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“Precarity and subcontracting relationships: the case of parcel delivery drivers in France”,
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Abstract:

This article seeks to show, taking the example of delivery drivers, how inter-firm relations affect worker precarity. It is based on an in-depth field study carried out in the Paris region and backed up by the statistical analysis of national surveys. It focuses in particular on the role played by firms' dependence in the precarity of work and employment, considering that both dependence and precarity should be considered ubiquitous. It then seeks to measure this dependence and highlight the factors that may increase it as the relative size of the firms, the chain of dependence and the position of firms in this chain. In this way, it sets out to show why the contractual status of employees can no longer provide job security in the context of unbalanced subcontracting relationships.

Keywords: Delivery drivers, dependence, outsourcing, precarity

Introduction

Since the 1980s, firms have stepped up their restructuring strategies, particularly in order to transfer their workforce management responsibilities to other parties. Outsourcing, subsidiary formation, firms' networks and uberisation have increased, leading to a 'vertical disintegration process' in some sectors (Doellgast and Greer, 2007).

Several studies have demonstrated the impact of this process on wages. By comparing working conditions in different economic sectors, it has been shown that individuals working in subcontracting firms are less well paid (Berlinski, 2008; Perraudin and al., 2014 ; Flecker, Meil, 2010) than those who work in firms (referred to as principals, lead or core firms in the rest of this article) which engage subcontractors. The literature on 'Global Commodity Chains' (GCC) (Gereffi and Korzeniewicz, 1994) or 'Global Value Chains' (GVC) (Gereffi, Humphrey, Sturgeon, 2005) highlight the international division of labour which exists between the countries where the core firms's head offices are located and those where the subcontractors are located, and how skilled and unskilled labour is used differentially along these chains (Feenstra and Hanson, 1996).

This article also examines the impacts of these new inter-firm relationships on workers, but primarily to show how they affect worker precarization. The aim is to show that these outsourcing processes pose a threat to seemingly robust social protection systems like that in France, whose social protection rate, the amount of state aid (family allowance, housing

assistance and other social benefit) in the household income, is 31.2% (compared to 20.6% in the UK (OECD, 2020), for example). These systems are no longer able to protect workers from the uncertainty regarding loss of their job, failure of their company or destruction of the content of their work.

On the other hand, instead of considering that these impacts are due to the globalisation of production chains, as suggested by the GVC or GCC approaches, this article primarily seeks to examine how the very nature of the subcontracting relationships affects workers, on the basis of an empirical study that covers a specific sector, that of parcel delivery in France. Like the telecommunications industry (MacKenzie 2000), this sector has witnessed significant quantitative and qualitative changes in the use and management of subcontracting. Thus, subcontracting has grown from 44% to 52% of the cumulative turnover of parcel delivery companies between 1993 and 2018 (CGDD, 2019) in the context of a clearly defined division of tasks: the employees in charge of organising transport are always salaried, while the delivery staff who carry it out are subcontractors. This sector combines various factors leading to increased precarity, most of which have been described in Alberti and al. (2018), such as the erosion of the standard contract, the spread of non-standard contractual forms, the specific restructuring strategies by transport groups or the perceived deterioration of the risk of job loss. The occupation of delivery driver is a blue-collar job with particularly harsh working conditions due to the combination and repetition of handling and driving operations, the long or atypical working hours that go with urban delivery and is also poorly paid. Traditionally, these conditions have been offset by workers' high degree of autonomy as they worked outside their company's offices and the good protection provided by French employment contracts. However, increasing outsourcing is augmenting the risks of precarity. The shift from employment contracts to subcontracting contracts is not only changing the status of workers but also the protection provided by the contract and the responsibilities it entails (Casale, 2011).

This explains why so much importance has been given to the dualisation between standard and non-standard contracts (Emmenegger and al.2012, Park and Kang, 2017), which for delivery drivers can be expressed as the opposition between employed drivers and self-employed owner-drivers or insiders versus outsiders, with precarity being associated with non-standard contracts, self-employment and outsider status.

However, there is nothing automatic about this association. In some sectors, such as software development, self-employed status is not necessarily synonymous with precarity (Colle and al. 2017, Eyer and Montagne, 2007). In addition, the distinction between salaried and self-employed status is becoming less and less clear. C  l  rier and al. (2016) list, for example, the different forms of hybrid status in France and Spain (“employer-salaried” status, wage portage, “microentrepreneur” that can be both employee and self-employed, employers' alliance, etc.). This is why this article examines this dualisation. Moore et Newsome (2018) have highlighted the role employers play in organising precarity by effectively creating competition within their firms between drivers with the status of insiders and those with that of outsiders who lack social protection. Ultimately, this competition weakens the position of each worker by making it possible to perpetuate precarious working conditions, in particular low wages and long working hours. This article provides an additional point of view, following Freedland (2016) who suggests that for too long it has been assumed that ‘the practice of scientific and increasingly digital management of workers takes place essentially within employing organisations’ (2016: 14). This scholar’s approach is followed in order to examine the extent to which this practice ‘is rapidly extending its application beyond those confines, drawing workers previously *extra muros* and ostensibly independent into organizational networks to which they are in fact subordinated’ (2016: 14). The article attempts to identify a link between increased worker precarization and inter-firm relations in the parcel delivery sector. To achieve this, this article analyses inter-firm relations through the lens of economic dependence. It attempts to measure

