

Labor Relations Issues and Governance in the Platform Economy: A Case Study of 'Online Ride-Hailing Drivers'

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Abstract: With the rapid development of the times, new economic forms emerge endlessly, and more and more people are seeking work and rewards through the platform economy. The concept of "ride-hailing" has quickly entered people's sight due to its speed and high comfort level. However, due to the imperfections of the platform economy and the virtual nature of the internet, issues faced by "ride-hailing drivers" continue to emerge: lack of signed labor contracts, difficulty in guaranteeing rest time, inadequate labor laws, etc., naturally causing certain negative impacts on the new economic industry. In this article, we will discuss the issues of labor relations under the platform economy from the perspective of "ride-hailing drivers" and propose reasonable governance measures.

Keywords: New Forms of Employment; Labor Relations; Internet Platform Economy.

1. Introduction

1.1. Definition of 'Online Ride-hailing Driver'

The Online contract workers is an individual service provider who works through online service platforms, receives work assignments, and collects compensation from the platform. From this definition, we can infer that a 'ride-hailing driver' is a type of individual labor group that accepts orders through a ride-hailing platform and receives corresponding compensation on the platform, specifically referring to full-time taxi drivers registered on ride-hailing platforms.

With the advancement of the 'Internet +' initiative, operating online car-hailing services has transitioned from being solely managed by professional drivers and taxi companies to becoming a new business model where private drivers profit by accepting orders in their spare time. As this industry continues to grow and expand, more and more workers are registering as online car-hailing drivers on platforms, some even becoming full-time drivers, in order to sustain their income.

2. The Current Situation of Ride-hailing Drivers

2.1. Working Hours for Online Car-hailing Drivers

Due to the timeliness and flexibility of online platforms, the working hours of online car-hailing drivers are not fixed. A study conducted by Tsinghua University in 2021 showed that the average daily working time of online car-hailing drivers in first-tier cities is 11.05 hours, with an average of 6.45 days of car-hailing per week. More than 80% of online car-hailing drivers work over 8 hours a day. In this situation, online car-hailing drivers spend almost 10 hours a day driving. Sometimes, they manage to take a short break, only to be forced to accept new orders promptly. Many drivers from second-tier and third-tier cities have resigned to work as online car-hailing drivers in first-tier cities. After deducting fuel costs and platform service fees, they are left with little savings. Therefore, online car-hailing drivers have to extend

their working hours to earn more income.

The long hours of driving for many online ride-hailing drivers have led to them developing prostatitis due to the inability to stop and use the restroom in time, not being able to have meals on time, and being constantly on the road. Additionally, prolonged driving has put many online ride-hailing drivers under high stress, facing various occupational health risks.

2.2. Analysis of Issues Encountered by Online Car-Hailing Drivers

Based on my own life experience, due to the timeliness and instability of the online car-hailing platform, customers can cancel orders at any time on the online platform. The relatively low operating cost of the 'online car-hailing driver' is greatly reduced, which makes online car-hailing drivers need to bear some platform fees and fuel costs;

The working hours of online car-hailing drivers are unstable, with long working cycles, a high probability of occupational diseases, income not directly proportional to working hours, high medical examination costs, but limited opportunities for medical examinations, and high treatment expenses.

Online car-hailing drivers belong to flexible employment, without signing a labor contract or having social security with the platform, can only pay insurance fees as flexible workers themselves. In addition, online car-hailing drivers often receive orders from multiple online car-hailing platforms, but none of the platforms have signed labor contracts with the drivers, which means they do not have a labor relationship and are not within the protection range of labor laws, only belong to a 'cooperative relationship'.

Compared to traditional taxi companies, online ride-hailing platforms are characterized by uncertainty and spirituality, with instances of 'big business deceiving people' and unreasonable service fees. Since they are not physical industries, it is difficult to truly ensure the safety of online ride-hailing drivers.

3. Governance of Labor Relations in New Business Formats

In response to the issues faced by online ride-hailing drivers mentioned above, the author consulted relevant materials, including labor laws and the contents of labor contracts, to help formulate strategies for addressing the labor relations in the new business model.

3.1. Legal Positioning of Online Ride-Hailing Platforms

In the concept of the sharing economy in the online world, ride-hailing services appear in the market with a shared mobility outlook, competing for market share with traditional taxis. The operators of ride-hailing platforms typically position themselves as products of the Internet. Although they claim to be based on sharing, in reality, they are commercial social economic organizations.

3.2. Considerations Behind Ride-Hailing Platform Companies

Online car-hailing platforms require workers to provide labor through the internet, essentially making them employees of the company rather than the platform. The internet serves as a medium for workers to engage in their profession. From the perspective of businesses, whether it be traditional taxi companies with substantial operations or new formats emerging under 'Internet +' that recruit through online platforms, they all view reducing or compressing labor costs as a necessary consideration for profit.

In order to achieve this goal, whether it is for Internet companies in the early stages of development or previously thriving taxi companies, labor dispatch and outsourcing have always been favored by companies because they can reduce labor costs. For companies that want to reduce labor costs, the importance of using information at present is crucial. By retaining labor relations only for core positions within the company and reducing unnecessary labor relations, they can better safeguard their core interests.

