Factory Regimes

Burawoy (1985) is an important figure who revived the labour process theory by pointing out the importance of hegemony in shaping the subjectivity of the workers

during the process of production. He is the one stressing to bring workers back in the analysis and focus on the production process and the politics in the workplace. He put forward a helpful concept, “factory regimes” to better understand the capital-labour relations in different workplace, which stresses the diversities of production politics at various workplaces (Burawoy, 1985). Burawoy writes (1985, p.87), “factory regime refers to the overall political form of production, including both the political effects of the labour process and the political apparatuses of production.”. He stresses that capitalists always need to secure and obscure the extraction of surplus value during production process. By emphasizing that production does not only have economic consequences but also have ideological and political consequences (Burawoy, 1985), Burawoy successfully connects the microanalysis of the workers’ subjectivity, resistance in the workplace with the macro process of class formation under the capitalist production. Burawoy (1985) concludes four main factors that need to be examined when defining a factory regime: labour process, market competitions between firms, reproduction of labour power, and state intervention.

As pointed out by a Chinese scholar Huang Zhihui(2010), the objects of the analysis of factory regimes are always the workers with the standard employment status, who works directly under the autocratic and hegemonic system of capitalist production while ignoring those work within the capitalist system while outside the factories. These include workers like motor taxi drivers, peddlers, suburban farmers, workers in the construction business, the tertiary sector (Huang, 2010). To fill up such blank in the study of production regime in the informal economy sector, he puts forward a concept

of Self Production Regime.<sup>1</sup> Through studying informal employment in the courier sector, I feel a necessity to make a concept to illustrate the production politics of the field site.

As Swider(2017) points out the informal work also include those self-employed jobs, which are also called employment under disguise. This means that self-employed job might be the result of the employers' strategy of keeping distance with the workers by sub-contracting or using intermediaries (Swider, 2017). So here I will argue that the contractors of the courier stations, as well as the courier workers, are actually working in a labour regime that I would call factory regime of duty contractor. I consider the regime of duty contractor as one type of production regime of the informal economy.

I need to clarify that I use the term “duty contractor” different from the category of “dependent contractor” put forward by the Taylor Review of Modern Working Practices(2017). This report recommended renaming the current classification of platform workers to ‘dependent contractor’ to distinguish from the self-employed under the gig economy. It suggested replacing the minimum wage legislation with a piece rate offers, and “minimal entitlement to rights such as sick pay and holiday entitlement”. Of course, it was, as Debra Howcroft (2019) says, “heavily criticized by trade unions but

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<sup>1</sup> Self production regime, as Huang defines, is a form of production that serves for urban market system and capitalist production system, under which the labour carries out production with simple, self-purchased tools, relying solely on him/herself and him/her family members, without capital-labour or employment relationship, the supervision of the government or employer.

generally welcomed by business interests”. However, I appropriate the term “duty contractor” here with an implication of “de facto” instead of “de jure” in terms of the labour management: the courier workers are made into a duty contractor during the capitalist production to ensure the extraction of the surplus value; these workers should be legally recognized as employees who have full entitlement to the labour rights instead of as self-employed. Although the term “regime of duty contractor” might overlap with the other types of production regimes classified by Burawoy(1985), and probably not cover every aspect emphasized by Burawoy (1985), I use the term “regime of duty contractor” here with two implication: first, in terms of the production arrangement, a courier worker is a contractor and an employee with duty at the same time; secondly, such a labour-capital relation tends to be manipulated and utilized by platform capitalism.

### Platform Capitalism

Another reason for me to focus on the logistics company is that it can serve as an example of labour-capital relationship under the platform capitalism in the digital economy in China in addition to the discussion of precarious labour working for platforms like Uber. As pointed out by Srnicek (2017) , digital economy, which refers to those businesses that increasingly rely on information technology, data, and Internet for their business model, has become the most essential, dynamic and hegemonic sector in the global economy. Srnicek(2017) also emphasizes the importance to see tech companies as economics agents within a capitalist mode of production. Platform capital, Srnicek(2017) argues, always “seek out new avenues for profit, new markets, new

commodities and new means of exploitation” in order to avoid competition. This includes companies like Facebook, Uber, Amazon, Microsoft, which are becoming monopolistic companies in the respective domain with the advantage of earlier entering the market(Srnicek,2017). He (Srnicek,2017) argues that the booming of the digital economy shows a shift of capitalism turning from the declining manufacturing industry to tech companies for profit, in which data has become increasingly central to the businesses.

Srnicek develops a typology of different platform businesses based on their models of making profits. Amazon almost spans all the categories Srnicek has concluded and uses cross-subsidization strategy. He argues that cross-subsidization as the strategy to attract as many as users as possible then to ensure data attraction from them is widely used among the platform companies. Platform as a business model and digital infrastructure to extract data from people, Srnicek warns us of, has given birth to several monopolistic companies, which he believes need to be nationalized(Srnicek, 2017).

In the age of the digital economy, one of the largest changes in the labour-capital relation is brought by these platform companies. Srnicek (2017) illustrated that platforms position themselves as intermediaries that connect different groups of people including consumers, advertisers, producers, suppliers, service providers, and even physical objects. Pasquale (2016) points out that neo-liberal economists tend to speak in a positive narrative when talking about platform economy, in a way that praising them for reducing transaction costs and creating opportunities for firms and individual

to provide services. On the contrary, Pasquale(2016) put forward a counternarrative that goes against such a narrative. In Pasquale’s narrative, platform capitalism worsens the existing inequalities, like racial and gender discrimination in the labour market, and “promotes precarity by reducing the bargaining power of workers and the stability of employment”.

For lean platforms like Uber, they “outsource nearly all possible cost” and see the drivers fulfilling tasks through its platform as “independent contractors” instead of employees, who are earning a piece-rate pay without entitlement of workers’ rights (Srnicsek,2017; Berg,2016). The monopolization of such platform companies like Uber also post threats to the traditional Taxi business and erode more traditional sources of work (Howcroft,2019). Besides, crowdwork in the platform “enable exploitation of the geographical differences in skills and labour” cost(Howcroft,2019).

