

# Shein, Temu delivery providers face scrutiny into labor practices

Article



**The news:** Last-mile delivery providers for **Shein** and **Temu** are under fire for allegedly underpaying workers, among other labor disputes, according to The Information.

**The allegations:** One such company, **Alibaba**-backed **UniUni**, is facing several lawsuits over its pay practices.



- **UniUni is accused of paying drivers less than minimum wage** without offering overtime, despite assigning routes that could take 16 hours or more to complete.
- Other lawsuits allege that the company offered drivers a daily lump sum that amounted to \$2 or less per package delivered.
- The company is also accused of failing to compensate eligible workers for meal breaks and overtime and misclassifying workers as independent contractors.

**The problem:** The explosion of packages from Shein, Temu, and other Chinese ecommerce platforms has created a “race to the bottom” among delivery companies as they try to win lucrative contracts while keeping costs low.

Both Temu and Shein ship over 1 million packages per day, giving them more power to negotiate lower rates.

At the same time, companies like UniUni, **PiggyShip**, and **SpeedX** are able to charge 50% or less per package than national carriers.

- That’s because they rely on workers who have their own vehicles and because they pay fixed rates per package rather than an hourly wage.
- Those practices make them hugely favorable to companies like Shein looking to keep costs as low as possible.

**Our take:** Cheap delivery is one of the many ways Shein, Temu, AliExpress, and other Chinese ecommerce players are able to offer shoppers ultra-low prices. But the growing tide of lawsuits against these companies’ delivery providers could soon eliminate that advantage.

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