the intensity of dependence and the factors which foster it, such as the position in the chain of dependence and the relative size of the firms involved. Examining the dependence between the parcel delivery groups and their clients as well as with their intermediate and final subcontractors opens the ways for an analysis of the intersection of contractual dualisation between employed and self-employed workers and dualisation between insiders and outsiders (which defines the limits of the parcel delivery group). It thus reveals four categories of delivery workers who are impacted to varying degrees: those who are directly employed by the group, self-employed owner-drivers, the self-employed owners of small subcontracting firms and the workers employed by such firms.

The first section of the article reviews the link between dependence and precarity in the literature. Whereas worker dependence is most of the time confined to classification issues related to labour law, the article emphasizes the fruitfulness of the concept of inter-firm dependence when linked to a multifaceted notion of precarity. In the next section, the article gives a detailed description of the research method which is based on an in-depth field study and backed up by the statistical analysis of national surveys. The article then considers, more specifically, the classic dichotomy between standard and non-standard contracts in the chain of actors within the parcel delivery sector. It then seeks to clarify the role played by inter-firm relations in workers precarity. Three specific drivers of precarity are highlighted. First, the level of economic dependence, second, the respective sizes of companies and the vulnerability of workers to the risks facing their firm and third, the position of companies in the outsourcing cascade.

Inter-firm dependence and precarity: from dualism to ubiquity

Most economists approach inter-firm relations, especially vertical ones, in terms of the minimisation of transaction costs (Williamson, 1991). The end-subcontractor – the last link in the chain – is deemed to be a free agent who voluntarily agrees (Baudry 1992:873) to work for a core firm. The concepts of power and dependence are thus eliminated from subcontracting relationships. When they consider power relationships, socioeconomic analyses, as works on GVC (Gereffi, Humphrey and Sturgeon, 2005), although it is beginning to take labour process analysis into account (Taylor, Newsome and Rainie, 2013; Flecker, Meil, 2010), are mainly concerned with the decisions made by lead firms and the reasons for them, raising geopolitical issues related to globalisation. Rather than focusing on lead firms' strategies, this article wants to explore behind the scene – their economic and social consequences –, the other side of the link –the subcontractors' point of view. Since the literature on GVCs leaves the concept of dependence 'under-theorized' (Dallas et al., 2017), this article examines dependence relationships as these have been defined in other studies. Most of them fall into two categories, those focusing on dependent workers and their legal classification and those trying to propose theoretical indicators of inter-firm economic dependence.

The International Labour Organization deems 'dependent self-employed' workers to be self-employed workers who do not meet one or more of the three following criteria: having more than one client, having the authority to hire staff and having the authority to make important strategic decisions about how to run their business (Williams, Lapeyre, 2017). Based on these criteria, they estimate that the category of dependent self-employment accounted for 4.3% of total employment in the EU-28 in 2015. The adjective 'dependent' is used to highlight the vulnerability of a category of workers in need of protection and the fiction of self-employment (Eurofound, 2016). However, it also implies a category of independent self-employed workers. This point is also underscored in the recent literature on the dependence of workers on digital platforms. For example, Schor et al. (2020) consider that self-employed workers are totally

dependent on a platform when they work full-time with it to earn a living, but when they do so occasionally, they are independent. In this case, there is an almost automatic link between dependence and precarity:

‘We find that when platform income is supplemental (i.e., the provider has multiple sources of income), satisfaction is higher, autonomy is greater, hourly wages are generally higher and conditions are better. By contrast, those who are dependent on the platform to fund basic living expenses express more dissatisfaction and experience more precarity’ (Schor and al., 2020:835).

However, instead of focusing on the Uber model as a “monolith” (idem, p. 852), the scholars highlight the diversity of dependent workers and show that their outcomes can vary by platform – some propose better earnings and conditions – and according to the help they can receive from their parents. For the dependent workers, Schor and al. (2020) conclude that

‘re-classification (...) is key to improving working conditions and altering platform outcome’ (idem, p. 836).