### Tangling Story of E-commerce Platform and Traditional Logistics Industry

In order to understand the factory regime at the courier sector in China, it is necessary to first examine the relationship between the platform capitalism and logistics companies in China by comparing it to the business model of Amazon. According to Srnicsek(2017), Amazon started as an e-commerce platform and outsourced the material aspects of exchange to others during the 1990s (Srnicsek, 2017). Later on, Amazon decided to build up its own logistics system to improve the efficiency of delivery to entice the users, thus it employs over 230,000 workers and tens of thousand seasonal workers working in the warehouses(Srnicsek, 2017). Srnicsek (2017) comments that

although Amazon doesn't profit directly by providing cheap and fast delivery, it makes revenues elsewhere when keeping users on its platform. Amazon builds up its cloud computing platform, Amazon Web Services (AWS), to handle complex logistics while establishing its logistics network. AWS rents out its cloud computing services to whoever needs it, which makes it the most profitable sector for Amazon. At the same time, AWS keeps collecting data from its clients (Srnicek,2017).

Now let us look back at the situation in China. In 2018, the GMV(Gross Merchandise Volume) of Alibaba in China's market is 768 billion dollars; the GMV of Wechat's online shopping platform, Weishang, is expected to reach one-fifth of Alibaba's in 2019 (BeautyTech.jp, 2018). However, unlike Amazon, neither Alibaba nor Weishang has established their own logistic systems (at least for now), instead, they outsource the work to the third-party logistics companies. Since Alibaba is the e-commerce platform that takes up the largest portion of Chinese e-retail market and the one has most interactions with the logistics companies, I would give it a priority in the discussion here. At first, Alibaba claimed that it did not want to set up its own logistics system. As Jack Ma, the founder and CEO of Alibaba once responded to this in an interview in the World Economic Forum in 2017, "Our GMV (Gross Merchandise Volume) last year is more than 550 billion US dollars (in 2016), to hire people to deliver the things we sold, we needed 5 million people. So how can we hire 5 million people delivering things for us? The only way we could do is (to) empower the service companies, logistics companies, making sure they are efficient, making sure that they make the money, making sure that they hire the people." However, the links between the logistics companies and the platform are much more inextricable.



The customers' experience of online shopping is essential for the platform to keep user loyalty. Therefore, one of the important tasks for platforms like Alibaba is to ensure the accuracy and efficiency of the delivery process. In order to achieve the goal, Alibaba invests a logistics platform called Cainiao, which uses cloud computing to give better solutions to logistics. In November 2018, Alibaba increases its holding of a logistics platform called Cainiao to a controlling stake in September 2017, which was seen as a move to consolidate its logistics operations. (Financial Times, 2018) Founded in 2013, Cainiao has close cooperation with the major logistics companies in China, including five major logistics companies YTO Express, ZTO Express, Best Express, STO Express, Yunda, and the others. Cainiao provides the package-tracking services to both buyers and sellers, as well as strategies of network-building and managing to the cooperated companies by connecting its cloud computing platform with the systems of other logistics companies and extracting logistics data from them. A big logistics company, Shunfeng, withdrew from the cooperation with Cainiao because it has a mature system and is unwilling to share the data with Cainiao and be controlled by it. Others become increasingly dependent on Cainiao and Alibaba. Reports (Financial Times, 2018) show that Alibaba is purchasing land for warehouses in several cities and establishing logistics facilities in the villages. Based on the data it extracted, Alibaba, as a report claims (Fenghuang, 2016), shows an ambition towards the logistics industry.

This also provides an on-going example for Srnicek's argument that platforms that own the infrastructure in the era of the digital economy are becoming a monopoly. Although achieved in a different way, the business logic behind Amazon and Alibaba are highly similar, although one thing is different, Alibaba does not have the "burden" of the

labour cost. Besides, in 2016, Cainiao connects the 200 thousand courier workers from the different logistics companies to its crowdwork platform, from which the workers can receive orders to pick up the packages that are waiting to be delivered from the clients. The packages they collect still enter the network of the worker's logistics company, which means that Cainiao only provides a platform to connect the customers and the logistics company. This also shows the active role of the platform in shaping and changing the employment relations. Will Cainiao also become a lean platform like Uber in terms of labour employment?

The clarification above of the relationships between the platform and the logistics companies intended to illustrate that the logistics companies in China are actually, and largely, operated under the influence and demand of the platform capitalism. Therefore, since the accuracy and efficiency of the couriers are crucial for E-commerce, so as for the platform capital, how does the cooperation between Cainiao and the logistics industry impact the labour regime at the workplace? How does digital management or platform capitalism contribute to this?

### the Methodology and the Field

The logistics companies in China mainly applies three business modes in their courier sectors: direct operation, franchising(contracting), cooperating with other companies. The representative company that applies direct operation is Shunfeng, who owns its own warehouses, transport fleets, distribution centers and branch network in every city they provide service for. Franchising refers to a business model that the company only

owns its mainline network, some of the transportation fleets and distribution centers, but contracts its branch stations out to individuals. Several main logistics companies, like YTO Express, ZTO Express, Best Express, STO Express, and Yunda use this model. Some other smaller logistics companies also choose the mode of cooperation by sharing their logistics facilities, like transportation fleets, distribution centers.

Different companies using different models have different employment strategies. Shunfeng basically adopts formal employment and recruits contracted employees through labour intermediaries. Workers employed in this way often have minimum wage guarantee and social security. However, companies using franchising models generally adopt informal employment. For the logistics companies, formal employment and direct operation usually mean accuracy and efficiency of the delivery, while franchise and informal employment cost much less especially in terms of labour cost.

There are surveys providing an overall picture of the logistics workers in China (Ali Institute, & Beijing Jiaotong University, 2016; CBNDATA, & Suningyigou, 2018), but there are fewer studies exploring the condition of the logistics workers in an informal employment relationship from a microanalysis perspective. Thus, I choose to focus on the courier workers with an informal-employed status working in the franchised courier stations, which are scattering around China, by doing ethnographic research among them. Burawoy's (1985) theory of factory regime provides a tool to shuttle between macro narrative and microanalysis. I make my argument with the empirical materials gathered mainly from three resources: my fieldwork research in two courier stations,

my personal experience of online shopping, and online news reports on the logistics industry and platform companies of China.

