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## **The emerging ‘mobility business’**

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### **Abstract**

Mobility businesses sell customers the service of having someone else move on the customers’ behalf. Expanding rapidly, the business has far-reaching economic and social implications.

### **Keywords**

mobility business, delivery service, gig workers mobility capital, border security

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Platform-based technology companies which provide delivery and logistics services are among the biggest beneficiaries of the COVID-19 pandemic. Delivery orders in Wuhan, China, according to data from Alibaba, jumped five-fold during the lockdown (23 January to 8 April)<sup>2</sup>; and the average distance of riders' daily travel more than tripled. Meituan – the largest meals delivery platform in China, which is now diversifying into other types of delivery – received nearly 4 million orders in Wuhan during the same period, seeing the doubling of orders for food and a 236% increase for prescription drugs for chronic diseases.<sup>3</sup> This trend is likely to continue. China's online takeaway market is expected to grow from an annual turnover of RMB 577.9 (USD 82.47) billion in 2019 to RMB 650 (USD 92.75) billion in 2020.<sup>4</sup>

But what is less recognized in mainstream conversation is the business model: these companies are selling movements. Or, more precisely, they're selling you the service of having someone else move on your behalf. An Alibaba report estimates that a single rider enables 24 residents to stay at home.<sup>5</sup> Many of us are 'outsourcing' our mobilities to a new army of specialist mobility labour.

Therefore, mobility becomes a business in and of itself. This mobility business is, however, very different from the notion of mobility as a commodity as proposed by previous scholars. Zygmunt Bauman, for instance, argued that in the era of globalization, "[m]obility climbs to the rank of the uppermost among the coveted values – and the freedom to move, perpetually a scarce and unequally distributed commodity, fast becomes the main stratifying factor of our late-modern or postmodern times."<sup>6</sup> Other researchers have put forward the concept of 'mobility capital': they suggest that mobility capital – the competence and opportunities to move as one desires – yields additional opportunities and resources, analogous to economic, human (educational), and social capital (networks). Furthermore, mobility capital can be exchanged with other forms of capital.<sup>7</sup> These theories conceptualize mobility as a commodity or a form of capital in a metaphorical sense. Mobility is valued, but it cannot be sold or bought as a tradeable good. On the contrary, mobility is inalienable. You want to be mobile yourself, and not delegate it to someone else.

The pandemic seems to have turned this notion upside down. The worldwide lockdown is arguably leading to a "bankruptcy of mobility capital".<sup>8</sup> The restrictions on mobilities reduce the value of the resources that enable mobilities. The pandemic may even have turned mobility from an asset into a liability. To move is to expose oneself to danger and suspicion. Conversely, only the relatively privileged and resourceful can afford to stay at home for extended periods of time without sacrificing their incomes and quality of life. It is perhaps more pertinent to talk about 'immobility capital', i.e.,

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<sup>2</sup> Alibaba Research Academy. 2020. *2020 Ele.me Blue Riding Research Report*. (Chinese). Available online at: <https://i.aliresearch.com/img/20200421/20200421174245.pdf>. Last accessed 14 January 2021

<sup>3</sup> China Federation of Logistics and Group Purchase, Same-city Instant Logistics Branch. 2020. *Instant delivery in the epidemic: 2020 report on Meituan's distribution action against the COVID epidemic*. (Chinese). Available online at: <http://www.chinawuliu.com.cn/upload/resources/file/2020/05/19/46557.pdf>. Last accessed 14 January 2021.

<sup>4</sup> Hu, Minghe, Celia Chen, Jane Zhang and Che Pan. 2020. How China's delivery services platforms are evolving, from smart lockers to 'semi-finished' meals. *South China Morning Post*. 24 April 2020. Available online at: <https://www.scmp.com/tech/big-tech/article/3081251/smart-lockers-semi-finished-meals-how-chinas-delivery-services>. Last accessed 14 January 2021.

<sup>5</sup> Alibaba Research Academy. 2020. Ibid.

<sup>6</sup> Bauman, Zygmunt. 1998. *Globalization: the human consequences*. Cambridge: Polity Press, 2.

