

# Amazon's Last Mile

## How the Number One Online Retailer Is Driving Job Insecurity in Logistics. Workplace Trends, Problems, and Approaches to Unionizing

Amazon, the multinational corporation from Seattle, USA, is on its way to becoming a digital superpower. One of the strategic areas in which Amazon is aggressively increasing its market power is logistics. It has entered the ocean freight business and operates its own cargo airline, which is now the world's fourth-largest. The coronavirus crisis, which for Amazon was not a crisis but rather the biggest shopping boom of all time, has seen the retail colossus gain ground at an accelerated rate.

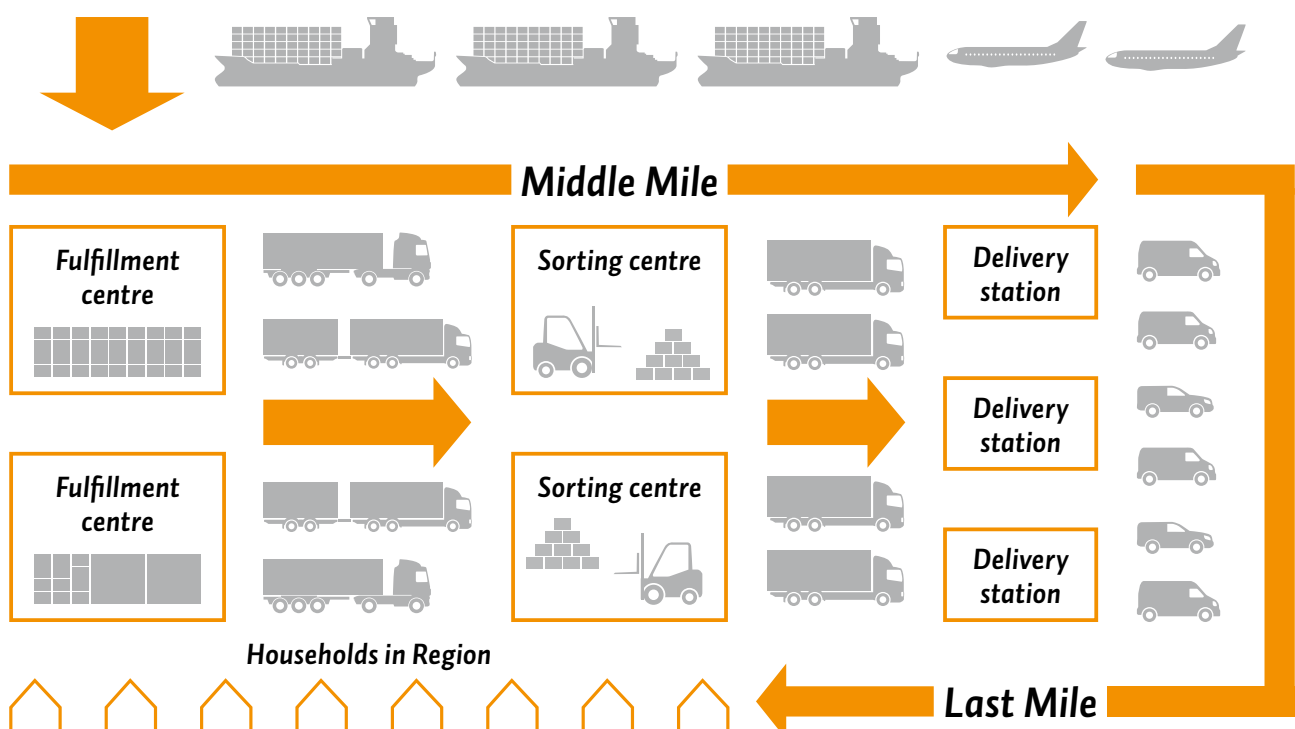
Since around 2017, the corporation has been developing its own logistics system for the "last mile", the final step of the delivery process from a delivery station to the customer. Huge "fulfillment centres" are supplemented by an ever more densely woven network of sorting centres and delivery stations. Amazon is not just elbowing traditional parcel delivery services out of the market with these developments; it is actively driving job insecurity in an industry that is already under huge competitive pressure. Since the beginning, "Amazon Logistics" has used a network of dependent subcontractors for its operation.

In addition, the company is experimenting with a gig workforce model called "Amazon Flex".

Amazon did not invent the subcontractor system in parcel delivery logistics. But it combines the commercial advantages of this kind of outsourcing with digital monitoring, algorithmic control, and artificial intelligence in a way that is only possible for a gigantic tech corporation.

This model creates a structural situation of increased competition, where subcontractors inevitably try to pass on the pressure to their employees. A recent case study from Germany shows how this leads to systematic violations of labour rights: excessive working hours, a lowering of the legal minimum wage, shifting liability risks onto employees, and so on.