At first, when choosing my field sites, I also include courier stations of the direct-operating company Shunfeng, because I assumed there were also agency workers there, who may experience similar precariousness as the informal employees in the sub-contracting courier stations. Just as Swider argues, the boundary between formal and informal work is becoming blurring(Swider,2017). Agency workers in company-owned stations may also receive less social welfare and experience more precariousness compared to the formal workers, like the other informal workers in franchised stations do. However, when I went to one station of Shunfeng, a worker in Shunfeng's working suit refused me," We are representing our companies, so we cannot answer you any questions. Please contact our company. There is specialized staff to answer your questions." The first encounter makes me feel the workers' identity with the company and relatively formal management in companies like Shunfeng, which might make it difficult to enter the field. Thus, I compromised to focus only on the workers in the franchised stations, since the labour regime and labour management I am looking into in the workplaces of these two types of companies might somehow be different. What's more, it is better to look deep into just one type within the limited time.

Therefore I randomly picked two courier stations of two different logistics companies in the inner city of a third-tier city, Shantou. Shantou is a middle-size city in Guangdong province in south-eastern China with a population of 5.6 million in its administration

area (including rural and urban regions) by the end of 2017 (Statistical Yearbook, 2018). The third-tier city is a category of a grade system of cities in China made by the media, China Business Network (CBN). The evaluation is based on several factors including the scale of the city, the population, economic level, total GDP. A third-tier city in China refers to a city with a non-agricultural population of over 1 million, ranking between 50th to 120th among the cities according to CBD(Sanxianchengshi). This means that my discussion of the case in Shantou maybe different in some respects from that of the metropolis or that of the rural area, but similar to that of the middle-scale cities in China.

I carried out my ethnographic research at two courier stations mainly by conducting observations and interviews with the workers, as well as the contractors of the stations. Basically, I did my interviews while the workers were doing their work, which always ended up like a group interview or a discussion. The courier workers at the stations used motorcycle and electric bicycle to deliver the parcels. However, I didn't possess the skills and license of driving a motorcycle, so I could not accompany the workers to deliver the parcels. The workplace of the courier workers includes both the courier station and the broader delivery area. Unfortunately, my fieldwork lacks part of it. I try to use my personal previous experience of online shopping and receiving parcels from a courier worker, as well as the information I got from the interview to make up for the loss.

However, there is also a limitation of concentrating only at the workplace. The courier

work in the stations I study are dominated by male and I cannot find the answer for why there are no women involved in the courier work at my field site by merely studying at a workplace where no women present at all. Hegemony doesn't only exist in the workplace, but also outside it. Focusing the analysis only on the labour process in the workplace cannot explain the reasons for some phenomenon caused by the cultural hegemony outside the production field (Dou, 2014). Women have the ability to fulfill such tasks since most parcels are small and women even have some advantages in collecting parcels. According to my experience of collecting parcels during the research, women are more trusted by the clients, which means that the women might earn more money by collecting the parcels than man.

### General Situations of Two Stations

I carried out my research at two franchised courier stations of two different companies in the inner city. The station X employs 12 people at the workplace, while the station Y employs 6 people at its workplace. All the employees are male, most of whom are aged from 25 to 40 years old. Most of the employees are the youth from the local, and a small portion of them migrate from the villages nearby. Both stations are located within one community, 20 meters away from each other. They are all on the ground floor, facing the streets just like the other shops in the streets. Besides respectively with a big logo hanging outside the station, they look different from the other shops on the streets for their poor and very little decoration inside the stations and for the motorcycles parked outside them. Besides them within this community, there are also stations of the other logistics companies. According to the contractors of the two

stations, station X was established two and a half years ago, while station Y had been set up for 4 months by the time I did the fieldwork. Because of the difference in the length of the operation, the amounts of the parcels to be delivered also differ between two stations, which may explain why the workers in station X always appear to be far busier than the workers in station Y.

The franchised courier Stations located all around cities function as the guarantee for the delivery of the parcels in its “last 1 kilometer”, as well as the “first 1 kilometer”. In terms of the parcels of E-commerce, a seller sends the request to the courier worker to collect the sold goods to the station he works for. Then every day the truck owned by the station will take the goods waiting for delivery to the distribution centers in the city, which in most cases, are directly owned by the logistics company and connected to the mainline transportation network of the company. Every day the truck owned by the station also carry the parcels that arrive in the distribution centers from the mainline network and are destined for the contracted area of the station to the station for the workers to unload them, categorize them according to their destinations and send them to the buyers. In both stations, the truck sends the parcels to the stations twice a day. Besides, the station X has connected its system and the workers with Cainiao platform since February 2018, which means that the workers can choose to use the platform to collect parcels if they are willing to. In the station Y, the information of the workers has just uploaded to the platform but it hasn’t officially come into use.

I would like to first give a portrait of the workers in the two courier stations I study. In

the station X, there are several workers give me the deep impression:

Worker A: aged around 40, native, has been working as a courier work for 3 years, relatively satisfied with his income, having other sources of income by collecting rents of his property, collecting packages from Cainiao.

Worker B: aged 30, native, graduated from primary school, has been working as a courier worker for 6 years and specific in this station for one year, single, has purchased a car through investing in the stocks, collecting packages from Cainiao.

Worker C: aged 36, migrated from a village in a nearby province, previously worked in a manufacturing factory that produces components for automobile for several years. He said, "I felt hopeless by working in a factory as a skilled worker. My salary had raised from 1000 RMB to 6000 RMB in the past several years and the factory got smaller and smaller, but I felt I could not keep doing this till 40, 50 years old when I would no longer be able to work. That's why I left the factory two years ago and invest my money in private equity. I am stilling waiting for them to become listed." He appears to be full of hope with the future when saying this, he continued, "I have been a friend of his (the contractor X) since 2012 when we were doing motorcycle taxi. Then I became a courier worker and I invited him to be one too. Later I came back to the factory and he became the contractor here. I am still waiting for the return on investment and that's why I am here. I need to job to get through the transitional period."

Contractor X: aged around 33, native, higher vocational education, previously worked as a motorcycle taxi driver and as a courier worker. He took up a part-time job of insurance marketing during my research.



In the station Y, there are:

Worker D: aged 34, became a courier worker 2 years ago under the introduction of a friend, doing E-commerce, previously worked in a company that produces monitoring equipment.

