

Ride-Hailing and Class Restructuring: Didi's Role in China's Digital Economy

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ABSTRACT

This article explores how digital platform economies influence labor organization and social mobility in urban China, using Didi Chuxing as an example. Through a combination of literature review and 5 interviews with Didi drivers in five megacities, the article examines how the platform has reshaped working conditions, employment opportunities, and class relations. Although Didi has provided many job opportunities and promoted the modernization of urban transportation, it has also brought many new forms of instability to society and individuals, such as income instability, lack of social protection, and the phenomenon of highly educated talents being forced to engage in low-skilled work. This paper also explores the work experiences of Didi's tech employees, revealing a dual reality: behind innovation-driven progress lies a high-pressure work environment and job insecurity. Finally, it explores the evolving consequences of the Chinese regime on platforms like Didi, between economic growth and digital innovation, and regulatory concerns over labor rights and data security. The study concludes that Didi is both a part of China's entrepreneurial aspiration and its emerging social-economic contradictions, providing significant implications for the sustainability and equity of the platform-based economy.

Keywords: Didi Chuxing; digital platform; economies; social mobility; employment

INTRODUCTION

In 2012, Cheng Wei, a former employee of Alibaba, founded the taxi company Didi Chuxing in Beijing, mainland China. The rise of Didi Taxi reflects the broader trend of the platform economy and the digital transformation of urban public transportation. In most

cities in China, "Didi Chuxing" has become a major trend in people's travel choices and is gradually replacing traditional taxis that work for the government. The establishment and development of Didi Chuxing is an example of the rapid development of technology, society, and labor markets in China. At the same time, Didi has influenced the social structure and economic model of labor, by bringing significant changes in employment forms and urban transportation.

Didi Chuxing matches passengers and local taxi drivers through mobile internet technology to enhance the efficiency and convenience of urban travel. Didi's use of Artificial Intelligence, big data, and cloud

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computing really sets it apart as a tech-driven platform that goes beyond just ride-hailing. It is impressive how these technologies enhance both efficiency and user experience. With the development of the platform, Didi's service scope has expanded to many different areas, like private cars, carpooling, shared bicycles, and research and development of autonomous driving technology. In 2015, Didi merged with its biggest competitor Kuaidi Dache (1) for a position in the domestic travel market (2). Subsequently, Didi received strategic investments from internet companies such as Tencent, Alibaba, and Apple, and actively expanded its international presence, despite facing numerous regulatory obstacles abroad (3).

Meanwhile, compared to Didi, China's traditional taxi industry, due to its high regulation and high-rent operating model, is facing the impact of the platform economy, and taxi drivers' labor protection and income stability have been seriously threatened.

The rise of Didi as the monopoly in China's ride-hailing industry is a reflection of the broader digitalization of traditional industries that has revolutionized the urban workforce. Here, the taxi industry can serve as a window through which one can see how platform-based technologies transform the established employment pattern. Didi has made work available to drivers who possess flexible opportunities and decreased the entry threshold to no requirement for academic certificates; one just needs a driver's license, no criminal record and the vehicle has to be compliant. It has also amplified competition and created new types of instability in the local economy. In this paper "local economy" refers to the structure and management of China's urban labor market, especially those in labor opportunities, distribution of income, and social mobility. Thus, I ask: What impact does the digitalization of the taxi industry (through Didi) have on the local economy and labor market of Chinese cities, especially in terms of social mobility and the transformation of class structure?

METHODS AND MATERIALS

The first method I used to answer my research question is a literature review of studies on social mobility, digital anthropology, urban transportation studies, and business studies of China. The literature review was organized around the core keywords such as "Didi", "social mobility", "digitalization", and "economy". Core studies under review are *Digital Disruption in Urban Labor Markets*, *Gig Economy and Class Mobility in China*, and *Platformization*

of Traditional Industries. Articles were selected by confirming that included at least one of these keywords. Using this selection criteria, my literature review yielded dozens of articles and I selected 11 to review. The study investigates *New Media & Society* and cuts across neighboring disciplines such as sociology and labor studies. Evidence support comes from context-based in China with government accounts and class analysis corroborated through information and reports provided by Didi.