<sup>7</sup> Kaufmann, Vincent, Manfred Max Bergman and Dominique Joye. 2004. Motility: mobility as capital. *International Journal of Urban and Regional Research* 28(4): 745–756.; Moret, Joëlle. 2016. Cross-border mobility, transnationality and ethnicity as resources: European Somalis' post-migration mobility practices. *Journal of Ethnic and Migration Studies* 42(9): 1455–1472.

<sup>8</sup> Piccoli, Lorenzo and Joelle Moret. 2020. A sudden bankruptcy of mobility capital? The paradoxical effects of pandemics on human movement. *National Center of Competence in Research – The Migration-Mobility Nexus Blog*. 17 March 2020. Available online at: <https://blog.nccr-onthemove.ch/a-sudden-bankruptcy-of-mobility-capital-the-paradoxical-effects-of-pandemics-on-human-movement/> Last accessed 14 January 2021.

the capacity of not moving.<sup>9</sup> While previously “one person’s speed is another person’s slowness,”<sup>10</sup> during the lockdown some people’s stasis necessitates others’ hypermobility. The Beijing-based startup Flash Delivery, which grew rapidly during the pandemic, provides 7-day 24-hour service with the promise that it would “respond within 1-minute, pickup goods within 10 minutes, reach the destination in the same city within 1 hour.”<sup>11</sup>

These outsourced mobilities have become commodities quite literally, rather than metaphorically. You can buy a piece of mobility service at a price for the sake of safety, convenience or efficiency. You can sell your mobility labour, measured by time and distance, for a fee. Mobility is alienable on both sides. In fact, mobility has arguably become a ‘super-commodity’. It is traded among large numbers of buyers and sellers instantaneously and seamlessly, facilitated by web-based apps; the price is constantly adjusted according to real-time demand-supply dynamics using algorithms.

### **Fast Expansion**

Delivery and logistics platforms expand rapidly, primarily due to the fact that expansion is cheap. Once the platform’s infrastructure is established, an imperative to become larger and wider is built in. The single most important input needed is labour. Meituan recruited 336,000 riders between the end of January 2020 and mid-March. As gig workers, or “independent partners” as the companies put it, they receive minimum training, no regular salaries, and no welfare provisions from the companies. Very often the workers must pay the company to buy their mopeds, delivery bags, uniforms, and helmets. But the entry barrier to this industry is relatively low, which partly explains why, in Western Europe, immigrants are very prominent among delivery workers. Even in Germany, known for its strict labour market regulation, foreign workers can register with platforms such as Helping or Deliveroo if they have a visa.<sup>12</sup> There is not even a language requirement.

Another reason for the rapid expansion of mobility platform companies is their capacity to link different kinds of mobilities, which enables them to respond to rapidly shifting market demands. Platforms in China channeled long-haul truck drivers into intra-city transport, and restaurant workers into food delivery during the lockdown. Taxi drivers working on Uber, Grab and Lyft worldwide are assigned delivery tasks for food or parcels. Uber in India partners with Big Basket and Flipkart, two major grocery platforms, to provide last-mile deliveries.<sup>13</sup> Such interlinkage between mobilities may become a defining feature of the mobility business.

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<sup>9</sup> Glouftsiou, Georgios. 2020. In heterotopic times; (im)mobility, social-distancing, and surveillance. *COMPAS Coronavirus and Mobility Forum*. 25 March 2020. University of Oxford. Available online at: <https://www.compas.ox.ac.uk/2020/in-heterotopic-times-immobility-social-distancing-and-surveillance/> Last accessed 14 January 2021.

<sup>10</sup> Cresswell, Tim. 2009. Towards a politics of mobility. *Environment and Planning D: Society and Space* 28: 17–31. Page 21.

<sup>11</sup> Didi launches errands service in 21 cities including Shanghai, Shenzhen, and more than 10,000 drivers have signed up. (Chinese). *iiMedia*. 16 March 2020. Available online at: <https://www.iimedia.cn/c460/69926.html>. Last accessed 14 January 2021.

<sup>12</sup> Altenried, Moritz, Manuela Bojadžijev and Mira Wallis. 2020. Platform (im)mobilities: migration and the gig economy in times of COVID-19. *Routed*. 20 June 2020. Available online at: <https://www.routedmagazine.com/platform-immobilities> Last accessed 14 January 2021.