Worker E: aged 23, graduated from primary school, having worked as a courier worker for 3 years, doing E-commerce. He previously worked in factories that produce clothes and dolls, the work of which is repeated and rigid for him. He has been to Guangzhou for 3 to 4 years. Since life was hard there, he came back to Shantou.

Worker F: aged above 40, has been working as a courier worker for more than 10 years.

Contractor Y: aged around 40, contracting to run two stations

The above information shows the diversities of, as well as the similarities between the backgrounds of the workers. Most of workers and contractors are native people with limited education. They get engaged in the informal employment since a very young age. For whom, the precarity of life has been a common thing. The boom of logistics industry does provide some employment opportunities to the local youth. Some of the workers have previously worked in the manufacturing factories or had other jobs. Many of them have worked as a courier worker for at least two years or even more, during which they changed the courier stations they worked for several times for different reasons like the shut down of the station, layoffs or arrears of wages.

# Labour Process and Market Competitions Between Firms: The Making of Duty Contractors

Labour process and market competitions among firms are two of the four factors mentioned by Burawoy (1985) to examine and define the factory regime. In this section, I will analyze my ethnographic findings within the dimensions of these two to illustrate the factory regime in the courier sector under the platform capitalism, which produces a relation of duty contractor.

Labour process, according to Burawoy(1985), refers to “the direct production activities of the workers at the shop-floor, as well as the social and political relation produced during the production process” (Shen, 2006). So I will first present the daily working content of the workers, the salary system, and the contracting systems in the industry.

Online shopping platforms in China often carry out several shopping festivals at various time of a year as a business strategy to promote consumption, which led to a division of peak-season and off-season in the logistics industry. A report (Ali Institute, & Beijing Jiaotong University, 2016) shows that there is a fluctuation in the number of employees between different sale seasons within one year period. I carried out my research in the off-season, thus the number of the workers is relatively fewer than that of the peak season. Because of the fluctuation in the demand for labour at different times and the unstable employment terms, generally, the contractors do not sign any contract with the workers. Instead, the contractors ask the deposit from the worker, as well as a copy of

their identity card as methods of management. In the station X, workers receive monthly salary on the 15<sup>th</sup> of every month. Worker A told me, they also need to pledge half of the monthly salary to the contractor in case there were any problems caused during the work. In the station Y, workers also need to pledge 2000 RMB to the contractor, which can be paid by instalment. If someone wants to quit the job, he needs to first find someone to replace him and guide the new worker until he can work independently. Otherwise, he cannot take back the deposit. Without any written contract between the workers and the contractor or the company, the workers enjoy no social security or legal rights entitled by labour law, which is well aware of by the worker. Worker A, “We don’t have any social welfare. How could courier workers have social welfare? We only have fines!” The only insurance the worker has is the accident insurance, according to the worker, “it is a compulsory payment of 20 RMB every month”, “We never know the details of the insurance. I hurt my leg last time but I don’t even know if it can make compensation for this.” Such informal employment basically based on oral agreement and trust between the contractors and the workers. The main daily work of the workers includes delivering parcels and collecting parcels, which is also the two main components of their incomes. The first part of the income is a piece-rate pay based on how many parcels they deliver per day. Every worker is responsible for delivering the parcels of a specific area, which often includes several communities or several streets that is not far from the station. The second part of the salary is based on the parcels they collecting for the company (I will return to it later). This salary system shapes the special factory regime and is the result of the features of the courier work and of the fierce market competition.

Market competitions between firms refer to “the pressure of the competition for the capitalists, which force them to improve the technology and adjust the production organization”(Burawoy, 1985; Shen,2006).

In order to entice the customers to buy online, it is in the interests of the platform to improve the efficiency and accuracy of the logistics companies without employing the workers themselves. As Ma Yun claimed, Alibaba and Cainiao choose to empower the third-party companies and let them compete by improving the digitalization in the operation procedure, as well as in the management. This has significantly decreased the delivery cost for the logistics companies. For the logistics companies, a larger market means lower cost per package and more profits. To survive in the fierce market competition and acquire a larger market share require efficiency on the one hand and relatively lower prices on the other. A report shows that among the logistics companies using the contracting system, the amount of the delivered packages keeps growing, while the rate of its growth is higher than the rate of the increase in their total profits, which shows that although the transportation cost is significantly lower, the profit per package actually gets lower (Logistics Index,2018). This indicates a price competition in the courier market. E-commerce platforms of course benefit from this because both the buyers and sellers will more likely to stay with it for the low cost of the purchase. However, the pressure then significantly goes to the workers. In the courier sector that uses the contracting system, because of the multi-layers of contractors, the basic price of collecting parcels providing to the front-line courier stations has been increased several times above the cost.

Worker A told me, “The price for collecting packages we offer to clients differs from companies, which depends on the weight and size. Based on the price given by the company (already being increased by the middle contractors), you (worker) can decide what price to offer to the clients, the company gives the upper limits of the price that cannot be exceeded. If you feel it difficult to pack the goods, you can ask for an extra fee for packing from the clients. The person who collects the parcel should be responsible for it. Sometimes when you are off work, you still need to worry about whether anything wrong on the road with your parcels, the clients would call to complain. Then you need to pay for the damage of the goods. You need to make a reparation up to 1000 RMB.”

Me: but what if the damage of the goods was caused by the improper management in the other process during the way of delivery?

Worker A: Then you still need to pay for it because it is you who didn't pack it well. This is how the company make money. They will never lose money. (It happens during my fieldwork that he made reparation for the damage of a wok to a client.)

By being offered with the basic price and the upper limits of the price of parcels, the workers are made into a subcontractor in terms of parcels collecting. During the process of collecting parcels, the worker's subjectivity is largely evolved. For example, in the case of worker A, he uses the packing issue as an excuse to bargain the price. They need to cope with different kinds of situations and clients with their own strategies, which

are outside the guidance and regulation of the company. Worker D told me, “Sometimes the clients would bargain with you, ‘I know someone else who can offer a better price’. Then you will have no words in reply. You have to think about it, if you feel you still can earn money from it, then you collect the goods.” In fact, the worker often can only collect limited parcels from the individual clients and E-business of small scale, while the other big clients(always those run big E-commerce business) actually goes to the upper contractors, who can offer a better price for the delivery.