To explore the research question on how Didi's digitalization changes class structure and social mobility, the literature review focused on three related themes that inform the analysis of this study. Framework 1: *Labor Studies in Platform Economy*. This framework brings together studies on the nature of ride-hailing work, concentrating on the debates over autonomy and control in platform-based jobs. Key studies examine how platform algorithms change labor processes while focusing on drivers' economic vulnerability and lack of social protection. These are important issues that relate to class instability among Didi drivers. Framework 2: *Class Restructuring Theories*. Drawing from sociological research on class dynamics in digital economies, this framework highlights the proletarianization of gig workers and the breakdown of traditional class identities. It provides tools to understand whether Didi drivers develop a new class consciousness or remain in a state of semi-proletarianization due to limits from the platform. Framework 3: *Algorithm Management and Regulatory Interactions*. This framework combines literature on the influence of algorithms on labor relations and the effects of government regulation on platform work. It guides the analysis of how Didi's pricing algorithms and state policies together shape drivers' class positions..

RESULTS

Five Didi drivers from five major eastern coastal cities in China (Guangzhou, Shanghai, Beijing, Shenzhen, and Dongguan) took part in the interviews. Table 1 summarizes the demographic details of the participants. It shows diversity in age, driving experience, education level, and employment status. This variety helps to understand drivers' experiences from different backgrounds. This section shares findings from thematic coding of driver interviews, focusing on three main themes from the data: flexibility versus algorithmic control, income instability and competition, and lack of labor protection. These themes show how

Table 1. Information about every drivers from the interview

Interview drivers	City	Age	Driving years	Education Level	Employment Status	Daily Working Hours
Driver 1	Beijing	35	5	High School	Full-time	12 hours
Driver 2	Shanghai	42	10	Middle School	Full-time	11 hours
Driver 3	ShenZhen	28	8	High School	Part-time	4 hours
Driver 4	GuangZhou	41	9	College	Full-time	12 hours
Driver 5	DongGuan	39	7	College	Full-time	12 hours

Didi drivers’ daily experiences influence their economic status and class perception. They address the research question about class changes in platform economies. As Driver 1 from Beijing emphasized during the interview said: I can go to work whenever I want every day. Unlike when I was driving for the government before, I didn’t have to sign a fixed shift contract with the company. This autonomy is particularly valued by part-time drivers like Driver 3 from Shenzhen, who noted: I work at a company during the day and drive Didi for 4 hours at night; the platform doesn’t restrict my online time, which is perfect for supplementing household income. However, this flexibility is offset by growing dissatisfaction with unstable earnings. Driver 2 from Shanghai, a full-time driver with 10 years of experience, complained: The platform’s commission is getting higher and higher; even when prices surge on rainy days, the commission increases too. Last month, my turnover looked high, but my take-home pay was nearly 2,000 yuan less than last year. Driver 4 from Guangzhou added: The rush order reward rules change every week. Sometimes I stay up until midnight to get the reward, but it’s all for nothing when the rules change. The lack of formal employment benefits emerged as a critical concern. Driver 5 from Dongguan, who once fell ill and had to stop working for a week, lamented: Driving for Didi doesn’t have medical insurance. During the week when you fall ill, not only do you have no income, but you also have to pay for your own medical expenses and continue to pay for the taxi fare and other large sums of money. Traditional taxi drivers at least have basic social security. Didi is different from the rigid taxi system, which sometimes requires drivers to work for long hours. However, Didi drivers can freely choose their working hours. In the cities where Didi operates in China, drivers have the right to choose what time to log on and what time to log off of the Didi app. This level of autonomy is particularly attractive to individuals who want driving as a secondary source of income or those who wish to secure employment that

