

*when
the
algorythm
is your boss*

ZENTRALE

When Algorithm is your boss

Let's start with the basics: How do Delivery Platforms work? Long story short, we're talking of a huge online app, created (and constantly being rebuilt) by a large company, multinational and with a gigantic capital. The app has three functions. First, it helps customers order ready-made meals (as well as other goods and products) with immediate delivery to their homes or other

places of delivery. Secondly, it lets sellers (restaurants, shops, etc.) offer their products to consumers. Thirdly, it lets the Platform coordinate the delivery process itself. This third function is very complex, as it requires rapid action and reaction to the process of delivery in real time (that is, with no delay). It has to plan the work of food-delivery couriers, optimise their routes, value them,

solve untypical situations. All that under the pressure of time. The delivery should be „immediate”, but since we deal with humans, not robots, the task of coordinating that is plainly impossible. Finally, the app oversees the cashflow and profits of the Platform. The Platform’s fundamental source of income are commisions. Sellers are charged these, based on the delivery fees (reaching up to 40% of what the customer pays). Let’s say the customer pays 50 PLN for their order and 20 PLN for delivery. The restaurant receives, say 30 PLN of that, while the delivery worker just 10 PLN. The Platform has also other profitable tools in store, e.g. it can run a campaign advertising a restaurant chain, paid for by the chain, but generating profits for both parties.

The Platform has also huge costs to carry. First, there are marketing costs. Needing to be popularly recognizable in its branch, the Platform has to keep spending large sums on advertising. These costs never go away, and sky is the limit.

The second cost involves never-ending software modifications; constant updates and adapting to new technologies. Then comes the race against competitors, typical in today’s economy, as well as the necessity to reach the scale effect (a business becomes profitable when you get 100 000 orders daily, not just one thousand). The general attitude in tech businesses is that only a company that can dominate the market will be profitable. Then, after consuming huge sums (prerequisite on this stage of the race), when profit ensues, it becomes gigantic thanks to the scale effect.

It is then obvious, that in order to function, a Platform needs sellers, who would place their offers there. The more sellers, the better for the Platform. Finally, the Platform needs people to deliver the orders with no delay. The Platform’s interest is that they work for the lowest possible wage and that they are as many as possible, in order to let the Platform maintain continuous fulfillment of their orders (even in case of a sudden order spike). The surplus in the

number of food-delivery workers ensures higher efficiency to the Platform, too, with the workers feeling they race for their wages.

Yet, the most fundamental tool the Platform has is the Algorithm. It is it that serves a key role in this business. Basically, it is nothing other than a very complex computer program, having instructions in millions of variants: if this happen, do this, then do that; but if that happens, do this, and don't do that. It might seem simple, but at the same time is very complicated. All about the Platform depends on how the Algorithm is built. Most importantly: the incomes of the Platform depend on it. A well-built Algorithm may maximize the incomes while minimizing costs (what economists like to call „optimizing”). This also means, that the Algorithm is the Platform's best-kept secret.

Using the Algorithm lets the Platform practically automate its work. Without automating, the scale effect would be impossible. The Platform's functioning costs would be sky-high.

The Algorithm works on many stages of the Platform's functioning, including customers' order management: it can manipulate their consumer choices, pushing suggestions in favour of these sellers (restaurants) which give the highest provisions to the Platform and suggesting a purchase of additional products or services. Say the customers have been often dissatisfied with the quality of the meals; the Platform may lower the place's rating in the internal assessment system, which can mean less orders there (as it will become „hidden” from consumers).

The Algorithm manages the delivery work, too. Having registered in the system, the workers are practically entirely dependent on the Algorithm's decisions. It is it that plans the working schedule¹ and decides the place of work (a zone or a neighborhood). This means that already

¹ - This is, however, not always the case: several Platforms feature a calendar with slots the workers sign up for individually, but it is the Algorithm that decides who will be the first to have access to the calendar.

on this stage it decides how long a person will work and whether they are sent to an attractive place (e.g. one with lots of easy, rapid orders). The Algorithm, based on many criteria, automatically gives a price on the delivery work, too. There is no chance for a regular or predictable wage here. Usually, the delivery workers are paid „per order”. There are typically no minimum wages, or any hourly rate. It is the Algorithm that decides on the wages. The same order may be valued at 10 PLN one day, 12 the next. Assessing the delivery work of each person, it can also offer the same order to one person for less money than to another. Unfortunately, the delivery workers themselves don't know the deciding factors - all in all, the Algorithm is kept secret².

The role of Algorithm in its relation to the delivery workers is not limited to the daily management of work. As stated before: it is it that decides of their

² - Several Platforms seem to have a transparent current work assessment. The app displays Incentive Points, but the mechanism of getting these remains unspecified.

wages, as well as place and time of their work. More importantly, it decides whether a given delivery person can even work at all. Same as on Social Platforms (Facebook or TikTok), the Algorithm here can also simply suspend a user's (worker's) account. While on Social Media this risks just the consequence of limiting this form of social contact to a user³, here, if you work for Platforms, being suspended means simply being fired; and with the maximized automation, workers have no option to appeal from the decision.