Worker D told me, “When I send out the parcels, sometimes I also give one of my name cards and I will try to keep in good relation with the clients. If you always provide good service, for example, when you send out a parcel, you send a message to the receiver, ‘I put the parcels at somewhere, please reply if you receive it. Thanks for your cooperation’, then when the person has a parcel needed to be delivered, he will think of you as a trustworthy person and give it to you.” We can see that the worker’s emotions and strategies are also involved in his work and he tries to maintain a good relationship with the customers instead of simply delivering the parcels mechanically. It is not just a manual work, but also a mental work for him.

On the one hand, the courier workers play a crucial role in negotiating with various kinds of clients about the price under very different circumstance. Such flexibility and subjectivity of the courier workers work well to increase the market share of the company in the market competition. On the other hand, by making the worker as a subcontractor, capitalists find the responsible subjects to take the uncontrollable risks

during the delivery.

Many workers told me that they prefer to collect parcels than deliver parcels. Worker A said, “it is because we can control this process and decide whether to collect it or not based on the estimation of the risks: if it is too delicate, we can refuse to accept it.” Worker D told me, “There is always a risk to deliver the parcels. If the parcels were stolen by others during the delivery, then you always need to make up for it.” Although the workers have some autonomy in organizing their work, the workers still need to deliver all the parcels that are destined in the area that he is responsible for as his duty as an employee. This leads to the other content of the work, delivering the packages.

Another strategy that serves to motivate the workers to collect more packages from the clients is to lower the piece rate of the “last 1-kilometer delivery”. Many workers complained that the piece rate of delivery is kept steady on 1 yuan and even getting lower. When I asked about the tendency in the salary of the workers, almost everyone said it was hard to answer the question. Several workers told me that the number of the packages waited to be delivered grows tremendously, however, the piece rate of delivery per parcel is getting less and less. “Many years ago, the piece rate is 2 yuan RMB, then is 1.5 yuan RMB, then 1.2 yuan, and now is 1 yuan.” in the station Y, the Worker F told me. Others joked, “Well, ten years ago, he needs to travel the whole district to deliver the packages. Now he only has such a small area to work.” Because of the density of the parcels per working area is increasing, the worker can deliver more parcels within the same time than before. This explains why the lowering of the piece

rate is acceptable to the workers.

Contractor X told me, “The piece rate of the delivery has followed the price in the market with fluctuation of up to 0.2 yuan between pick-season and off-season. Every station decides its own rate. Sometimes the company improves the piece rate but it never goes to us, but to the pockets of the middlemen in the system.” I don’t know if it is because of the presence of the other workers, Contractor X tries to make himself look more innocent, but it is true that the piece rate that the workers have is generally around 1 yuan, same in different stations over the past several years. This may also be the result of the contracting system, which is clearly aware of the workers, “We are exploited by countless middlemen.” By lowering the piece rate of the delivery, the workers have to collect more parcels to make a living.

Besides the price competitions, improvement in the efficiency of the delivery is another important strategy for the logistics company to expand its market share. To achieve such goal, logistics companies use digital management and fines to control the labour process.

Every day, the first truck full of parcels arrives at the station at 10 am, and we need to send them to the customers before 2 pm. The truck comes again between 3 pm to 4 pm, then we need to send them out before 8 pm. The requirement was used to be before 3 pm and 9 pm. The market’s expanding and the packages get more and more, however, the given time for delivery is getting tight. “If you do not fulfill the time requirement,



the rate to deliver it drops from 1RMB to 0.1RMB.” “No matter how bad the weather is, you need to deliver it on time. Just like yesterday, it was thundering and heavily raining, we still need to go out and send the parcels.” Besides efficiency, there are also all kinds of regulations concerning the working process. “The system fines me for all kinds of reasons. For example, there are fines against irregular operation like ‘false delivery’”. This means that the worker confirms the delivery before he really delivers it. All of these measures are to ensure the workers work according to the working procedure, which serves for improving the online shopping experience of the customers. The platform Cainiao can also track the real-time location of the workers to show to the buyers where their goods are. Although the piece rate is low, it is necessary for the worker to fulfill the everyday tasks of his responsible area.

Another problem with this working arrangement is that the worker cannot rest. Worker A said, “As a courier worker, you could die, but you couldn’t be sick. Even if you are, you need to come to work with a fever.” It is because the worker is the one who’s responsible for packages destined to a specific area, which he is familiar with. If a worker takes a rest that day, then his parcels remain in the station, which has a bad effect on the efficiency. It is not economic for the capitalists to hire extra labour to cope with such an unexpected situation. The courier workers only have 15 days off every year during the spring festival when the whole courier sector is shut off. Worker B complained a lot that because of the lack of holidays, he could not have time to find a girlfriend. “If you are going to write a paper about us, please write down ‘This man is seeking a girlfriend.’”

Even in the delivery process, where the logistics companies and the platform try to enhance the labour control, there is still space for the subjectivity of the workers. Every day after the truck arrives, the workers need to unload the goods from the truck and classify them according to the addresses. This process must be the rudest part of the courier work. When I first went to the courier station X, workers were in the middle of unloading the parcels. It is common in the courier sector that the workers pick up the parcels from the truck, check the address written above it, then throw it to one corner of the ground, risking causing damage to the goods. The floor of the station is separated into several parts by using some boxes, basket. Every worker has his corner of ground that piled up with the parcels that he needs to deliver today. Contractor X also often joins the process of unloading together with the workers. Besides, he also needs to do the work of customer service. Contractor X, as well as one of his workers, were very skeptical towards my identity during our first conversation, “I have doubt towards your identity. What are you actually doing? What are you writing down”; “Do you hide a camera with you trying to record the rude unloading process of us?” I see the unloading process as a form of resistance against such production arrangement, however, the price of the damage always goes to another worker who packs it badly instead of the capitalists.

The subjectivity of the workers also exists in the concrete process of delivery. In principle, the courier workers should deliver the parcels right to the person or the address who is supposed to receive it. However, as the number of packages grows, it became an impossible task. Worker D said, “of course I would not be able to send the parcels upstairs to everyone. It rarely happens. I usually wait downstairs, except there

is a necessary condition. For example, if someone breaks the leg or cannot move, then I might send it to the door.”