can be accommodated around other life responsibilities. Among them are office workers seeking to earn more after hours, freelancers who value schedule flexibility, middle-aged and elderly people aiming to stay active and productive post-retirement, new immigrants who need quick access to income, and multi-platform order runners who balance Didi with other gig work. Although there is no specific research about the gender of the drivers, first-hand observation reveals that Didi drivers are often men. In addition, Didi’s digital matching algorithm further enhances this flexibility by minimizing idle time and improving ride frequency. It matches drivers with riders by area, traffic, and surge in demand to maximize working time—most notably rush hour, which most commonly ranges between 7:00 AM and 9:00 AM and 5:00 PM and 7:00 PM. For many drivers, this translates to more efficient use of time and peak earnings within a short time. Therefore, Didi is not only a job site but an assistive technology and one that empowers individuals to work on their own terms, by themselves, and with ease.

Variety Experiences between Drivers and Passengers

Since Didi was created in 2012, as the platform grows larger and larger, there are more and more challenges on the platform. One of these challenges is that the dissatisfaction of drivers is getting higher and higher. Most prominent among them is the reduction of profitability. Fluctuations in passenger demand, along with the platform’s incessant experimentation with its pricing and incentive algorithm, have rendered driver earnings unstable and unpredictable. Prices plummet during off-peak hours or when demand is low, and bonuses and subsidies that were once used to attract drivers have been reduced or eliminated in some cases. This has led to income instability for many drivers. Another issue is the increasingly intense competition among Didi drivers. As more and more drivers join the platform—especially in major cities—the market has

become saturated. For drivers, the waiting time between each ride has become longer, and the competition for high-paying or surge-priced orders during peak hours has grown extremely fierce. This not only reduces their overall income but also increases stress and fatigue, as drivers feel they must extend their working hours in order to make the job profitable. The second major source of frustration is the lack of labor protection and social benefits for Didi drivers, unlike employees of large corporations or government workers. Because Didi classifies its drivers as independent contractors rather than formal employees, they are not entitled to employee benefits such as health insurance, paid leave, or pension contributions. At the root of the issue is the rapid and massive increase in the number of Didi drivers. The absence of a social safety net leaves drivers economically vulnerable when facing illness, accidents, or family emergencies—especially since their earnings are already relatively low. While Didi offers drivers technological convenience and flexible working hours, it also places them in a highly competitive and insecure social and work environment, where they often lack the institutional protections that come with standard employment relationships.

While the convenience and ease of use provided by Didi have benefited most passengers, a growing number of users have begun to complain about the service quality and other negative experiences on the platform. One of the most common complaints is the unpredictability of driver behavior and their lack of professionalism. As the platform enables a large variety of individuals to become drivers, the quality of services can be highly variable. Passengers complained about being treated impolitely by the driver, who refused to go to specific destinations, especially during peak hours and in bad weather. Once I was refused a ride by a Didi driver, the reason he gave me was that it was not on the way, this was his last order because he was going home. Another unresolved issue is the price volatility caused by Didi's dynamic pricing algorithm, which has long been a source of public controversy. Although this mechanism was originally designed to balance supply and demand among the platform, drivers, and passengers—such as by raising prices during peak hours or in bad weather—many users feel deeply frustrated when they encounter sharp fare increases during these times. Some passengers have even reported that the cost of taking Didi on the same route is higher than that of traditional taxis, which has led to a growing sense of distrust toward the platform's pricing system and perceptions

of unfairness. This is especially troubling for users who chose Didi primarily because of its lower prices. Safety concerns, particularly among female passengers, reflect broader gendered dynamics in ride-hailing services. As (4) noted, incidents of harassment during night rides highlight systemic flaws in platform safety mechanisms. During our interviews, female passengers (though not formally sampled, mentioned by drivers) were described by Driver 1 as “Female passengers will repeatedly confirm my license plate number and route at night, and some even keep their phone on speaker throughout the ride”, indicating lingering anxiety despite Didi's in-app safety features. Lastly, some users have expressed strong dissatisfaction with Didi's customer service, stating that the platform responds slowly to complaints. The handling of various issues or disputes is often seen as overly mechanical and lacking a human touch, leaving passengers feeling disrespected and ignored. Together, these factors have resulted in poor user experiences for some passengers and reveal that Didi has not fully lived up to the expectations it once inspired.