When considering economic dependence, both the notion of dependent self-employed worker and the analysis of Schor et al. (2020) bring the dualisation between standard (employee) and non-standard (self-employed) contracts back to the forefront, with precarity being associated with the latter status. This association between dependence and precarity, which appears to be self-evident, should nevertheless be examined more closely. It implies that there are workers who are economically completely independent from their employers and thereby able to avoid precarity. It therefore overlooks the many situations of codependence or interdependence which characterise more horizontal situations. For this reason, this article refers to an older literature on inter-firm dependence, that of industrial relations, which considers dependence as a relative notion and adopts a broader perspective (no longer seeing it as just a question of relations between self-employed workers working without employees and their principal).

The concept of inter-firm economic dependence applied here comes from the pioneering sociological works of Emerson (1962) and Marchesnay (1979). While remaining strictly theoretical in nature, this literature is of interest as it conceives economic dependence as a relative notion characterising the nature and intensity of the relationship between companies. Every firm, in order to survive, or to maximise its profits, is dependent on its bankers, financiers, suppliers or customers to a greater or lesser degree. When economic dependence is too high, it can have negative impacts on the dependent firms because, to use Marchesnay's words, the dominant firm 'is able to adapt the policy and management of the [dependent] entity to its own intentions and actions, to the specific rationale of its organisation' (1979:710). This article argues that dependence should be considered ubiquitous – non-dependent drivers do not exist in our analysis – and seeks to highlight the factors that may increase it.

Likewise, to examine how dependence affects delivery drivers' precarity, rather than thinking in terms of classification, like Schor et al. (2020), this article adopts a stance that is closer to that of both Neilson and Rositer (2008) and Newsome and Moore (2018) who consider precarity 'as the norm' as well as that of Bourdieu (1997) who situates it within an 'omnipresent mode of domination' based on the creation of a generalised and permanent state of insecurity aimed at forcing workers into submission and the acceptance of exploitation. Following in the footsteps of Bourdieu, after a long survey of the French population, Paugam identifies two aspects of precarity. The most widely accepted meaning of the term is employment precarity, which expresses the discontinuous nature of employment. This is, in particular, associated with a high rate of unemployment which represents a perpetual threat (Castel, 2003 Gallie et al., 2017). Work precarity is defined more subjectively as a denial of recognition, often linked to a deterioration in working conditions, with work losing its interest in terms of content, recognition and remuneration (Paugam,2007). This article focuses on the first aspect of precarity, as the second is usually analysed through questionnaires specifically related to job

satisfaction and when comparing different sectors. The second aspect of precarity is explored here through an analysis of the changes in the jobs of delivery workers.

Rather than postulating dual concepts of dependence and precarity, associated to contractual status, this article seeks to give an empirical content to the concept of dependence (escaping the independent/dependent distinction) to characterize complex relationships between firms and to establish a non-automatic link with the multifaceted precarity faced by parcel delivery workers.

Research method

The research described in this article draws on a number of sources. The freight transport related data from the 2017 French National Employment Survey processed by Lamy (2019) provides a statistical framework for the author's field data. The national survey has been used here to characterise the French population of salaried delivery drivers in terms of their age, type of contract, working hours, pay and job tenure (length of service). However, it does not contain sufficient data on the self-employed. It can tell us nothing about the relative proportions of subcontracted and salaried drivers and how these have changed.

In France, the subcontracting rate among parcel delivery companies is available from a national transport survey, 'Les comptes des transports' (CGDD, 2019). This rate is the proportion of the companies cumulative turnover generated by subcontracting, and stood at 52% in 2018. However, the source provides no information about what is exactly outsourced and how.

In 2011, an empirical study of parcel delivery agencies in the Paris region found that, among a sample consisting of 15 agencies and 48 subcontractors, 71% of the total volume of freight leaving the agencies was subcontracted (Author, 2014). However, the subcontractors had been carefully selected by their agencies, which obviously created a measurement bias. This article is therefore based on an empirical investigation in which the subcontractors were approached directly, without the involvement of the parcel delivery agencies. Thus, in 2015, 67 delivery

drivers were encountered in the Paris region. After having identifying them in the streets by their trucks, the method consisted in asking them some precise questions about economic dependence (the number of agencies they worked for, the percentage of their turnover which was generated with their principals, their ability to work outside of subcontracting, their total turnover, their number of employees, the age of their firm, etc.) while they were engaged in delivering, sorting or picking up parcels. If the delivery drivers gave their consent, it was possible to stay with them for part of their rounds. This empirical approach had not been planned beforehand but was imposed because of the lack of time of deliverers. Even, inside the trucks, interviews were frequently interrupted by deliveries. The informality of this method associated with the multiplicity of the deliverers' operations had different consequences on the research. First, it prevented the recording and made it necessary to take notes *a posteriori*. The written transcripts are therefore often incomplete. Then, because of the priority given to the questions on dependence and the observation, security rules, except for the safety belt, had been put aside at the moment. Finally, some of the delivery drivers, at first reluctant to answer or open their trucks, ultimately came by themselves after having seeing the interviewer always in the same place talking with their colleagues for weeks.