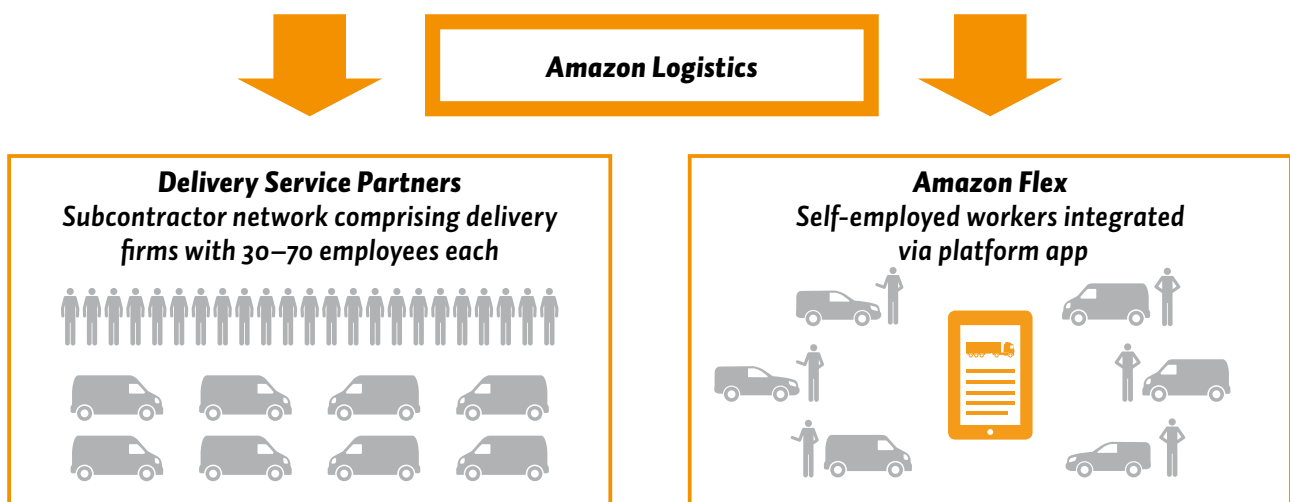
This pamphlet explains how Amazon Logistics works. We also take a look at approaches by unions in Germany, Italy, the United States, and Switzerland that offer hope. With solidarity, strategy, and organization, countering ever-worsening working conditions is possible.



# How Does Amazon Logistics (AMZL) Work?

Amazon Logistics is the online retail giant’s own delivery service. To date, this service operates in the USA, Canada, Germany, the UK, Spain, and Italy, in particular in urban areas. Amazon Logistics does not itself employ any delivery van drivers. Instead, there are two models for delivery workers:

- ➔ a network of small-scale delivery companies (known as Delivery Service Partners), who each, as subcontractors, have a contract (almost exclusively) with Amazon. These are usually smaller companies with 20 to 40 delivery vans and 30 to 70 drivers.
- ➔ a network of self-employed, independent contractors, who are integrated into the operating process via the platform app Amazon Flex. Drivers that work using Amazon Flex have, thus far, only accounted for a small amount of deliveries. The mainstay of Amazon Logistics is the Delivery Service Partner subcontractor network.



## Unionizing the Entire Delivery Chain

This complex subcontractor structure makes access particularly difficult for unions. Nonetheless, progress in terms of unionizing the delivery chain is not only necessary, but possible too.

### Germany: Days of Action Kick off Long-Term Effort To Organize Workers

“A machine – I’m a machine”, says one driver of a white delivery van. “Twelve hours, every day, for four years. But when I don’t work, I don’t get paid.” It’s the beginning of September 2021, and a small group of trade union activists are distributing flyers in various languages to drivers in a queue in front of the Amazon delivery station in Frankfurt am Main. The drivers are happy to talk about their situation, and their stories are similar. They talk of ten- or twelve-hour shifts, of work pressure, of daily routes with 250 deliveries. At the end of the month, they receive €1,000 to €1,200, and this is often paid late. Violations of German labour law

abound. But the drivers often do not know their rights. Many are migrants and rely on their job, and they don’t have the nerve to go head-to-head with their employers.

This action is one of 35 organized across Germany by the trade union ver.di and the DGB Fair Mobility advisory network. Hundreds of activists in small teams distribute information leaflets to more than 8,000 drivers who are delivering parcels on the last mile or supplying truck transport for Amazon. The days of action are intended to kick off a long-term campaign and organizational effort by unions in the area of Amazon logistics.

## Italy: “The Strike Brought Together Different Groups of Workers”

On 22 March 2021, tens of thousands of Amazon delivery workers in Italy downed tools. It was the first strike in the world to encompass large parts of the Amazon distribution network – from large storage depots to couriers. Elisa Gigliarelli and Danilo Morini, two members of the leaders’ council at Italian transport trade union FILT-CGIL explain how the Italian trade unions worked towards the strike.