While riding with Didi has been criticized by passengers in the newspaper, TV reports and social media, passengers still use it. It remains one of the most convenient, economical and effective ways to get around, especially in big cities where official taxis are not easy to find or unavailable. Amongst the most loved aspects of Didi is that it can be accessed very conveniently via the mobile application, enabling users to travel in just seconds, locate the driver in real time, and calculate the fare even before taking off. For the younger generation aged 18 to 35, Didi has become an essential part of their daily travel routine. This age group is highly familiar with mobile apps and digital services, and they value speed, convenience, and flexibility—qualities that form the core strengths and main selling points of the Didi platform. According to user data, individuals within this age range make up a large proportion of Didi's user base. They frequently rely on ride-hailing services for commuting, social activities, and late-night travel when public transportation is limited. Moreover, Didi's seamless integration with digital payment systems and real-time ride tracking further enhances its appeal to this tech-savvy demographic. In addition, Didi offers a wide range of services—from more affordable options like carpooling to high-end services such as luxury seven-seater business rides—giving users various pricing choices. This allows people to customize their travel based on their actual needs or financial situation. Additionally, the use of cashless payment via mobile

wallets such as Alipay and WeChat Pay offers added convenience and security without the requirement for carrying cash. All passengers indicated that their experience with the driver was extremely positive and valued the courtesy, responsiveness, and cleanliness of the interior environment within the driver. There are certain passengers who believe that compared with traditional taxi services, Didi drivers are more service-oriented because the rating and review system of the platform gives incentives for quality service. Moreover, the in-app security features of the app such as sharing trips, SOS buttons, and driver authentication give users a feeling of extra security, especially while traveling alone or late at night. Overall, for tens of millions of users, Didi has changed travel modes by providing on-demand and convenient services that keep up with the rhythm of life of urban dwellers and established its leading status in China's intelligent transportation market. This market refers to the industry focused on using advanced technologies—such as big data, artificial intelligence (AI), the Internet of Things (IoT), and cloud computing—to improve the efficiency, safety, and sustainability of transportation systems. In this context, Didi has played an important role by integrating artificial intelligence and data analytics to optimize ride allocation, reduce passenger wait times, and help cities better manage their traffic systems. Didi has not only improved the daily travel experience for millions of users but has also contributed to the development of smarter and more responsive urban transportation systems.

Behind the Code: Employee Experience at Didi and Other Tech Giants

In recent years, Didi has made efforts in an attempt to improve the workplace culture of its staff, especially those working in departments like engineering, product management, and data science. One of the most notable efforts that Didi employees have taken is establishing a labor union (5). This is significant because labor unions remain uncommon in China's tech sector. The union was established in 2021 and provides employees with a means of raising issues and being represented. Numerous individuals viewed this action as an indication that Didi had finally started to treat employee rights more seriously. In addition, the company has started offering more wellness programs and mental benefits to help workers deal with the pressures that typically come with the job. Such programs show that Didi is trying, at least, to look out for its tech workers. Didi supports its tech employees by offering competitive salaries,

performance-based incentives, and clear pathways for career advancement, workers are generally provided with competitive salaries, as well as the chance to attend workshops or earn certifications that will promote their careers. The company's workplace is also designed to make collaboration and innovation easier, with open workspaces, modern equipment, and an innovative culture. Didi fosters an innovative culture by encouraging technological advancements and agile problem-solving, allowing its teams to continuously adapt and improve the ride-hailing experience through data-driven solutions and rapid experimentation. Workers in some departments do feel valued and respected, at least when their ideas are implemented and they are able to see the fruits of their labor improve the app or customer experience.