Sure enough, the Platform provides so-called Support - a group of people (usually working in a call-centre company) supposed to explain more complicated situations that demand a „human factor” to step in. We all know, however, how difficult it is to get anything done over a helpline call.

The next feature typical of the functioning of Platforms is a „low entry bar” for those who wish to

³ - The consequences may be more serious at times, like if the account served as a source of income.

work there. What it means is that no special skills, education or experience are necessary to work for a Platform⁴. Moreover, there are no complicated employment procedures. An applicant needs no social networks: no friend to recommend a friend. All you need in order to become a delivery worker is your smartphone. You download a delivery worker app, fill in the forms, and wait for your Delivery Worker account to be registered. You don't even need to know the local language: the apps are multilingual. Knowing the city isn't necessary: the app shows you the map and route: you are here, you pick from there, you deliver there. Even if you don't own any vehicle, you can technically deliver on foot, too. Such is the „uncomplicated recruitment” used by the Platforms. Simple, uncomplicated work and low requirements have long been accepted to mean low wages. Even very low. And if we lower the work requirements even more, and do so also for the wages, what we end up with is a work that anybody,

literally anybody can do. Which is indeed the case: people having any skills, education or contacts, will seek a better-paid job. The Platform will keep the most desperate workers, including socially alienated migrants.

The Platforms have noticed a gap in labour code: no situation of the employer being a Platform based on the other side of the world was predicted by the law. This allows for another optimisation: no social benefits at all. Platforms decided that their Workers are not Workers, but „subcontractors”. If they pay no social security, no mandatory insurance or no taxes, only they are to blame.

The concept of „subcontractor” and that legal gap, is a promising field for the functioning of a system of middlemen who deal with registering the Delivery Workers in the Platforms for a provision off the wages, helping solve tax issues. The system has dominated the Polish market; here the middlemen are called Fleet Partners. And because we usually deal with really the most desperate

⁴ - Obviously, when one works as a basic service provider, not in the tech support or in the office.

ate workers⁵, these workers are great targets for draining them off their money. They can be offered extra services: bicycle rental, private insurance, or they can be charged for sending an email for them. A higher provision can be charged in return for daily wages being paid in cash. In extreme cases, middlemen simply „import” workers from faraway countries, using specialized work agencies.

Platforms support their functioning with many different tricks and manipulations, using the knowledge of how humans function in the society and of their psychology. Some Platforms offer Delivery Workers higher pay at certain times, through „challenges” or „multipliers”. The challenges are nothing but a bet: „deliver 5 orders in 2 hours, you’ll make an extra 10 PLN”. Your first reaction may be „OK, I’ll do it!”. But the reality is brutal: orders are given (or offered, depending on a Platform) by the Algorithm, with which we have just placed this „bet”. We also don’t know

what the sum means: net pay? gross pay? Will the middleman get the same?

OK, but how is it all possible? If the dramatically poor working conditions are so blatantly obvious, how come it functions like this? Many factors come into play: starting with alienation. In each society you have desperate people in extreme living situations. They usually have no social support, no basic feeling of living security, and the ignorance of the local language makes it worse. Then comes the feeling of temporariness. Most people who take this job know its conditions. They accept them, deciding the work is temporary and has its drawbacks, but „it’s only for the time being, because I need to make some money today”. Then, being on your own means it’s harder to rebel. The nature of the Delivery Work (many people dispersed over a very large territory) doesn’t make making contacts between workers easy. Finally, the obvious: the fact of not knowing your rights. Nobody will demand something that they don’t know exists (unless they’re a visionary).

⁵ - Such are usually migrants, especially “undocumented”.

In Poland the situation is even more difficult, with the apathetic State apparatus and its lack of systemic perception. From the legal perspective: it's all legit (paradoxically, it is, the labour code is not being violated). In the eyes of social security (ZUS)

and tax collectors (US) also nothing is wrong, as long as taxes are being paid. If they aren't, they will be collected, from individuals, without looking for connections between them or whether they were being made to cheat the State.

WE ARE ZENTRALE

We are a group of delivery workers employed in different companies and delivery co-ops, in different cities.

Zentrale started as a delivery co-op, operating during the 2020 pandemic in Warsaw. We now commit our work for workers' rights. We demand the immediate end to the exploitation of workers by different online platforms that live off our work with no regard for any workers' rights.

We would also like to help platform-using customers understand that they take part in the exploitation; that they help continue it.

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WHEN ALGORITHM IS YOUR BOSS

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***this is a brochure
on what Delivery
Platforms are
and
how they operate***

***on what
work looks like
when Algorithm is
their employees'
boss***

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