In order to distinguish between the employees of the parcel delivery groups, the employees of subcontractors and the owners of subcontracting firms, an initial series of questions on the nature of their employers and/or customers was asked. As the purpose of this approach was to obtain data solely on the relationship between the subcontractors and the parcel delivery groups that engaged them, the employees of large parcel delivery groups were excluded, as were delivery drivers providing own-account transport for a shipper. Of the 67 drivers interviewed, 25 were owner-drivers, while the other 42 were either the employees or owners of subcontracting companies. When the employees of the subcontractors were unable to provide any information about their firm's turnover or clients, they gave us their employer's contact

details. Eighteen additional interviews were therefore conducted between 2015 and 2017 with the owners of the firms whose employees had been interviewed previously. Some of these were conducted briefly by telephone while five were longer biographical interviews. The distribution of the employees in the sampled firms is shown in Table 1.

TABLE 1 HERE

Apart from the collection of these quantitative and qualitative data with a view to evaluating economic dependence, additional interviews were conducted with members of transporters' federations and drivers' unions, land transport inspectors and the registration department of the Regional and Interdepartmental Directorate for Infrastructure and Planning (DRIEA), who are responsible for road freight transport in the Paris region. These provide an overview of the parcel delivery sector at a more macroeconomic level that the subcontractors cannot provide. They also allow us to measure the proportion of business failures.

Last, in order to move up the subcontracting chain, a series of interviews were conducted with employees in the dispatch departments of 15 parcel delivery agencies in the Paris region and one intermediate subcontractor. The author was able to gain access to the interviewees due to an involvement in training transport company staff since 2018. The aim was not only to explore the human resources choices and subcontracting strategies implemented by these groups, but also the way tasks are distributed between subcontracted and directly employed delivery drivers and, of course, the relative proportions of the two categories of drivers. The point of view of both the principal and the different subcontractors is essential to understand the nature of their power relationship. However, this does not eliminate subjectivity bias in the conduct of the interview. When possible, the investigation was therefore taken further by observing the work processes in the dispatch department of a parcel delivery agency (during 3 days) and by accompanying subcontracting delivery drivers on four rounds, during which it was possible to observe how the job has changed since 2015.

From salaried employment to subcontracting: increasing precarity that depends on status?

The 2017 French Employment Survey (Lamy, 2019) showed that 87% of delivery drivers with an employment contract had a permanent contract and 71% a full-time one. In addition to the protections that this implied (pension rights, unemployment and sickness insurance), the contract necessarily complied with the road haulage collective agreement, which stipulates a 35-hour working week for parcel delivery, i.e. rounds that are limited to 7 hours a day. Finally, the hourly wage of around €9.38 does not depend on the number of parcels to be delivered, so the employee has no obligation to achieve a result. In principle, such figures indicate good worker protection.

Nevertheless, the parcel delivery sector has undergone some major upheavals since the 1980s and these have weakened this protection. Despite the recent growth due to the exponential expansion of e-commerce, the companies (which are often multinational) that dominate the sector remain vulnerable. In France, they are the only part of the road haulage sector with negative EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) (ESANE Survey, French annual statistics of companies, INSEE 2013 and 2015). The historical players have been weakened by the succession of economic crises and are competing with a more recent player, Amazon Logistics (Author, 2019), whose labour management strategies circumvent national legal provisions. In addition, the large parcel delivery groups are increasingly made to compete with each other by their customers (multinational industrial companies, the mass distribution and e-commerce sectors). These customers, namely the shippers located upstream in the chain of actors, have certain advantages over the parcel delivery groups that skew the relationship in their favour. They are more concentrated, and it is also always possible for them

to perform transport themselves without using third-party logistics providers. This is what, for example, the supermarket giant Monoprix has done with its subsidiary Samada or Amazon with Amazon Logistics in 2016.

Parcel delivery groups owe their very existence to the needs of these shippers. They are entirely dependent on the activity of the companies requesting a transport service (OECD, 2002:137). In order to respond to the calls for tenders issued by these large shippers, they must be able to deliver large numbers of parcels quickly and at competitive rates. Given their small margins, reducing costs is extremely important for them. Replacing expensive employment contracts with subcontracting contracts provides a number of savings, for example on holiday pay, employers' contributions, redundancy costs, employees' councils, etc. This is why subcontracting represented 52% of the cumulative turnover of parcel delivery companies in 2018 (CGDD, 2019), three times more than in the long-distance transport sector.

