

Surge in online grocery shopping brings a quantity-over-quality jobs shift

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The coronavirus pandemic has accelerated emerging labor market trends

associated with e-commerce in the grocery industry, creating mixed implications for jobs, according to a new report led by Chris Benner, a professor of environmental studies and sociology and director of the Institute for Social Transformation.

While the transition is actually creating more jobs, many of the new positions are platform-based, which often means workers are hired as independent contractors making lower wages and lacking employment protections or benefits.

The Berkeley Labor Center and Working Partnerships U.S. commissioned Benner to develop the report, and he and his collaborators had been studying labor conditions within grocery retail for several years prior to the pandemic. Originally, they wanted to better understand the industry because it's one of the largest job sectors within the U.S. food system. But, recently, their work took on new meaning.

"This became even more important in the context of the pandemic because these are essential workers," Benner said. "They're helping to get food to people sheltered in place at home. They're putting themselves at risk in fulfilling and delivering food orders. And I think our findings highlight the inequalities and problems that exist in some portion of the grocery and food delivery industry."

The report shows that, since the start of the coronavirus pandemic, growing numbers of Americans have experimented with ordering groceries online for delivery or pickup. During the most recent peak of lock-downs in May, as much as a quarter of all grocery sales were ordered digitally. Revenue from online orders has doubled or even tripled for major grocery chains.

While some of the factors fueling this rapid change are likely to recede post-pandemic, moderate levels of e-commerce growth within the

grocery industry are here to stay. The good news is, the report shows that e-commerce has not been a job killer. Instead, the expansion of e-commerce technologies in the grocery industry is leading to new jobs, as customers pay for work they used to do themselves for free.

Jobs are being created in roles like gathering grocery items for order fulfillment, completing parts of the meal prep process for customers, and facilitating curbside pickup or delivery of groceries. The report documented a decline in cashiering positions, but overall, e-commerce has created new types of jobs and expanded employment options at brick-and-mortar stores.

The challenge arises with how these new jobs operate. Traditionally, grocery retail employees have made above minimum wage and had relatively high rates of unionization. But e-commerce platforms have brought the gig economy model of independent contractor labor to the industry. As a result, much of the food delivery and order fulfillment work that has been created is now being done without benefits and with much less predictable income.

However, the report shows that there are other viable labor models that could maintain job quality. Among larger grocery store chains, there are several examples of in-house, unionized employees doing the same types of order fulfillment and delivery tasks as app-based workers, but with more protections and better wages.

Benner and the report's coauthors argue that regulation of gig employment in the industry could help promote beneficial business practices. Policy action has become especially important in the wake of the recent passage of Proposition 22, which exempted app-based workers from state-mandated employment protections in California.

Legislation to narrow independent contractor classifications and expand

access to health coverage and benefits could allow industries like grocery retail to benefit from e-commerce growth while protecting workers, too.

"There's a popular misconception that it's inevitable that technology will impact the workforce, but that hides all the decisions and choices that are made within that," Benner said. "Technology can change things in pretty dramatic ways, but it's still shaped by political forces, business forces, cultural norms, and human tendencies."

Provided by University of California - Santa Cruz

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