Information brief

Instant on-demand delivery services in Europe and France

Recent developments and updates

Dr. Laetitia Dablanc, University Gustave Eiffel, City Logistics Chair

April 2023

1. A major and changing urban e-commerce service

From the first bike-loving drivers to today's precarious undocumented migrants, the digital delivery platform scene has undergone immense changes in terms of hiring, jobs and working conditions. As participants at a seminar on the subject in 2022[1] put it, is a "promise economy", which actually generates a large number of jobs.

In France, it is difficult to know, even approximately, the number of jobs involved in instant delivery platforms, but two sources can be mentioned. On the one hand, the "stock" of active workers for these platforms. It was made public on the occasion of the professional elections in the sector in May 2022, since on-demand platforms were required to provide information on self-employed delivery drivers who worked for them. The figure released amounted to 84,000 (all of France) active gig delivery drivers at the beginning of 2022. On the other hand, the "flow" through the analysis of the evolution of the national statistics NAF 5320Z category ('other postal and courier services'), in which it can be assumed that the majority of self-employed delivery workers are registered. In France, nearly 9000 new registrations of self-employed individuals in express delivery were recorded each month in 2021, compared to 2000 in 2018 and 4000 in 2019. In 2022, there were 3851 creations per month, a decrease of more than half compared to 2021.

The last few months have seen many more developments in the delivery sector via platforms: draft European directive[2], Deliveroo trial in France[3] and finally the emergence of "quick commerce," an instant delivery service for grocery and everyday products (see below).

2. A world development

Delivery through digital platforms has developed and become commonplace in all the major cities of the world, both in the North and the South. The companies that organize it are increasingly important and are constantly restructuring. For example, the American Postmates

[1] Daugareilh, I. (dir.), Angel, V., Aunis, E., Delmas, B., Jullien, B., Montalban, M., Stevens, H. (2022) Formes de mobilisation collective et économie des plateformes. Approche pluridisciplinaire et comparative. Research report, CNRS and University of Bordeaux. Available on: https://shs.hal.science/halshs-03615403. This work was discussed at the conference "La plateformisation du travail : nouvelles formes d'emploi, nouvelles formes d'organisation ?" in Bordeaux on 11-13 May 2022.

[2] Draft Directive on the improvement of working conditions in the platform sector, presented by the European Commission on 9 December 2021 (COM(2021) 762 final), voted in modified version in the European Parliament in December 2022.

[3] Paris Criminal Court, April 19, 2022. The court sentenced Deliveroo France to a fine of 375,000 euros for concealed work.

was bought by Uber while the European Just Eat Takeaway bought GrubHub (and is now looking to divest). In addition to Europe and the U.S., the sector is thriving in China (the world's largest market), Latin America, Southeast Asia, and most recently and most dynamically in Africa. Urban delivery operators organized by digital platforms are now major players. DeliveryHero operates around 1,200 'dark stores' in Asia, the Middle East and Latin America (source: C. Genelot, December 2022), DoorDash went public with an initial valuation of $72 billion, Meituan was still valued at $120 billion in mid 2022 despite the Chinese government's policies of tight control over tech since 2021. In Southeast Asia, Singapore's Grab exceeded $1.4 billion in revenue in 2022. Meituan employs several million delivery workers in China every day.

Concerns about the working conditions and status of these delivery drivers are also numerous outside Europe. China, Japan, Korea, Brazil, Colombia... and many other countries are experiencing delivery workers' demonstrations, debates in the media and court decisions concerning instant delivery. Amazon itself has been involved in last-mile delivery through the meteoric rise of Amazon Flex in the United States. Amazon Flex is part of the gig economy of delivery and raises questions about the status of delivery workers, whether they are in cars or on two-wheelers, about their poor social protection and about the competition they create for traditional parcel delivery companies.