The interviews of the employees of 15 parcel delivery agencies showed that subcontracting was on the increase, particularly in the Paris region. On average, in 2019, subcontractors accounted for 89.3% of the total number of delivery drivers working for delivery parcel agencies (Table 2) whereas it was estimated at 71% in 2011 (Author, 2014).

TABLE 2 HERE

However, the replacement of employees by self-employed workers in this chain of actors can affect drivers precarisation. To begin with, self-employed status obviously provides drivers with much less protection than employee status. In France, social security provisions for the self-employed are less comprehensive than for employees. Moreover, the self-employed are no longer eligible for paid holidays or unemployment benefit. So, employees have two types of protection if their contract is terminated. The dismissal procedure is standardised and expensive for the employer. First, to make an employee redundant, the employer must state genuine,

serious reasons (some, as paternity, maternity, illness, discrimination and the right to strike are excluded) – the “economic dismissal” allows to circumvent this restriction in case of economic difficulties of the employer – and the employee must be summoned for an interview to be informed of the reason. In addition, the employee may be eligible for severance pay. An employee with more than 8 months of tenure is entitled to compensation which cannot be less than a quarter of a month's pay per year of service for the first 10 years or a third of a month's pay per year of service from the 11th year onwards. This legislation strongly limits dismissals with two exceptions, economic dismissal and dismissal during the trial period, which does not require such a procedure. In contrast, the termination of a self-employed worker's contract requires neither specific grounds nor the payment of compensation.

Not only have employment conditions become more precarious in this way, but working conditions have also deteriorated, suggesting a risk of the second aspect of work precarity described by Paugam (2007). For a given number of hours worked, the income of the self-employed workers was lower. In the 2015 sample of 67 drivers, the average delivery rounds of self-employed delivery drivers were two hours longer than those of employees, lasting 9 hours on average, and could be as long as 14 hours. In fact, subcontracting provided a way of circumventing the legislation on the 35-hour week. Remuneration was also calculated differently since the self-employed delivery drivers were paid not by the hour, as is the case for employees, but for each parcel they delivered, between €1.5 and €3. Furthermore, whereas in an employee contract the employer has to pay employees for leave of absence when this is justified, the subcontractors received no remuneration if they were absent. Their pay was also reduced by a series of penalties in the event of late or defective deliveries. Table 3 shows part of the penalty grid applied by a major parcel delivery group.

TABLE 3 HERE

It would be tempting to conclude that the precarisation of French delivery drivers is caused solely by the fact that they have a commercial contract instead of an employment contract. Employees benefit from works councils, collective agreements and trade unions and are assigned the easiest rounds, whereas subcontractors are used by employers for longer and denser rounds, last-minute replacements, as in the event of a strike by insiders. However, the data collected during the fieldwork show that the situation is more complex than a simple causal link of this type.

Worker precarity and inter-firm dependence

This dichotomy between employed and self-employed workers must be put in perspective. As in the parcel delivery firms described by Moore and Newsome (2018), the data collected in the Paris region revealed that different categories of workers were working side by side on the same loading dock. However, whereas Moore and Newsome identified 3 categories of workers (directly employed, owner-drivers and home-based couriers, i.e. non-professional drivers doing delivery part time for additional income), this article shall consider 4: employees of the parcel delivery company agency (corresponding to directly employed), employees of the agency's subcontractors, owners of subcontracting firms and owner-drivers. In other words, among the delivery drivers working as subcontractors, a distinction has been made between owner-drivers, those who own a small company and those who are employees of very small enterprises (VSE). There are no 'home-based couriers' in France because there are entry barriers for those wishing to become a self-employed driver (in particular, they must undergo specific training and invest capital of €1,800).

The analysis of how inter-firm relations affect the precarity of these different categories of workers began with an examination of how economically dependent the subcontractors were on the parcel delivery agencies, using the criteria defined by Emerson and his followers. Grand (1997) defines a first indicator, named general dependence. During the fieldwork, one of the

questions the subcontractors were asked related to their ability to access shippers without going through a parcel delivery group. Of the 67 firms interviewed, 56 explained that they were unable to have direct access to shippers. Moreover, 51 of the 56 companies generated their entire turnover through subcontracting. The subcontractors were therefore heavily dependent on parcel delivery companies for access to freight. Companies with fewer than 20 employees, which account for more than 91% of the transport undertakings in France (ESANE, 2018), are unable to respond to shippers' calls for tenders because they do not have enough trucks and drivers and cannot offer competitive rates. Parcel delivery groups compete for these tenders and act as intermediaries between shippers and end subcontractors. This first very high indicator of dependence is due to the fact that end subcontractors who set up their own businesses are forced to work with parcel delivery groups.