Moreover, the consignee is probably not at home during the day. Usually, the workers contact the owner through phone or message, leaving the parcels at the place the consignee agrees on, which is usually in the little shops, the parking lot, the entrance of the gated communities. However, it has risks of been stolen. Worker D told me, he has lost the parcels for several times before, but after which, he learned to record the evidence in some cases. For example, “I will take pictures of the goods at its site. It is a good strategy to avoid the risks of losing and compensating the goods.”

During my field, this also happened: One day, worker D sent a parcel to a customer and put it at a place specified by the consignee and took a photo of it. However, the consignee came there later and didn’t find the parcel. So she called the worker and asked who should take the responsibilities of this. The worker got angry and told her, “I am just a courier worker earning the basic and I delivered it under your command. And now you are asking me who should pay for it?” Such incident sometimes happens between the workers and the customers. The relations between these two parties sometimes can be very sharply opposed. Since there are abundant direct interactions between them, as well as the misunderstanding and the duty arrangement according to the logistics company, the factory regime enables the company to sacrifice the interest of the workers to satisfy the customers or leave it to the worker to solve it out with the customer. The worker then always ends up the one who’s buying it. “Things always

end up this way: if the customers complain about courier issues to the sellers, then the sellers would complain to the courier company, it will come back to me at one point.”

For the other workers, they prefer to put the parcels in the digital lockers for couriers in every community that's most closed to the customers, which is safer and save much time and energy of the workers. Many customers complain about it online, blaming the workers don't fulfill their tasks but what they don't know is that if the worker chooses to store the parcel temporarily in the locker, each time it will cost the worker 0.3 to 0.45 Yuan, which means that the worker can only earn 0.55 to 0.7 Yuan for delivering one package. These digital lockers are set up by the logistics company, Cainiao platform, and many other companies. These companies also extracting value from the delivery link, which further compresses the room of profits for the workers. That's why most of the worker said they prefer to collect the parcels instead of delivering the parcels.

However, the factory regime of duty contractor also produces hegemony to promote the efficiency of the workers. For example, the logistics companies put forward a project to rank the nation-wide workers based on the amounts of packages they delivered per month and the evaluation rate they got from the customers. The workers rank in the front can win a price from 50 to 1000 Yuan in reward. During the fieldwork, both the worker B and Worker D volunteer to show me their history record of winning the price proudly. This kind of project also promotes identity as a service provider, a service worker. Worker D showed me how he contacted the other courier workers to help the client to trace her packages. Worker A told me, “The courier workers were also called

the ‘angels on the road.’” Usually, we communicated with the local dialects, but once a phone of customer called in, when he picked up the phone, he immediately switched to mandatory and answered the questions patiently. I don’t how much that my presence contributed to such action, but there for sure exists an identity of service providers in the workplace even though how much it is accepted or internalized by the workers is not that clear to me. Besides, when answering the questions that why they choose to work in the courier sector and how they feel about the work, Worker A said, “The threshold for entering the courier sector is considerably low. You don’t have much binding here and just need to finish your task within the time limit. You are relatively free.” Worker B also said, “You don’t need to worry about the intrigues that might occur in the other workplace between the colleagues. Here, you are fulfilling the work independently.” Freedom and independence are also key elements produced in this factory regime of duty contractor. In terms of collecting parcels, worker A told me “How many parcels you can collect somehow depends on the workers’ personality and popularity among people. If you are nice and people trust you, then they would give the goods to you. So it all depends on your personality and how you do things.” Such an understanding is what I try to highlight as the cultural hegemony in an informal economic sector like the couriers.

The making of “duty contractor” can join the discussion about the separation of execution and conception of work (Burawoy, 1985) in the logistics industry as a tertiary industry. Burawoy (1985, p.21-22) wrote,

"The definitive problem of the capitalist labour process is therefore the translation of labour power into labour. This is the managerial problem of control that Braverman

reduces to the alienation of the labour process from the labourer - that is, to the separation of manual and mental labour, or more precisely, using his terms, the separation of conception and execution."

Burawoy(1985) further points out that, for Braverman, scientific management, and Taylorism in particular epitomizes the separation of conception--the planning, coordination and control of work, and execution. However, Burawoy(1985) himself disagrees with Braverman, emphasizes that this argument neglects the effect of hegemony in cultivating the subjectivity of the workers.

As Burawoy (1985:49) argues, "too much separation threatens the obscure of extraction of the surplus value, too little separation unable the extraction". In the courier sector, it is especially the case, where subjectivity and flexibility of human workers play an important role in expanding the market and ensure the complicated situation during the delivery. First, it is a Taylorism in terms of the delivery process: the courier workers become the last link of the delivery process named as "the last 1 kilometer delivery"; the tasks of delivery is divided into every worker according to the preceding arrangement, which means every day the worker regularly travel back and forth from the stations to the specific area that he's responsible for; there is no extra labour cost in the off-season for the informal employment and the piece-rate pay. Secondly, digital management makes sure every worker fulfills his tasks on time and according to the procedure. As a courier worker, there is no an inspector at the workplace, the production actions of he/she are inspected, disciplined, and regulated by the invisible inspector

behind the device enabled by the digital system based on the digital data and the response from the customers. Therefore, the separation between execution and conception is enabled by the refinement of the working process and the fines to ensure its enforcement. However, although the inspection is getting rigorous, because it doesn't exist in the workplace all the time, there is still some space and flexibility for the worker to mobilize their creation to cope with all kinds of situations, which also serves for the interest of capitalists.

I use the word “duty contractor” here to emphasize that the managerial strategy of the capitalists towards the workers is to treat them as a combination of employee and contractor. By using the word employee, I try to point out that there is an intention of the capitalists to enhance the direct and indirect labour control in the labour process, while the implication of contractor, I refer to the intention of the capitalists to perform no or little labour control, to require the worker to be responsible for their profits and losses. The tension between these two intentions coexists in terms of the working contents and managerial tactics.

This shows that the logistics companies or the platform capital behind it try to control the labour process, at the same times to give play to the workers' subjectivity to cope with the work and to be self-motivated. The combination and dichotomy of the status of an “employee” and “contractors” here not only refer to the binary in the working content and salary system: piece-rate pay in packages delivering and self-responsible for profits and losses in packages collecting, but it also exists in the labour management:

in both the delivering process and the collecting process, there is a mixture effect of these two strategies -- to enhance the labour control, to give space to subjectivity of the workers.