3. *Quick commerce* services

Since 2020-2021, the instant delivery sector has expanded to include the delivery of everyday products purchased online via digital platforms and delivered very quickly (between 5 and 30 minutes) after ordering. This service, generally referred to as 'quick commerce,' has attracted a lot of VC investment, which has slowed down since Q2 2022. The penetration rate of this new market is still low but not negligible. In 2021, an estimated 1.5% of French households were using it, but already 3% in whole of the Paris region and 11.5% in the city of Paris itself.[4] A study conducted in December 2022 among Parisian consumers[5] quantifies at 21% the share of Parisians who use 'quick commerce' at least once a month, which is a significant rate. Since the acquisition of Gorillas and Frichti, the company Getir, which was born in Turkey in 2015, is the major player in the market in France. Its main competitor, Flink, a German company that bought French player Cajoo, was in discussions to merge with Getir in early 2023. The American Gopuff tried to enter Europe, based on its American success, but seems to be withdrawing from the French market. We could continue the list of these developments and reversals…

This new instant delivery service is not quite equivalent to that of platforms such as UberEats or Deliveroo: for the moment, it employs mostly employed workers and, an important point for urban planners, it requires warehouses, from which the products are stored to be delivered quickly to local residents. These urban warehouses of quick commerce, often referred to as 'dark stores,' have given rise to significant and multi-faceted controversy in cities such as Paris,

[4] IRi, 2021: https://www.lsa-conso.fr/les-chiffres-a-retenir-de-la-matinee-quick-commerce-lsa,399506

[5] De Leyris, R. and Louvet, N. (2022) La pratique du e-commerce alimentaire à Paris, Londres et Genève. Research report from 6T bureau de recherche. Available on: https://www.6-t.co/article/la-pratique-du-e-commerce-alimentaire-a-paris-londres-et-geneve.

Lyon, Amsterdam, New York and Barcelona in 2022.[6] These new services belong to the large family of digital instant delivery platforms and are shaking up the urban logistics professions and skills in the same way, even if they do not raise the same questions about labor law (see point 7 below).

4. A new urban consumption niche?

After an initial phase of rapid and multifaceted development, a new supply and demand situation seems to be approaching a certain equilibrium: consolidation of a duopoly (in France, UberEats and Deliveroo for meals and Getir and Flink for groceries, a duopoly that could turn into a quasi-monopoly if the two companies were to merge) and consolidation of a niche, but very present, consumer market. At the same time, there are efforts to reduce operating costs and aim for financial balance. According to some observers,[7] it is now possible for the sector to become profitable, through lower expenses (advertising and marketing), optimization of logistics activities, increased productivity of delivery personnel and higher prices paid by consumers.

This may in fact correspond to the creation of a new sector, instant grocery delivery, for which there are now consumers, even if they are and will undoubtedly remain a very small minority.

5. A very high road accident rate

Another issue concerns the vulnerability of platform delivery drivers to traffic accidents. Payment by gig coupled with remuneration that has tended to decrease over the years, notably through the reduction of bonuses, encourages delivery drivers to take risks. Delivery drivers spend a lot of time at work: surveys conducted in Paris show that 54% of them are on the job at least six days a week, including 59% who work more than 8 hours a day on average.[8] This increases the risks and contributes to a very high number of accidents. Almost 30% of the delivery drivers surveyed had had a road accident in the months prior to the survey, 47% of which required a trip to the emergency room and 33% required other medical attention. Platform delivery drivers often ride poor quality bicycles, which they sometimes have to transport, not without difficulty, on public transport when they live in the far suburbs (in the 2022 Paris survey, 23% were in this situation). They also have to consult their smartphone very frequently and take more risks as a result.

In New York City, there are also significant risk-taking on the streets. In a public space where – compared to Paris at least - users are generally respectful of the rules (crossing at crosswalks, stopping at red lights, driving off the sidewalk), we are now seeing the rise of a risky form of mobility, that of delivery people on bicycles and mopeds, many of whom are driving the wrong

[6] On January 13, 2023, the city of Barcelona announced that it was confirming and reinforcing a very restrictive legislation on dark stores tested from March 2022. All existing warehouses must be transformed into neighborhood supermarkets and will only be able to offer a limited delivery service. 'Dark kitchens' (preparing meals for instant delivery) will only be allowed in the Zona Franca, one of the city's industrial zones. For its part, the City of Paris won a court case against quick commerce companies with the decision of March 23, 2023 of the Council of State, which ruled that the transformation of shops into dark stores should have been authorized by the City of Paris, which was right to consider them as warehouses. https://www.conseil-etat.fr/actualites/la-transformation-de-commerces-en-dark-stores-devait-etre-autorisee-par-la-ville-de-paris.

[7] Interview of C. Genelot in LSA, 3 February 2022. See also additional analyses in a long article from *Le Monde* of 2 October 2022 (C. Quignon, Livraisons : « l'économie de la flemme » a -t-elle un avenir ?) with expert opinions bringing nuance and information.