A second very straightforward indicator – inspired by Marchesnay (1979) – of a firm's level of dependence is the percentage of turnover it generates with its main client (principal). This criterion is also used to characterise the dependent self-employed in Germany and Spain (Author 2020). In the 2015 sample this was on average 78%, confirming the firms' high dependence on parcel delivery groups. In addition, more than half (34 out of 65) of the subcontractors generated 100% of their turnover with a single parcel delivery group and a large majority of end subcontractors (52 out of 65) generated more than 50% of their turnover with their main principal. The average number of parcel delivery groups per subcontractor was only 2.6. This shows how dependent the subcontractors were on their contract with their main client. If the latter goes bankrupt, the end subcontractor is very likely to do so too. Thus, when Sernam went bankrupt in 2012 to be followed by Mory Ducros in 2015, hundreds of subcontractors went out of business.

The last essential criterion for assessing the economic dependence of subcontractors is their inability to gain additional principals – inspired by Marchenay (1979). For the interviewed

owner-drivers, the possibility of working for two different parcel delivery groups was very limited. The delivery rounds described in the interviews started early in the morning and ended in the afternoon. An owner-driver (37% of the companies in the 2015 sample, 50% in the Paris region according to DRIEA) would have little chance of finding another regular delivery round that was compatible in terms of timetabling. Then, if the subcontractor managed to find two rounds that were compatible in terms of timetabling, they would have to be within compatible areas, and above all physically possible. Those who managed to do this did so by employing drivers and purchasing additional vehicles.

It is unquestionable that subcontractors are the captives of a parcel delivery group; they cannot contact shippers directly or increase the number of principals they work for. The interviews with both parcel delivery agencies and subcontractors showed that the latter had no negotiating power with regard to rates, timetables and targets. It was reported that subcontracting contracts were regularly broken or renegotiated at a lower rate by the courier groups. This affects all four of the above-mentioned types of delivery workers. In 2018, the case was observed of a shipper who ceased to entrust a certain volume of goods to be transported to a parcel delivery group. The latter then terminated its contracts with its subcontractors, who in turn had to lay off their drivers. Similarly, on several occasions it was observed that newly-appointed delivery agency manager began by renegotiating their subcontracting contracts and making their own selection of subcontractors. Drivers' precarity, whether they were owner-drivers, the owners of a subcontracting firm or its employees, was the result of this high level of dependence. Although they had permanent contracts, the employees of the subcontractors had no guarantee of the continuity of their contract, either in terms of duration or conditions (wages, working hours). Their employment and working conditions changed with the contract offered by the parcel delivery group.

Precarity and the size of firms

Although employed delivery drivers in distribution in France (48800 in 2016 (Rageau, 2016)) are mostly on permanent contracts, they usually work for VSEs. According to the Employment Survey, more than 55% of salaried delivery workers worked for companies with fewer than 49 employees in 2017 (Lamy, 2019). These VSEs are precisely those that carry out transport for large groups as subcontractors. The drivers employed in these VSEs are well protected by their permanent contract. However, working in a VSE means their working conditions are rarely as good as in larger firms (lower wages, absence of trade unions or employees council, company owner under pressure). Above all, they are in a very different position in terms of employment precarity. Both owners of subcontracting firms and their employees are facing the same risk, even if the latter are supposed to be protected by permanent contracts. In the 2015 sample, the end subcontractors had an average of 6.7 employees and the failure rate of companies of this size is around 5% in the Paris region (data reconstructed from the institute Ellisphere (Madjarian, 2016) and the *Score3* website), i.e. more than twice the French national average. The DRIEA has evaluated the average lifespan of end subcontractors at around 4 years (DRIEA interview, 2015). Bankruptcies are therefore numerous and frequent for small subcontracting firms. This is not without consequences on the employees of these firms. The 2017 Employment Survey shows that the median job tenure (length of service) of salaried delivery workers in the VSEs is between 2 and 3 years against between 4 and 6 years in firms with 10 to 49 employees, and between 6 and 9 years in firms with 50 to 499 employees (Lamy 2019).

These figures support the thesis that the employment precarity of delivery workers depends on the size of the firms in which they work. The employees of VSEs in the transport sector, unlike those working for large groups, experience job insecurity because their firm is vulnerable due to its size. The employees and owners of these VSEs find themselves in the same boat, even though the former have an employment contract and the latter a commercial contract. It should be noted, that in the parcel delivery sector in the Paris region, there is a pool of around 12,500

VSEs which are interchangeable. There are no specific assets (apart perhaps from the possession of an electric or natural gas vehicle) which allow one subcontractor to stand apart from the rest.

The size of the firm also affects the precarity of its employees through the role it plays in economic dependence. As have been seen above, in order for a subcontractor to acquire more clients and become less dependent on its main principal, it must be able to recruit drivers. An increase in size therefore plays a key role in reducing dependence and through this the risk of bankruptcy.

