Chinese business & finance

Chinese courier sets fire to himself in protest over unpaid Alibaba wages

Images of driver go viral on social media renewing concerns over tech sector's working practices



China's couriers were hailed as heroes for maintaining food deliveries when much of the country was locked down during the early stages of the coronavirus pandemic © Qilai Shen/Bloomberg

Yuan Yang and Ryan McMorrow in Beijing 2 HOURS AGO

A delivery driver who had worked for Alibaba has set himself on fire in protest over unpaid wages, in the latest incident to highlight allegations of mistreatment of workers in China's booming takeaway sector.

Drivers were <u>hailed as heroes</u> for continuing to deliver food when much of the country was under lockdown at the height of the coronavirus crisis last year. Takeaway sector revenues grew rapidly in 2020, with food delivery revenues at Meituan, the technology group, up 33 per cent year on year to Rmb20.7bn (\$3.2bn) in the third quarter. But pay per order for the couriers has fallen in recent years, according to China Labour Bulletin, a Hong Kong-based workers' rights group.

Social media posts on Monday showed Liu Jin, a 45-year-old driver, setting himself on fire next to a Meituan delivery scooter in the eastern city of Taizhou. Videos shared on social media showed people rushing towards the man to put out the fire with extinguishers. "I want my blood and sweat money back," Mr Liu said, covered in ash.

Individual couriers are pitted against each other

Jenny Chan, The Hong Kong Polytechnic University Mr Liu had been working for Ele.me,
Alibaba's food delivery platform, but recently
signed up to Meituan, according to two
people with direct knowledge of the situation.
Mr Liu experienced a pay dispute with
Ele.me's local partner in charge of drivers
when he tried to resign, said one of the
people. He then decided to set himself alight

in protest.

Mr Liu now faces more than Rmb1m in medical bills to treat third-degree burns on 80 per cent of his body, according to a crowdfunding page set up by his daughter.

"Sometimes, food delivery couriers are compelled to do multi-apping to deliver for both Ele.me and Meituan to see if they'd get more than sticking with one platform," said Jenny Chan, an assistant professor of sociology at The Hong Kong Polytechnic University, who studies labour and automation.

Ms Chan added that the platforms tended to initially push out orders with rock bottom prices and gradually raise them. "Individual couriers are pitted against each other," she said.

Aidan Chau at China Labour Bulletin said a constant supply of drivers had increased the power of tech groups. "That's why platforms can push up workers' labour intensity while reducing their pay at the same time," he said.

Chinese tech companies have also outsourced much of the process of employing and managing the millions of couriers who ferry food and packages on their behalf. Small local partners are known to skirt China's relatively strict but underenforced labour laws.

In some cases, public outrage on microblogging social media platform Weibo has helped change companies' behaviour.

A 43-year-old Ele.me driver surnamed Han collapsed and died while delivering food last month. His family were initially given Rmb2,000 in compensation, as Ele.me claimed to have no direct employment relationship with Mr Han, according to state media. After a public backlash, Ele.me apologised and increased its offer to Rmb600,000.

Both Meituan and Ele.me have built their <u>business models</u> on eking out ever more deliveries per day from their millions of couriers. The pressure to deliver quickly or face heavy fines was the subject of an expose last September which led both Meituan and Ele.me to <u>tweak their algorithms</u> to allow couriers more time to deliver orders.

The Taizhou local government did not respond to a request for comment.

Meituan declined to comment.

Ele.me said: "We are saddened by the tragic event. The situation is currently under investigation and we are unable to comment at this stage."

Separately, Chinese tech groups have also come under pressure over the <u>"996"</u> working hours system, with employees expected to work from 9am to 9pm six days a week or more.

Additional reporting by Nian Liu in Beijing

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