However, reducing or even compressing the labor costs of enterprises is not only a malicious squeeze and deception of the interests of employees but also a lack of respect for the vast number of workers. Correctly understanding and positioning enterprises in the new internet format can help workers uphold justice and protect their interests and well-being.

3.3. Analysis of the Labor Relations of Online Ride-Hailing Drivers

Compared to laborers in traditional taxi companies, online car-hailing drivers also face issues of unstable working hours and uncertain work locations. These seemingly unique labor patterns of online car-hailing drivers have always existed in the traditional taxi industry as well. Furthermore, the remuneration received by online car-hailing drivers does not differ from the way ordinary drivers are compensated.

What is even more worth noting is that the platform, while acknowledging that it implements the will of the enterprise through computer programs, embeds management and operational rules in algorithms, and manages drivers in an automated manner through system software, does not recognize the existence of a labor relationship between the platform and the drivers. If achieving a labor relationship requires a "stable, continuous, and closely associated

relationship formed between the employer and the employee in the employment relationship," then the platform's use of computer programs for calculation to monitor and control ride-hailing drivers fundamentally does not change the nature of the original labor relationship, and to a certain extent, the level of control is even higher, therefore, the labor of ride-hailing drivers belongs to the platform enterprise as a whole and is not in dispute.

4. Governance and Rights Protection

In our country, a large number of service industry workers, part-time workers, and workers under the labor dispatch model have characteristics such as special workplace, flexible working hours, or flexible work arrangements. The labor law in our country recognizes the premise of establishing a labor relationship between the above-mentioned workers with special labor situations and the employer. By emphasizing the non-fixed workplace and working hours, relatively free work arrangements, and other special labor characteristics, platform workers are excluded from the scope of labor law regulation, which is 'having laws but not abiding by them.' The author believes that relevant strategies include:

4.1. Introducing the 'Third Category of Workers Mechanism'

Labor law should consider introducing the 'Third Category of Workers Mechanism' to protect the interests of workers in online platform services. Since workers on online platforms are considered a special group, labor laws should enhance relevant legal protection regulations for them. If it is not feasible to enhance labor laws, should the 'Third Category of Workers Mechanism' be introduced, which refers to platform workers apart from those with labor relationships and self-employed workers. This is to improve and safeguard the relevant rights and interests of platform workers, such as ensuring medical care and timely payment of insurance for online ride-hailing drivers.

4.2. Clear Platform Fee Details

Currently, many platform ride-hailing drivers are unable to know the customer's travel expenses due to online payment and the hidden nature of the internet. They also cannot find out the platform's commission extracted from each fare, so after completing a day's work, they find that they haven't earned much. This extremely unequal discourse will lead many ride-hailing drivers to sue the platform. Therefore, the platform's calculation mechanism should be standardized, providing drivers with comprehensive feedback in a timely manner, labor driving compensation, the proportion of the total amount paid by passengers minus the driver's labor compensation and the amount passengers should pay (commonly known as "commission"), in order to standardize the rules of online platforms, making the platform transparent and labor clear.

4.3. Guiding Drivers to Participate in Social Insurance

In online ride-hailing platforms, some drivers only have employment agreements instead of labor contracts, missing out on the platform's social security benefits. For drivers specified in the agreement, the responsibilities and rights of online labor relations are not clear, so they can only rely on themselves to drive carefully and prioritize safety. Ride-

hailing platforms should be urged to legally provide social insurance for ride-hailing drivers who meet labor relationship criteria, enhancing driver safety awareness and guiding and supporting drivers who are not fully aware of their labor relationship to participate in relevant social insurance.

4.4. Strive for Laborers' Work Injury Compensation

For existing work injury insurance, work injury compensation is based on the regulations of labor relations, and in the future, corresponding work injury insurance should be established for special labor groups like platform ride-hailing drivers. The regulations for work injury compensation should be separately listed to improve occupational injury protection for ride-hailing drivers, allowing drivers to receive compensation within the government's established flexible employment population without establishing a labor relationship with the platform. Additionally, encourage ride-hailing platforms to actively participate in occupational injury protection pilot programs to provide security for ride-hailing drivers during online service labor safety.

4.5. Collaborate with the Main Drivers to Ensure Safety and Health

To address health issues such as difficulty finding parking and meals for drivers, it is important to strongly advocate for unions to negotiate with the community, designate emergency lanes for online platform drivers, create a new format 'resting place,' provide water, rest, emergency medical services, and ensure the drivers' physical health; in addition, communication with the traffic control department should be established to provide a viable path for drivers who have not signed formal labor contracts, solving various problems encountered by drivers during their journey.

5. Conclusion

As a new profession emerging under the development of online platforms, network platform drivers should take the initiative to provide practical solutions to the problems they encounter at work in the absence of complete legal, governmental, and platform safeguards, helping to improve deficiencies. However, it is worth mentioning that network platform drivers are just one of many professions under the

new business format development that do not receive labor protection. There are still many other professions with unclear labor relations, indicating that China still has a long way to go in protecting the rights and interests of laborers.

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