Precarity and position in the chain of dependence

In addition to the respective size of the companies and the level of economic dependence, the growing number of intermediate players and the predatory behaviour of dominant players such as Amazon and Hermes, put drivers in a particularly vulnerable position as the last link in the chain, as shown in Diagram 1, and increase the risk of precarity (Author, 2019; Booth, Evans Osborne, 2016).

DIAGRAM 1 HERE

In France, Amazon is the leading customer (in terms of volumes and prestige) of parcel delivery companies specialising in e-commerce. It receives 28,840,000 website visitors per month, which is equivalent to 55% of the population, while the second largest French e-commerce retailer (CDiscount) is far behind with 19,126,000 visitors per month (FEVAD 2018). This enables Amazon to impose its requirements (such as same-day, evening or Sunday delivery) on large companies such as La Poste (Bergé, 2017). However, as of 2016 Amazon has its own dedicated e-commerce parcel transport service, Amazon Logistics. In addition to being their largest customer, it is therefore a new direct competitor for the parcel delivery groups.

DIAGRAM 2 HERE

As shown in Diagram 2, Amazon Logistics has added an intermediate level to the chain of dependence. Indeed, in order to compete with the parcel delivery groups, it issued calls for tenders for intermediately sized local companies that were more specialised in local transport, compelling them to meet its 'quality' standards. These companies adopted Amazon's processes more easily than the large parcel delivery groups and in turn imposed them on their own end subcontractors. For example, Amazon paid subcontractors a flat rate for 8 hours 45 minutes of work per day. Intermediate subcontractors were strongly encouraged to ensure their drivers delivered as many parcels as possible during this period of time. In this way, the rounds, which involved between 70 to 120 parcel delivery stops in 2015, have now grown to 150 parcels without any increase in pay.

The intermediary company had started to play the role of an Amazon manager, recruiting, monitoring and signing contracts with the end subcontractors. Amazon dispensed with delivery drivers who failed to meet the volume targets for the daily shift or who receive poor ratings from recipients. Their employers either had to lay these drivers off by instigating an economic dismissal procedure if they could prove their economic difficulties – it allowed to bypass the restrictive list of the reasons of dismissal which limit these in the French law –, or find work for them with another parcel delivery group, which would require other principals. This was reflected in the following excerpt from an interview with the director of an intermediate subcontracting company:

'I let about ten of my thirty drivers go every week (...). You need to understand that every week I call at least two owners of subcontracting firms and tell them that such-and-such delivery driver they employ has to go [and this] is solely because Amazon suspects they are incompetent. In other words, Amazon is tracking the drivers. Amazon

only looks at its statistics, and doesn't allow for unpredictable conditions, they just say 'tell so-and-so not to bother coming in tomorrow'. So, in a way, an Amazon contract lands you in a load of trouble' (interview, 2018).

Even more than traditional shippers, Amazon built a chain of subcontractors in which dependence reigned in order to shirk its labour management responsibilities. Intermediate subcontractors managed end subcontractors without employing them and simply implement Amazon's economic policy. They applied penalties on subcontractors, decided which driver should go or stay and pressured them to deliver more for a similar income. They incurred the risk of having their contract with Amazon terminated the following year. End subcontractors, who employed the drivers on permanent contracts, also incurred a very high risk of bankruptcy unless they had other contracts. For a driver, having a permanent contract no longer protected them against contract termination and no longer guaranteed a fixed income. Their job had also become more precarious in the second sense defined by Paugam (2007). In this chain, the work lost its interest. Besides the fact that the rounds were denser, the drivers, who previously had regular rounds, where experience allowed them to fix a route according to the availability of the recipients and to finish early, now change sector every week. Moreover, they were monitored in real time and required to follow a predefined route. They no longer had any decisions to make, as highlighted by a delivery driver:

'now, a software decides for you the direction of the round according to the clients time requirements. The software can make you pass 2 or 3 times in front of the same point'.

The scanning and procedures became central and sources of punishment:

'you have to repeat the same things: obligatory signature, stamp for the professionals.

If there is not that, it is deducted, if there is not the hours of delivery and name of the

receiver it is deducted... Finally, there are procedures, always procedures... and deductions at every round’.

Discussion

The case of the parcel delivery sector in France illustrated the process of vertical disintegration that is taking place in many industries (Doellgast and Greer, 2017, Flecker and al. 2010). In the 1980s, parcel delivery was an industrial sector in which delivery drivers were qualified workers employed on permanent contracts by about 15 groups for regular rounds during which they had a degree of autonomy in terms of their route and timetable. In addition, they had powerful unions who could cut off supplies to factories by mobilising the workforce. The gradual arrival of American multinationals, concentration processes among shippers and the spread of just-in-time delivery have led to profound changes in the management of the workforce. This article shows that the growing recourse to subcontracting in parcel delivery agencies has significantly increased the drivers’ precarity.