For many engineers, product managers, or data scientists working for large tech companies like Didi, being able to work for a global company is something honorable and exciting for them. These employees usually have the chance to work with the most advanced technology on the market. For example, they use artificial intelligence to quickly match drivers and passengers. These people also often optimize the pricing system, allowing drivers to decide whether to accept a ride based on the price they prefer. Didi's system can process huge amounts of data on a cloud platform in just a few seconds. All of these technologies and inventions help these employees improve and train their work and technical skills, while solving problems that help millions of users and drivers. Another advantage of this job is that employees have great opportunities for promotion with clear career paths laid out in front of them since they fit into the company, and the chance to move between different departments. Another point is that the salary is actually not bad. These tech employees may also have social benefits like company shares, health insurance, and support to attend training or workshops from Didi. These benefits and opportunities put Didi's tech employees in a unique position within the platform's class structure. This contrasts sharply with the instability faced by drivers. Data engineers and product managers receive competitive salaries, performance bonuses, and paths for career growth. They form a "tech elite" in the digital economy, while drivers belong to a more vulnerable group. This division shows a wider class change in platform economies. Technical control over algorithms often relates to greater economic security (Liu, 2023). All of these bring a strong sense of achievement and motivation, because of the job they have and the work they do can create a positive impact

on society. For example, a data engineer can help with improving the accuracy of wait-time predictions for passengers, so passengers don't have to wait in anxiety or without a clear idea of when their ride will come. Another product designer can make the driver-side interface more convenient for drivers making it easier for drivers to use. These small changes have a big effect on people's daily lives and give tech workers a deep sense of satisfaction.

Despite the many positive aspects of working at tech companies like Didi, there are also some very real challenges. For employees in technical roles, one of the biggest problems is the extremely long working hours. People working in product development, engineering, or operations often have to work late into the night, then show up on time the next morning—and sometimes even work on weekends.

Especially during new product launches or when important deadlines are near, tech workers become especially busy, with their days filled with little more than eating and working. In Chinese companies like Didi, there is also the so-called “996” work culture, which means employees work from 9 AM to 9 PM, six days a week (6). However, the “996” work culture (9 AM to 9 PM, 6 days a week) shows that even tech employees deal with class-related pressures. Didi's engineers said they were “working until two o'clock and getting back to work at 7:00 am in the morning everyday for a week straight to launch the project.” This reflects how their “elite” status links to constant demands for productivity. This pressure highlights that class in platform economies isn't just about income; it's also about control over work hours. This situation sets tech workers apart from drivers, who don't have formal labor protections, yet both groups face exploitation driven by platforms. This work style has generated controversy, with people questioning whether the intensity is too high and whether employees' personal time is being exploited. The second major issue is job stability. While companies like Didi grow rapidly, their business models also change frequently. As a result, layoffs and company restructuring occur from time to time. When this happens, employees in departments like safety, compliance, or global expansion often face the risk of losing their jobs, adding psychological stress and pressure to their daily work. Although some companies offer mental health services or employee wellness programs as support, most workers say these efforts are far from enough and hope the company will make stronger commitments. The fast pace, high expectations, and constant worries about job security make it difficult

for employees to feel truly satisfied. While most workers say they love their work and feel proud of the social impact it brings, they are also overwhelmed by the intensity of the job. It feels like a double-edged sword. Therefore, working at companies like Didi or Uber can indeed foster career growth and bring challenge and excitement—but it also requires employees to have a tough mindset and the ability to handle ongoing pressure and change.