[8] Dablanc, L., Aguiléra, A., Krier, C., Cognez, A., Chrétien J., Louvet N. (2022) *Etude sur les livreurs des plateformes à Paris et en petite couronne*. Survey report of Logistics City Chair and 6T bureau de recherche. Available on: https://drive.google.com/file/d/1qVlwVDfsiTV2TY-aDf5o-QPs9fHNKis1/view.

way or on the sidewalks, with a consequent increase in the number of accidents (interview with Alison Conway, City College of New York, March 2, 2022, and photo report.[9])

These road accidents, which are more numerous in cities because of instant delivery activities, are still poorly recorded by local authorities and are not treated as such, even though they constitute an increasingly important issue.

6. A large number of undocumented workers

Digital delivery platforms create many jobs. These activities represent gateways to the labor market in big cities: rural migrants in China, Venezuelan refugees in Colombia or Peru, undocumented migrants and refugees in Europe... Meituan in China employs several million freelance delivery workers every day. Despite global trends of converging evolution in their sociology, delivery workers remain diverse and have multiple views on their profession. At the heart of the platform delivery business are young men (very few women) paid on a freelance basis, riding a two-wheeler. In France, the vast majority of them are of foreign nationality (91% in Paris and 24% in Nantes.[10]) In Paris, 41% of delivery drivers for platforms like Deliveroo and UberEats declare themselves self-employed, including students and working people but with a majority of full-time workers. The others declare themselves employees or temporary workers, or - a category that recently appeared in the survey responses - cooperators (7%). More than 30% of them declare themselves "other" among whom those who do not have a status allowing them to work in France: they work by renting the account of a registered self-employed worker, on the model of an informal economy. This share remains difficult to evaluate precisely because delivery drivers are reluctant to answer this part of the survey, but it can be estimated at at least 30%.

The job of platform delivery driver could be a starting base for undocumented workers, through a reform of the "Valls administrative rule" in France allowing the regularization of undocumented workers. The current state of administrative practice prohibits the very principle of such regularization for the instant delivery sector, because this sector employs self-employed workers and not salaried workers. The instructions only open up the possibility of regularization to workers working as employees. Initiatives such as the 'House of delivery workers' (Maison des livreurs) in Paris[11] enable delivery personnel to establish contacts with specialized lawyers, some of whom assist them in the regularization process.

Overall (all work status cases included), delivery people have low educational background and 31% of them have no degree at all, but 27% have a degree of two years or more. Their view of the job has deteriorated in 2022 compared to 2021, particularly with regard to relations with the platforms: 40% considered them difficult in 2021 and 59% in 2022. The Covid pandemic has increased the number of delivery orders but even more so the number of delivery drivers, which has reduced revenue per driver. Delivery workers are rarely members of an advocacy group or union, but the rate of delivery workers who are has increased in 2022 (13% in 2022 versus 7% in 2021).

7. Delivery workers operating without a freight transport license

---

[9] Dablanc, L., Schorung, M. (2022) Urban deliveries in NYC in photos. Photo show available on: https://www.lvmt.fr/wp-content/uploads/2019/10/Soiree-diapos-avec-Laetitia-et-Matthieu-VF_compressed.pdf.

[10] Dablanc, L., Proulhac, L., Raimbault, N. (2022) *Enquête sur les travailleurs nantais des plateformes de livraison instantanée*. Rapport d'enquête pour le PUCA/SUBWORK et la chaire Logistics City. Available on: https://www.lvmt.fr/wp-content/uploads/2022/03/Livreurs-a-Nantes-des-plateformes-de-livraison-instantanee.pdf.

[11] https://www.paris.fr/pages/la-maison-des-coursiers-un-lieu-pour-les-livreurs-en-situation-de-precarite-21879.

Undocumented workers engaged in instant delivery as well as part-time delivery workers who are primarily students represent two important pools of workers for instant delivery platforms, as the Logistics City Chair's annual surveys have shown[12], but they are not the only ones. A third category of delivery workers is located in an intermediate category between students and undocumented migrants: full-time delivery workers who are in good standing with respect to their employment status. They represent a little more than 50% of the delivery drivers on the platforms in Paris in 2022.

These delivery drivers are less precarious than undocumented workers, but they are also very often legally vulnerable. On the one hand, they work, more and more, with mopeds or even cars. However, according to article L3411-1 of the French transport code, any goods transport company operating in France, including micro-companies for gig workers, must have a domestic transport license to operate with a motorized vehicle. 84% of the self-employed delivery drivers surveyed in Paris in 2022 did not have such a license and were therefore in an illegal situation. On the other hand, more and more delivery drivers, especially in Paris, are using shared bikes such as Vélib (the Paris shared bike system) or Véligo (the Ile-de-France region's system for renting an electric bike for a few months). However, the use of Vélib and Véligo for deliveries is prohibited[13] (even though it is difficult to understand on what grounds).