## **Reproduction of Labour Power and State Intervention**

### **State Intervention**

State intervention, as Shen(2006) concludes from Burawoy(1985), includes all the institutional arrangement, such as social welfare, industry regulation, and employment security system. Sometimes it also includes the direct governance of the state. In this section, I will discuss the intervention of the state and the reproduction of labour power to show how it has impacted on the factory regime in the courier sectors.

In the previous section, I suggest that the courier workers are both employees and subcontractors under the production arrangement in the courier stations. Another implication of subcontractor is that the workers own some of the production means, which mainly refers to the vehicle to deliver the goods. In both of the station I studied, none of the stations provide vehicles for delivery to the workers. Instead, the workers need to purchase their own tools to fulfill the tasks, which includes a smartphone to contact the workers and scan the parcels, as well as a motorcycle or an electric bicycle with a big basket on the back of the motor to carries the goods. In some other cities, the vehicle for workers to deliver the parcels might be electric tricycles. Motorcycle serves as convenient transportation for the workers to shuttle between the courier station and the communities nearby where they deliver the parcels to. However, speaking of the



motorcycle, it is also important to talk about the policy concerning it.

In the past 20 decades, there are many discussions about banning motorcycles and then electric bicycles. The motorcycle is a two-wheel motorcycle in China that has long served as an important vehicle for the commuting of the low-income groups while cars are not affordable for most of the people and in the places where public transportation is not well-developed, convenient or sufficient. It is particularly important in the informal economy. It is often the case for the countryside residents to drive their motorcycles with their goods in the early morning to the city center for sale. Besides, motorcycle taxi drivers, courier workers also rely on it to make a living.

Since the 1990s, some cities have begun to introduce policies to restrict the development of motorcycles in the urban area. Until 2015, there had already been 185 cities in China practiced motorcycle ban. Different city governments implement the motorcycles ban in varying degree, from not issuing new motorcycle licenses, banning motorcycles running on the main streets, banning motorcycles licensed by other city governments on the road to a full ban of all motorcycles (Examples as Guangzhou, Shenzhen) (Xu, 2015). In Shantou, the government of three main districts in the inner city has stopped issuing a license to the motorcycles since 1999. Since then, people often went to the outer districts of Shantou, which is more like a combination of countryside and city, to purchase a license. Other motorcycles on the road remained unlicensed, risking being stopped on road and confiscated by the police.

Once in a while, the police would undertake actions to govern the illegal and unlicensed vehicles on the road. Then there would be news about resistance or protest against the seizure of the vehicles especially in the metropolis like Shenzhen, where a large number of migrant workers make a living with these vehicles. Under the platform economy, the logistics industry and the businesses that deal with in-time delivery affairs like meal-delivery have been gaining more and more importance in the national economy and in providing job opportunities. Such business produces demand for a flexible and affordable vehicle in the cities. Therefore, policies towards motorcycles, e-bicycles, and e-tricycles in cities might even have a further effect.

The contractor X who has worked as a motorcycle taxi driver told me, “I have a feeling that it gets better since several months ago when President Xi had a talk about the issue.” When I asked about the issues concerning the motorcycles in the station Y, they told me one of the workers had been fined for it by the police several times. That worker told me, “Once I was fined 20 yuan RMB for driving on the walking path; there were another two times that I was fined 100 yuan and 200 yuan for no wearing the helmets and for some reason I forgot. However, they didn’t confiscate my motor. I think the police are relatively flexible towards the courier workers as long as you don’t try to run away from them when they stop you.”

I am not going to argue that whether their filling towards the state’s policy is right or wrong, but I would like to highlight that there is an arbitrary in the governance of the police, as well as an ambiguous stand of the state in terms of the policy towards these

vehicles which are essential for the all kinds of informal workers under an increasingly important digital economy. So as to say, the state intervention of an authoritarian regime may be the key factor to influence the collective resistance of the workers.

The other intervention of the state that affects the labour in the courier sector is from the State Post Bureau. The State Post Bureau must be one of the most efficient organizations in China in terms of response to the complaints. This could also be seen as a result of the growing importance of E-commerce in the national economy. Several years ago, when I got really angry about the delay of the delivery an important parcel and the inaccessibility of the customer service hotline of the logistics company. I write my complaint on the official website of the State Post Bureau. Within two days I got a reply from the company, and after a week or so, I got a phone call from the officer of the State Post Bureau asking if the company had solved my problems. This is not a casual case. It shows the state's active intervention in regulating the service of the couriers, which may sometimes have a direct effect on the courier workers due to such a contracting system.

### Reproduction of Labour Power

Reproduction of labour power refers to the reproduction of the workers' working capabilities and the subsistence of his/her family (Shen,2006; Burawoy,1985). According to a report in 2016,11.90% of the courier workers earns a salary below 2000RMB, 53.40% of the courier workers earn a salary between 2000 RMB to 4000 RMB, 28.6% of the workers earn a salary of between 4000 RMB to 6000 RMB, only

very few workers can earn more than 6000RMB (5.40%) or even 8000 RMB(0.80%) and most of them work in the metropolis (Ali Institute, & Beijing Jiaotong University, 2016). The incomes of the courier workers in the two stations I study are between 3000 to 8000, which varies from person to person. Part of the workers also have other sources of incomes apart from the courier work. In station X, where the daily amount of parcels are large, most workers don't have another part-time job. "No, we don't have other work. It is already tiring to finish this one. No one can have that much energy." However, Worker B and C regularly invest in the blocks market in their spare time. In the station Y, where the parcels are much fewer than that of station X, Worker D and worker E started to do the E-commerce on Wechat by selling some fruits and food.