Regulation, Didi, and the Goals of the Chinese Government

The Chinese government sees companies like Didi as a great stimulus for growing the country's economy. In most of China's urban areas, digital platforms like Didi have created many job opportunities for people. As more and more individuals move from rural areas to the city (7). In search of work, the government believes that platforms like Didi can help solve this problem by offering people short-term instead of long-term contracts. This can help many people that don't have a job. Such forms of work can be commenced rapidly and do not always need many experiences, so it is easy for people to earn money while they get accustomed to life in the city. This flexible labor market allows millions of people to work and sustain themselves and their families, especially when secure jobs would be harder to come by. On top of this, Didi is like a representation of China to face the new world. Didi is not just an app for taxis, it means much more than a simple taxis app, it uses advanced technologies like AI, big data, and cloud computing to manage rides and improve services. While the government promotes Didi as a solution for urban employment, this “flexible labor” model has unintended consequences for class restructuring.

Policies encouraging short-term contracts (8) mean drivers like Driver 4 from Guangzhou remain in a “grey area”: The government always claims that Didi has created a lot of job opportunities, but these jobs are just enough for us to make ends meet. We are not considered formal employees, and if something goes wrong, no one will care. This regulatory ambiguity reinforces their semi-proletarian status, with neither the stability of traditional workers nor the protections of formal employment. China intends to build up its digital economy by promoting enterprises such as Didi. Didi enables China to stay competitive in the race of technology globally, and it also motivates more people to get involved in tech business or invest in innovation. From the government's viewpoint, Didi also helps to

improve urban transport. Since fewer people need car ownership, there is less traffic and air pollution in big cities. This is what China exactly wants—intelligent and greener cities. The government sees these developments as a sign that China is on the right track—towards a high-tech, contemporary future where people have more freedom to choose how they work and live (9). In general, the Chinese government feels that Didi is a great tool for spurring the economy, creating jobs, and making the digital society more robust.

While the gig economy has brought about convenience and flexibility, the government has also grown anxious about its negative consequences, notably that of large, rapidly growing platforms like Didi. One concern that stands out is the lack of job security and social protection for workers on platforms like Didi. Some of the drivers in platforms like Didi are essentially not employees but independent contractors (10). This is to note that they generally do not receive benefits like health coverage, pensions, or time off.

When workers get sick, face emergencies, or age, there can be no safety net. This puts millions of workers at risk, especially those who need to drive full-time to support their families. While most drivers work long hours—sometimes more than 10 or 12 hours a day—their earnings still are not guaranteed. The platform's algorithms dictate the rates, and prices may change depending on the hour of day, driver availability, or company goals. As such, drivers struggle to determine how much they will earn any given week or day. The authorities are also concerned about the power and influence of such technology giants as Didi. These platforms collect gigantic amounts of user information, including their locations, payment accounts, and movement patterns. In the absence of strong regulation, there is a risk of user information being mishandled or even leaked. Privacy and data security have turned into serious concerns, especially following earlier incidents in which companies were accused of mishandling user data (11). Post-2022 data security regulations forced Didi to upgrade its driver verification system, requiring additional vehicle inspections and background checks. As Driver 5 from Dongguan explained: “Compliance requirements made me spend 5,000 yuan to install a positioning system in my car; the platform said they'd subsidize it, but I haven't received it yet, I really don't know what they are thinking about”. Such regulatory costs are passed down to drivers, worsening their economic vulnerability and deepening class inequalities between the platform, tech employees, and frontline

workers. Apart from data problems, the government is also looking at the big picture. The likes of Didi can affect the environment, traffic conditions, and public services. When there are too many ride-hailing cars on the road, it will lead to more congestion and pollution in big cities. There is also concern about fair competition. Small taxi firms and community businesses struggle to compete with the giant platforms. To address these issues, the government of China has started handing out stricter regulations. These include curbs on data protection, labor rights, and platform accountability. The government is aware that the gig economy helps create employment and ensures innovation, but it also wishes to see that such platforms emerge properly, safely, and responsibly—both for society and workers. Such problems are an important factor in shaping the destiny of platforms like Didi in China.