8. Job market: self-employed or employees?

The attachment of platform delivery drivers to the workforce is a choice that some jurisdictions have begun to make, such as California in 2020 and Spain in 2021, with varying fortunes[14]. The aforementioned draft European directive of December 2021 sets out some interesting principles for organizing the sector.[15] However, 70% of self-employed delivery drivers in Paris declare that they want to keep their autonomy and choice of hours, and are less sensitive to the status of employee.[16]

Beyond the debate between employee and gig worker, what seems urgent is to improve the income and working conditions of delivery workers. Since 2016, legislative advances at both the French and European levels have theoretically made these conditions evolve in the right direction.[17] But at the same time, the fees given to delivery workers, very flexible and

---

[12] *Op. cit.*, disponible sur : https://drive.google.com/file/d/1qVlwVDfsiTV2TY-aDf5o-QPs9fHNKis1/view.

[13] The Véligo user contract, for example, states that "even occasional use for the transportation of goods is prohibited. In addition, it is "forbidden to travel more than 300 km per week" and "to make more than 70 trips per week."

[14] Let's recall here the twists and turns of California's Assembly Bill 5, which went into effect in January 2020: this law was first challenged by a referendum ("Proposition 22") in November 2020, supported by the platforms. Then this referendum result was itself challenged in 2021 by an Alameda County Superior Court judge. A Court of Appeals overturned this first ruling in March 2023 and Proposition 22 is upheld.

[15] The European Commission's December 2021 draft laid down the following principle: if at least two of five criteria are met by a platform, the relationship it has with a delivery person must be that of employer to employee: the platform determines the levels of remuneration; imposes the wearing of uniforms or the use of certain equipment; supervises the performance of work by electronic means; prohibits working for other companies; or restricts the choice of hours or the choice of subcontractors. Three of these situations have already disappeared de facto in France (wearing a uniform, imposed hours, no work for other platforms). On the other hand, fees are still largely imposed and the execution of work is still largely supervised by algorithms. A text was adopted in December 2022 in the European Parliament, which confirms a reinforcement of the restrictive conditions of employment of independent delivery drivers.

[16] *Op. cit.*, disponible sur : https://drive.google.com/file/d/1qVlwVDfsiTV2TY-aDf5o-QPs9fHNKis1/view.

[17] In 2016 French legislative Act El Khomry (article L7342-1 of the Labor Code) poses that for "self-employed workers using, for the exercise of their professional activity, one or more platforms," there is now a social responsibility of the platforms concerning work accidents, training and the right to strike. In 2019, the law of orientation of mobilities (LOM) indicated in its Article 20 that "platforms may establish a charter determining the conditions and procedures for exercising their social responsibility, defining their rights and obligations as well as those of the workers with whom they are in contact." In 2020-2021, the Frouin and Mettling missions lead to the

determined almost daily by algorithm, have tended to fall in average, accentuating the difficulties of workers and the de facto appeal to undocumented workers, who accept low wages. From now on, article L1326-3 of the French transport code and a decree of 22 April 2021 require platforms to publish on their website "in a fair, clear and transparent manner" indicators of the duration of activity and income of workers during the previous year. However, better information alone will probably not be enough to put upward pressure on remuneration.

Professional elections for self-employed workers in the mobility and delivery platform sector were organized in France between May 9 and 16, 2022. They attracted very few delivery workers, with less than 2% participation. Nevertheless, they represent a step forward for social dialogue and the legitimization of trade unions and advocacy groups that have emerged in this sector. Negotiations between these new representatives of delivery workers and the platforms have now started, notably on the general level of wages and fees.

The algorithm at the heart of delivery platforms' model remains a black box, and its application to control how delivery drivers organize their activities remains highly intrusive, despite a number of court rulings, to which the platforms have responded by reducing their control. In 2021, the Italian data protection agency put a hefty financial penalty on Foodinho (Glovo Group) for the way it used the algorithm to monitor the work of delivery drivers. The draft EU directive outlined above on platform work increases transparency requirements on how apps' algorithms work.