"I worked for a business that produces monitoring equipment before. One of my colleagues in the warehouses was doing Weishang(E-commerce on Wechat), so he suggested me to do that too. So now I am also doing the Weishang with the resources of goods and customers accumulated from my previous work. Now E is in too under my influence." Worker D told me, " It is boring to only do the courier work. Every day you just deliver the parcels. After that, you have nothing to do. Furthermore, doing Weishang can reduce the risk of doing courier and earn some extra money. If today you lost a parcel and got a fine for it, at least you can make it up by selling one thing or two from doing Weishang. Sometimes you can earn an extra 1000 or 2000 RMB per month. That why I always stay at the station till 10 pm. The one good thing about courier work is that you can organize your time, which does not conflict with your work of Weishang. People nowadays generally have some other work."

Therefore, in terms of the reproduction of labour power, the situation differs a lot because of the different backgrounds and expectations of the workers. However, there is one thing we can learn from this: the factory regime in courier sector is also largely established on a self-motivation basis. When I asked about the average number of the packages to deliver per day, worker D told me, “It really depends on persons. He delivers 80 parcels a day. He delivers 120 parcels. And that guy,” he pointed to a corner, where there was no one, “does the workload twice the others’, so he can deliver for a larger area with 200 parcels per day, but how many people can work like that?” I only meet the person that he referred to once: Once when I was doing the interview, the worker came back to the station with his bicycle and walked directly to his position—the place that worker D pointed out to me -- then sat down on the small stool, started to put his parcels into the basket and then left the station. I dared not to interrupt him because he appeared to be so busy without taking any rests. Under a factory regime of duty contractor, there are people earning a relatively high wage by self-exploitation (Tsing, 2009) and there are also people who earn an average wage, as well as people looking for other sources of incomes. In such regime, in which labour power reproduction cannot be maintained by working with holidays, considerable income and enjoying other labour rights, people are working with a self-motivated and self-responsible base. This is also similar to the self production regime put forward by Huang, that self-motivation is a key factor in the production regime of the informal economy.

## Conclusion

Because of the limitation of the space, I didn't present an all-around illustration of four dimensions of the factory regime in the courier stations. I left out the factors that are often mentioned in other studies, such as the situations of migrant workers, the hukou system, the on-going rural dispossession, or the social network outside the workplace to support the labor reproduction. This is not because they are not important, but because of the diversities in these dimensions among the workers I study and the difficulties for me to cover all the aspects. Instead, I chose to focus on several aspects, which I assume to be the special features of the courier sector in China that make it different from the other types of workplace.

Digital management makes it easier for labor control, instead of bringing the courier stations under direct operation and formalizing the courier employees, the employment in the courier sectors stays informal. The Platform capitalism develops by utilizing and benefiting from the informal employment and also deepens the precariousness of the workers. It is also established on the data extracted from the workers' hard work and the logistics companies' practice in its earliest period of development.

The operation of the Chinese courier sector is mostly based on a system of the contractors of multiple layers, in which the workers are in the bottom with little value remained to them. However, the system also gives profits to many middlemen. The contracting system serves to achieve the wide-spread distribution network and expand

the market share of the logistics company based on the extraction of surplus value of the millions of courier workers, which is ensured by a factory regime of duty contractor.

Cainiao has deepened its cooperation with the logistics companies by connecting more information of the courier workers onto the platform recently and put forward a project, claiming to increase 20% of the incomes of hundreds of thousands of workers in the coming 3 years by sending the packages-collecting requests of the customers nearby to the workers with the help of Cainiao's cloud computing abilities based on tracking the workers' mobilities (like crowdwork on Uber). However, People who are using Cainiao platform to collect the parcels stated that they are facing more stress because Cainiao requires them to collect the parcels within two hours after the customers make the order. The fines of the delay are significant, sometimes up to 50 yuan to 100 yuan RMB.

Instead of by improving the piece rate, this project seeks to achieve its goal by increasing the efficiency of the workers. However, someone points out that it is just one of those steps for Alibaba to further control the logistics companies, their networks, and even their workers. Cainiao in the future will be able to integrate all the sectors of the logistics companies: from the transportation fleets, distribution centers, contracting stations to the courier workers, and it will be able to give the best logistics solutions based on its cloud computing abilities and data it has access to. With the data extracted, the platform capitalists can manipulate all the other factors and make great profits without making its hands dirty. This means that all the workers, sub-contractors in the future may become independent contractors for Cainiao and work in

accordance to its distribution of tasks. Such a way of organizing labor has been discussed by some scholars(Howcroft,2019) as crowdwork, which is viewed as a new form of Taylorism. There are many critiques on the way in which online platforms like Uber understand their workers as “independent contractors’ instead of employees(Srnicek, 2017). Whether logistics companies in the future will remain its today’s forms or completely dissolve, I think, may somehow depend on how the state and law define the relationship between platform companies and the workers working for it, and the corresponding reaction of the platform.

The rise of crowdwork and its replacement for the traditional employment arrangement are informalizing the work further. On the other hand, Cainiao shows in its website that auto-deliverer is under construction to fulfill the task of the delivery of the “last 1 kilometer”, behind which exists a similar capitalist logic in the transition from Taylorism to scientific-technical revolution(Burawoy, 1985). Labor might be less and less important for capital production in many fields. Since the reserved army is enlarged, labour bargaining power might be much weakened. The platform might be able to always find the cheapest and most efficient labour from the unlimited labour pool.

Informality of employment is not a new phenomenon only existed under platform capitalism. On the contrary, there are continuums within the capitalist development from Chinese earliest industrialization (Swider, 2017), to the globalizing neoliberalism, and to the digital economy. Sarah Swider concluded that the capital tends to lower its labour cost by outsourcing and subcontracting, increase its flexibility by promoting



informality (Swider, 2017). It is still the case in the era of the digital economy and with the help of the advanced technology, labour is becoming more precarious because of the rapidly developed technology. This can also help us to understand the strategies adopted by platforms like Cainiao, its profiting by extracting data, meantime keeping in distance with labour. In this sense, it is even a “smarter” choice than Amazon. As Spencer(2017) argues, technology does not develop in a neutral way but always develops in favour of the advantaged power (Howcroft,2019).

According to a recent news report, Jingdong canceled the minimum wage protection for the new courier employees to push the workers to collect more packages. There are also cases of reducing the social welfare of the workers in Shunfeng, as reported by one worker at the site. The competitions in the logistics industry have made workers' life more precarious. There is an increasing urgency for the state to take actions to protect the rights of the workers, as well as prevent the platform capitalism's exclusion of workers in traditional labour-dense industries.

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