Data privacy is another enormous concern. Because apps such as Didi are collecting so much personal and location data, the government has come out with new rules to make companies responsible for protecting that information. Now, companies must be more transparent about what they do with driver and customer data can be strictly penalized if they fail to comply with the rules. These efforts show that the government wants to encourage digital innovation but not in such a manner that it undermines the privacy and security of individuals. At the same time, the government does not want to stifle innovation entirely. It still wants businesses like Didi to grow, expand, and innovate. It hopes to create a gig economy that works for China's long-term development goals—like leading high-tech industries and improving urban living. So, the government is trying to balance risk control with facilitating new possibilities.

Through responsible innovation, the government wishes to keep Didi and other such platforms driving while protecting workers and the public. Finally, the Chinese government's approach to Didi and the gig economy is simultaneously regulatory and supportive. The government wants to see the positives—like job creation and tech growth—continue, but also that the negatives—like job insecurity and data weakness—are addressed. Through more intelligent policies and better regulations, the government is attempting to build a gig economy that's fair, safe, and good for everyone involved. The government has two main goals: promoting digital innovation and reducing labor risks. These goals directly influence the restructuring of classes within Didi's ecosystem. Policies that focus on economic growth over labor protections create a divided system. Tech

employees gain from opportunities driven by innovation, while drivers face the costs associated with flexibility and regulatory compliance. This situation shows that state involvement in platform economies is not neutral; it actively maintains class differences.

DISCUSSION

Among the most noticeable effects of Didi is the generation of enormous job opportunities throughout China. Through a flexible, app-based employment model, Didi has enabled millions of individuals to work as drivers on a full-time or part-time basis. For those who have lost their jobs, just retired, or are in between jobs, being a Didi worker offers an avenue for earning money instantly without a protracted hiring process or sophisticated skills. This is especially important in urban areas where the cost of living is high and traditional job markets are competitive. Additionally, Didi's platform offers a range of services—including Express, Premier, Hitch, and delivery—that diversify employment options to suit different types of workers. Express is the standard ride-hailing service offering quick and affordable transportation for everyday users. Premier provides a higher-end experience with better vehicles and professionally trained drivers, appealing to passengers seeking more comfort. Hitch is a carpooling feature that allows private car owners to offer rides to people traveling in the same direction, typically during commuting hours, making it a more casual and flexible option. These varied services enable individuals with different schedules, vehicle types, and preferences to participate in the platform economy in ways that align with their lifestyles. Many rural migrants who move to cities also turn to Didi for work, helping them transition into urban life and support their families. However, while the number of jobs Didi creates is impressive, their quality is questionable. Many Didi drivers are actually overqualified for their profession. It's not difficult to find university graduates, former white-collar workers, or even engineers and teachers working as full-time professional drivers. They might be earning money in the short term, but also postponing or missing out on the kind of career progression and skills building that they first trained for. That is, Didi provides work, but not necessarily a career. This mismatch between talent and occupation can be harmful in the long term, both to individuals and to the broader economy. Drivers are not typically eligible for benefits such as health insurance, unemployment protection, or retirement plans. Without

such protection, drivers remain vulnerable to accidents, illness, or unemployment. In addition, because drivers are technically self-employed, they possess no bargaining power and limited say in platform policies. For young people, the rise of ride-hailing employment as a safety net—a fallback option that provides short-term financial stability during tough times—also falls short when it comes to social mobility. For others, recent graduates choose to drive for Didi as they search for better jobs, but they may be stuck in the gig economy if better opportunities fail to materialize. This can lead to disappointment, burnout, and wasted potential. While Didi has undoubtedly reduced unemployment, it has also exposed flaws in China's labor market, such as the rising number of educated workers who cannot find meaningful or stable careers. So Didi creates jobs, but the question is: are they the right kinds of jobs to have in the future?