'Cooperatives of activities and employment,' a new company category in France, in the instant delivery sector could offer an interesting compromise between self-employment and wage employment. A cooperative of activities and employment allows the pooling of administrative obligations, management, marketing, and facilities. But the business model remains challenging, particularly on costs.

9. Clean vehicles

While we often talk about "bike delivery," the majority (53% in Paris) of vehicles used for instant delivery services are in fact other than bikes: mopeds and private cars in particular. Motorized deliveries pollute and, in the case of mopeds, make noise. While in other non-European cities these mopeds are all electric (this has been the case in Chinese cities for a long time and in New York City for a short time), in Europe the vast majority of delivery mopeds are still thermal. 'Quick commerce,' on the other hand, uses exclusively electric mopeds. Europe could have made the transition to electric motorized two-wheelers much more quickly. As for noise, municipal bylaws in Nantes have banned the use of mopeds in the city center. 39% of delivery drivers in Nantes reported having been fined for this, probably a sign that these bans are not well known or enforced.[18]

Article 114 of the Climate and Resilience Act of August 22, 2021, states that by 2023, goods delivery platforms that connect self-employed workers must ensure that "a minimum proportion, increasing over time, of the vehicles used in the context of the connection they provide are bicycles or very low emission vehicles." They also have to inform users of the type of vehicle used and make public "the percentage of bicycles and low-emission vehicles used in the previous year." These provisions are welcome, even if they seem to contradict the principle

---

Ordinance of April 21, 2021 on the representation of platform workers. Professional elections were organized electronically in May 2022, by a new 'Authority of social relations of employment platforms' (Article L7345-1 of the Labor Code), funded by a tax on platforms. Article L1326-3 of the Transport Code imposes activity indicators to be provided by platforms: they must publish on their website "in a fair, clear and transparent manner" indicators of duration of activity and income of workers during the previous year.

[18] *Op. cit.* Available on: https://www.lvmt.fr/wp-content/uploads/2022/03/Livreurs-a-Nantes-des-plateformes-de-livraison-instantanee.pdf.

of the independence of delivery drivers (and therefore paradoxically increase the risk, for platforms, of requalification of employment contracts) and will undoubtedly be difficult to apply. In any case, they send a signal to the instant delivery sector about its responsibility for cleaner urban mobility.

Conclusion: a need for more knowledge on delivery workers

The delivery of goods by digital platforms is a new profession that raises important economic, social and legal issues. While the sector is changing under national and European regulations, one particular point still needs to be advanced: knowledge and monitoring of the sector. A knowledge base on instant delivery workers must now be built up. This sector could be the subject of particular attention by the recently established national urban logistics observation network in France.[19] The following indicators should be observed in particular: accident statistics specific bicycle delivery drivers, clearly identified within the group of accidents involving bicycles in general; number of deliveries (per day, per week, etc.); share of self-employed delivery drivers in these instant deliveries.

We also note the great weakness of public administrations (national and local) and the persistence and even increase in legal dysfunctions. There are many types of fraud: account sharing, operating without a domestic freight transport license, use of mopeds despite municipal bans, use of shared bicycles despite their ban for delivery activities, under-declaration of earnings to the tax administration,[20] etc. The working conditions are difficult and the financial gains very insufficient, especially when compared to the actual working hours. The dangers of these jobs are important, especially from road accidents. On the side of the local authorities, traffic engineering is challenged with the appearance of this new logistics mobilities. Elected officials and local practitioners easily accept and encourage the cycle-logistics of cargo-bike start-ups and cooperatives, but are more reluctant to recognize the existence of and deal with the problems of the ubiquitous instant delivery companies, also operating with two-wheelers but not the favorite ones (mopeds versus cargo-cycles). There is an exacerbated polyphony of reactions from states and municipalities, each moving forward in their own corridor of political strategies. In this respect, the draft European directive on platform workers is good news. But first, existing laws should be enforced, delivery workers should be protected in their current activity, they should be trained and qualified and their revenues should be increased.

---

[19] https://www.ecologie.gouv.fr/observatoire-national-logistique-urbaine.

[20] Note from the *Haut Conseil du Financement de la Protection Sociale*, December 2022, available at: https://www.securite-sociale.fr/files/live/sites/SSFR/files/medias/HCFIPS/2022/2022-11-10%20HCFIPS%20-%20Travail%20dissimul%c3%a9.pdf. The "evaded tax rate" for platform delivery drivers is 58%, the highest of the platform sectors after ride-hailing drivers.