<sup>13</sup> The Fairwork Project. 2020. *The gig economy and Covid-19: Fairwork report on platform policies*. Available online at: <https://fair.work/wp-content/uploads/sites/97/2020/06/COVID19-Report-Final.pdf>. Last accessed 14 January 2021.

## Wider, Deeper, Mightier

The mobility business is rapidly penetrating smaller cities and the countryside. According to data from China Internet Information Center, 40% of Internet users in third-tier cities have used on-line takeaway service by March 2020.<sup>14</sup> The number of customers over 40 years old has increased significantly (up 237 per cent between January 23 and February 23 in the case of MissFresh<sup>15</sup>, a Beijing-based delivery start-up). The scope of services is also becoming wider. In April 2020, Didi China began to run all kinds of errands for consumers that involve physical movements. This is aptly named ‘running leg’ service, which is now a generic term in the industry. The consultancy iiMedia Research predicts that the ‘running leg’ will grow fast, ranging from queueing to taking care of pets.

Even more importantly, the pandemic seems to be giving third-party platforms a stronger hand in negotiating with suppliers. Before the pandemic, many food companies and restaurants had resented the high fees charged by the platforms, but during the lockdown they depended on them to survive. A survey in China reports that 70% of restaurants planned to increase their spending on third-party delivery service after the pandemic.<sup>16</sup> The mobility business is gaining a commanding height of some sort in the market.

The mobility business is also deepening, in the sense that it becomes more capital-, management- and technology-intensive. In order to address customers’ concerns about health risks during the pandemic, platforms modify their Apps to collect riders’ health data in real time. They monitor workers’ movements ever more closely, including how they interact with suppliers, how they pack the food and seal the box, and sanitize their uniforms. The contactless service requires investments in ‘smart lockers’ across cities, where riders can drop parcels for the customer to pick up in a precisely coordinated manner (you don’t want cold coffee or melted ice cream) without any personal encounter. These measures to securitize mobilities make platform companies a potential partner of the government in fighting the pandemic and, in the future, securitizing social life in general. We have already witnessed how private logistical companies acted more efficiently than government bodies in sending medical equipment to the frontline.<sup>17</sup>

The relation of the mobility business to governance reminds us of another business of mobility: that of *stopping* mobilities. During the so-called ‘refugee crisis’ and ‘immigration crisis’ in the EU and the US in the mid-2010s, high-tech companies and defence contractors lobbied governments to invest more in border security. This opened up new businesses, from the construction of border walls to new weaponry and the installation of sophisticated surveillance systems. The worth of the global border security market in 2016 was estimated to be Euro 16.7 billion.<sup>18</sup>

The business of detecting and preventing cross-border movements is apparently very different from the business of monitoring and facilitating daily mobilities discussed in this post. But both are

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<sup>14</sup> China Internet Information Centre. 2020. *The 45th Statistical Report on China's Internet Development*. (Chinese) Available online at: <http://www.cnnic.net.cn/hlwfzyj/hlwxzbg/hlwtjbg/202004/P020200428596599037028.pdf>. Last accessed 14 January 2021.

<sup>15</sup> Minghe Hu et al. 2020. Ibid.

<sup>16</sup> Special research report on China’s food delivery market during the 2020 epidemic. (Chinese). iiMedia. 12 April 2020. Available online at: <https://www.iimedia.cn/c400/70742.html>. Last accessed 14 January 2021.

<sup>17</sup> Litao Zhao. 2020. *Wuhan's combat against coronavirus: making mobilisation work*. East Asia Institute Commentary No. 11. 27 February 2020. Available online at: <https://research.nus.edu.sg/eai/wp-content/uploads/sites/2/2020/03/EAIC-11-20200227.pdf>. Last accessed 14 January 2021

<sup>18</sup> Stop Wapenhandel and Transnational Institute. 2016. *Border wars: the arms dealers profiting from Europe's refugee tragedy*. Page 12. Available online at: <https://www.tni.org/files/publication-downloads/borderwars-issuebrief-web.pdf>. Last accessed 14 January 2021.

booming. In both models, private companies became indispensable in providing critical infrastructure for governance. It is not inconceivable that the technologies and knowledge developed in border control could be applied to internal mobility monitoring. These businesses are reshaping how political power operates, and what it means.