### *Why did you start to systematically organize the different worker groups in the Amazon delivery chain in Italy?*

The Amazon logistics universe in Italy now has 40,000 workers, and this number is growing all the time. When the number of workers in the delivery chain is taken into account, Amazon is one of the largest enterprises operating in Italy. In some regions, we have already unionized the drivers. Although not directly employed by Amazon, they work exclusively for the company. By our current estimates, there are 85 subcontractors with around 13,000 drivers. We started campaigning for logistics labour contracts to be recognized three or four years ago.

### *What strategies have you employed?*

We held a series of regional meetings at the end of 2020, where we formulated a joint platform with a number of demands. The platform brought together workers from the delivery chain regardless of their

relation of dependence and defined common goals. Since Amazon refused to negotiate with us, in March we organized the first national strike affecting the entire Amazon delivery chain. This action had a massive effect, and Amazon returned to the bargaining table. Finally, September 14th Amazon signed a collective agreement with us.

### *What are the biggest challenges and how are you approaching them?*

The biggest challenge is, without a doubt, fragmentation between staff with different contractual arrangements and from different ethnic groups. We’re trying to overcome these differences and particularities through participation. With the joint platform for the delivery chain, our aim is to turn individual weaknesses into a useful form of power for everyone. The strike brought together different groups of workers.

## USA: “We Need to Pursue a Comprehensive Approach”

Interview with Tim Beaty, Global Strategies Director at the North American transport union International Brotherhood of Teamsters

### *In the USA, too, Amazon has taken over the roads. How are the Teamsters dealing with this situation?*

Over the past two years, we’ve seen a massive expansion of last mile delivery activity. Mid-2020, there were 117 delivery stations in the USA. By the end of this year, it will be 300. By the end of 2022 we estimate that there will be 500. So-called “Delivery Service Partners” (DSP) – small-scale courier companies that deliver parcels as subcontractors for Amazon, who each employ between 10 and 50 drivers – are linked to this expansion. There are about 10 to 15 of these DSPs at each delivery station. The only reason why Amazon has set up this system is to shift the responsibility for the employees onto smaller companies in order to lower costs.

### *Are there any attempts to organize these courier drivers?*

Amazon is lowering standards across the entire industry. This threat needs to be taken seriously, and

approached seriously. We are a union with roots in logistics. Truck drivers and couriers form the core our membership. That’s why we help other unions to organize, because when the warehouse workers join forces with the workers that bring and collect items to and from the warehouse, there’s tremendous power.

### *What specific actions are you taking?*

We’re currently training many of our members to become organizers. And we are working with other unions with interests in Amazon – postal and communication unions and some construction unions involved in building projects at Amazon. The important thing is to pursue a comprehensive approach that takes all aspects of the company into account and attempts to reach all potential allies. We need to build a huge amount of leverage that we can use against the company, in order to create a situation that will make Amazon realize that it is simpler to deal with us than fight us.

## Switzerland: “We’re in the Process of Understanding the Field Better”

Other parcel delivery services also work with similar subcontractor models – such as DPD, part of the French La Poste company, in Switzerland. DPD has contracts with around 70 small delivery firms, each with between five and fifteen drivers, across eleven depots nationwide. In February 2021, the labour union Unia published a 35-page report uncovering serious abuse and labour law violations at DPD: unpaid overtime, overly long working hours, huge pressure on employees. Through a wide-ranging campaign, Unia was able to organize employees in most of the depots within the space of several months, which made the company go on the defensive publicly. We spoke with Sören Niemann-Findeisen, head of the organizing department at Unia’s headquarter in Bern, about the union’s experiences with DPD.

***In Switzerland, DPD is rather small with 800 drivers that are all employed by smaller sub-contractors. Despite this, Unia stated organizing the drivers and warehouse workers at DPD. Why?***

Even if DPD’s market share in Switzerland is still comparatively small, they still come second after Schweizer Post. To us, they’re important because of their aggressive undercutting of the competition. With their business model of dumping practices they set developments in motion that could dramatically worsen labour conditions not only in parcel logistics, but in the retail trade in the coming years – that is, if we don’t do something about it.

***What difficulties have you run into?***

The people who work for DPD’s subcontractors are often migrants that have only been in Switzerland for a short time. Many are simply happy to have a job and an income at all, and have little ambition to unionize. They don’t know their rights; often, they have had no experience with unions. The subcontractor system means they are scattered across a large number of small employers, and more than a few of these

employers are themselves struggling for economic survival. In addition, there are ethnic divides and language barriers.

***How do you deal with this?***

Most of our members are migrants themselves, which makes it easier to approach the workers. We have had success with direct forms of approaching and organizing the workers such as assemblies in car parks, postcard campaigns, and petitions. But from the beginning, we’ve viewed all of this as part of a wider campaign: Since DPD refused to even talk, we’ve written to corporate customers, started a public debate, forced politicians to take a position, and at the same time built up economic pressure and organized employees. We now have a presence as a union in most depots. But we’re still far from resolving the problem. We need better legal regulations, generally binding collective contracts, and there needs to be more monitoring and harsher consequences for labour law violations. We’re in the process of understanding the field better and learning how to proceed.

### Imprint



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