Didi has completely transformed the way Chinese citizens travel, especially in urban areas, where daily life has undergone significant change. Before the emergence of ride-hailing platforms, city travel was often a source of frustration. Taxis were extremely difficult to hail, buses were always overcrowded, and subways did not reach every corner of the city. The arrival of Didi changed all of this—it offered users a convenient, personalized, and relatively safe way to travel, allowing people to book a ride anytime with just a tap on their phone. Whether commuting to work, going to a doctor's appointment, or traveling late at night, most users can now book a ride within seconds. This level of convenience has made Didi especially popular among younger generations and those comfortable with digital technologies. The platform integrates seamlessly with mobile payment methods such as Alipay and WeChat Pay, making transactions more convenient and hygienic. Users can also track their rides in real time, share trip details with friends or family, and rate their drivers afterward to ensure safety and service quality. Beyond convenience, Didi also improves transportation accessibility. The platform offers a wide range of service options—from affordable carpool rides to high-end luxury vehicles—meeting the needs and budgets of different user groups. Didi has also promoted the development of green transportation by encouraging carpooling and reducing carbon emissions. As more people move away from private car ownership, traffic congestion and air pollution in cities may ease to some extent. These goals are closely aligned with the Chinese government's strategic vision and environmental goals. However, this transformation in transportation has

not come without cost. As Didi becomes a dominant method of urban mobility, traditional taxi drivers and public transportation systems face mounting pressure. Taxi drivers struggle to compete with Didi's lower fares and faster response times. Moreover, the large number of Didi vehicles on the roads during rush hours is often blamed for worsening traffic congestion and parking shortages. Yet despite these challenges, it is undeniable that Didi has reshaped everyday life for the public, even to the point of having a historic impact. While improving the quality of life for millions of users, Didi has also introduced a new cultural model of mobility into Chinese society.

Transportation is only one part of Didi's broader influence—Didi has also played a vital role in driving China's economic growth by attracting a large amount of foreign investment. Didi's success represents many things: the power of technology, the rise of new business models, and how these models are reshaping and even replacing traditional industries from the past. In addition, Didi has stimulated the development of many related sectors, such as automobile manufacturing, the insurance industry, online payment systems, and artificial intelligence. The platform's impact on the economy is chain-like—for example, drivers often need to purchase or lease vehicles, which boosts demand for car sales and repair services. As travel becomes more convenient, people visit restaurants and shops more frequently, which also brings benefits to local businesses. In this way, Didi not only profits itself but also helps many small businesses grow and thrive.

CONCLUSION

This study shows that Didi's digital platform has changed urban labor dynamics and class structure in China through three connected effects. First, drivers appreciate the flexibility of setting their own schedules. However, algorithmic control over pricing, commissions, and incentives has put them in a state of "semi-proletarianization," leading to unstable incomes, as seen with drivers like Driver 2 and Driver 4. They face minimal social protections, creating an uncertain economic situation that is different from traditional jobs and full independence. Second, the platform ecosystem deepens class divisions: tech employees receive competitive salaries and job security, while drivers bear the costs of following regulations and suffer from algorithmic exploitation. This widens the gap between those making technical decisions and frontline

workers. Third, government policies promote Didi as a means for employment and innovation, but they also worsen inequalities. Ambiguous labor laws and shifting compliance costs to drivers, like Driver 5's unpaid vehicle upgrades, have contributed to this issue.

These findings highlight a key contradiction: Didi boosts economic growth and urban convenience but also creates new class tensions. To ensure sustainability, policymakers and platforms should balance innovation with fairness. This includes reforming labor protections for drivers, reducing algorithmic exploitation, and making sure regulatory costs do not burden the most vulnerable. By doing this, China's platform economy could better serve as a positive force for inclusive development instead of increasing social divisions.

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