Firstly, this article shows that employed workers, even with permanent contract, are not protected from precarity. By focusing on the boundaries of the firm, via the notion of interfirm dependence, the analyses can cross the status dichotomy (employee/self-employed) with the insider/outsider distinction. The only workers protected from precarity are those who combine the status of employees and insiders (10% of the delivery drivers). For the others, this article then shows that inter-firm power/dependence relationships can have greater impact on the multifaceted precarity of workers at the end of the power chain. It thus seeks to characterize dependence with an emphasis on its degree – considering dependence as a relative and omnipresent notion that can be measured –, the chain of power relationships, and the relative size of the firms in relation. The dependence of subcontractors on parcel delivery groups, which are themselves dependent on shippers, places small business owners and their employees in a situation of equal uncertainty. Drivers’ precarity depends on the power relationship the owner

can put in place with its principal, which relies on the size of the firm and its position in the subcontracting chain.

Previous studies have explored the link between workers' dependence and precarity, most of them stuck with a dualisation perspective where status and contracts play a key role. This article seeks to explain precarity not on the basis of a contractual status (as self-employed or subcontractor) but in the very nature of the subcontracting relationships. It aims at enlarge the analysis of workers' precarity, especially in the industries likely to be restructured and vertically reorganized, as manufacturing, extraction, IT (Perraudin, 2014) or nuclear (Thébaud-Mony, 2000) industries, by integrating the notion of interfirm dependence. It considers subcontracting from the perspective of three actors articulated around the link between dependence and precarity. For subcontractors, the high dependence towards their principals is a driver of workers' precarity, rather than the classic distinction between employee and self-employed. The article emphasizes the risk of bankruptcy induced by dependence for them and of economic dismissal for their employees, even with permanent contract. For parcel delivery groups, circumventing French labour law to minimize their costs seem particularly easy. They can use the exceptions to dismissal procedures as an arm to maintain the workers' turnover asked by their clients. This calls into question the lack of protection offered by a third actor, the French State. More than a lack of willingness or than a tolerance of a truly efficient delivery system, it seems to have found a way to regulate the number of unemployed, at least from a statistical point of view, as evidenced by the numerous measures in favour of firms' creation (such as the creation of the microentrepreneur regime (Célérier and al., 2006)).

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Table 1. Number of employees in subcontracting firms

Salaried workers	0	Between 1 and 4	Between 5 and 9	Between 10 and 19	20	> 20
No. of firms	25	10	14	12	6	0

Source: Author's 2015 Survey, Paris region

Table 2. Subcontracting rates in 2019

Parcel delivery groups or agencies	Subcontracting rate: Number of subcontractors/total number of delivery drivers working for firm
Amazon France	100%
Colis privé France	100%
Calberson Trappes	90%
Gefco France	100%
GLS France	100%
Dachser 91	90%
UPS Charenton	75%
DB Schenker 78	75%
DB Schenker France	85%
DHL 77	100%
DHL France	99%
Chronopost (urban rounds)	100%
Dachser 77	85%
DB Schenker 77	70%
Geodis 93	71%

Source: Author's 2019 sample. Average rate: 89.3%

Table 3. Penalties applied to subcontractors

Error or shortcoming	Penalty
Missed deadline	€20
Failed delivery	€15
Failed pick-up	€20
Not left at pick-up point	€20
Physical loss of parcel	€150
Unscanned parcel in vehicle	€50
Damaged parcel	€50

Source: Taken from the appendix of a subcontracting contract for a parcel delivery group, 2018

Diagram 1: Groups, subcontractors and employees of subcontractors

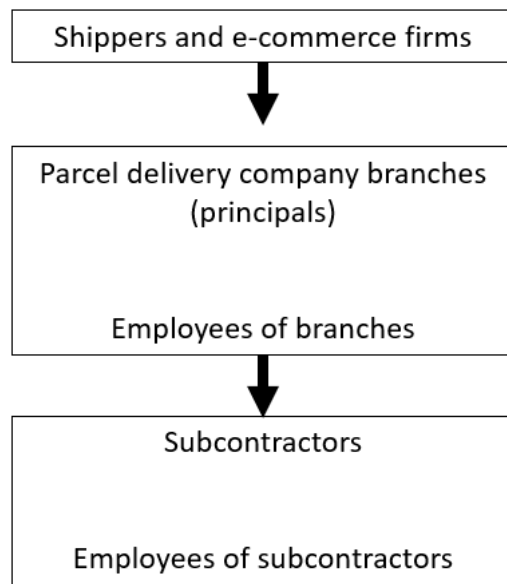


Diagram 2: Amazon's chain of actors

