

# The Personal Budgets of Couriers in Baku

written by Cavid Aga

The development of digital solutions in the service sector has opened a new form of employment – Platform to Employment (P2E). P2E differs from the traditional mode of employment in a concept of one-off earnings and lack of stable employment. Various platforms here are involved as intermediaries and connect employees to an employer only once. This means that companies hire these employees as independent contractors and freelancers instead of full-time employees. In Azerbaijan, there are a growing number of platform employees in many industries, especially in taxi and food delivery services. Since Wolt, the Helsinki-based food delivery service, [entered](#) the Azerbaijani market in 2019, we have seen an increase in the number of couriers. Over the past four years then, the entry of other global companies into the market as well as the emergence of local initiatives offering the same services resulted in a marked increase in the number of couriers.

This view is also [supported](#) by statistical data on the number of motorcycles, which are the primary means of transportation for couriers. According to official figures provided by the State Statistics Committee, if in 2018 there were 3.206 motorcycles in Azerbaijan, in 2019, when the number of couriers began to grow, it stood at 4.069, in 2020 at 4.594, and in 2021 at 5.284, up 65% from 2018 to 2021. The unavailability of services provided by many catering facilities during the lockdown because of the Covid-19 pandemic, as well as the expansion of cashless payments because of the increase in the number of bank card users in recent years are also among the factors driving demand for courier services in the country.

Unfortunately, the platform companies have not so far released

data on the exact number of couriers in Baku. However, Afiyeddin Mammadov, co-founder of the Worker's Table Trade Union Coalition, which specializes in protecting workers' rights, informed us that, in their estimation, the number of couriers working in Baku is now over six thousand people. For example, the Telegram channel, consisting only of Bolt Food employees, [has](#) about three thousand members.

In Azerbaijan, along with the increasing number of persons engaged in courier activities, accusations of violations of their labor rights have also begun appearing in recent years. During 2022 couriers several times held protests (marches, strikes, etc.), [demanding](#) an increase in their payments. Their main dissatisfaction stems from the fact that their estimated income does not correspond to the working hours and distance traveled. In this regard, the main objectives of our study are related to identifying the socio-economic profile of couriers working in Baku and nearby areas, determining their working hours, indicators of income and expenditures, and studying the reasons directing people to this sphere.

### **Socio-demographic indicators of survey respondents**

Our study included face-to-face surveys of a total of 118 couriers working in the cities of Baku and Khirdalan.[\[1\]](#) Interviews took place from 27 February 27 to 30 March 2023. The whole survey consisted of 37 questions, covering the following areas:

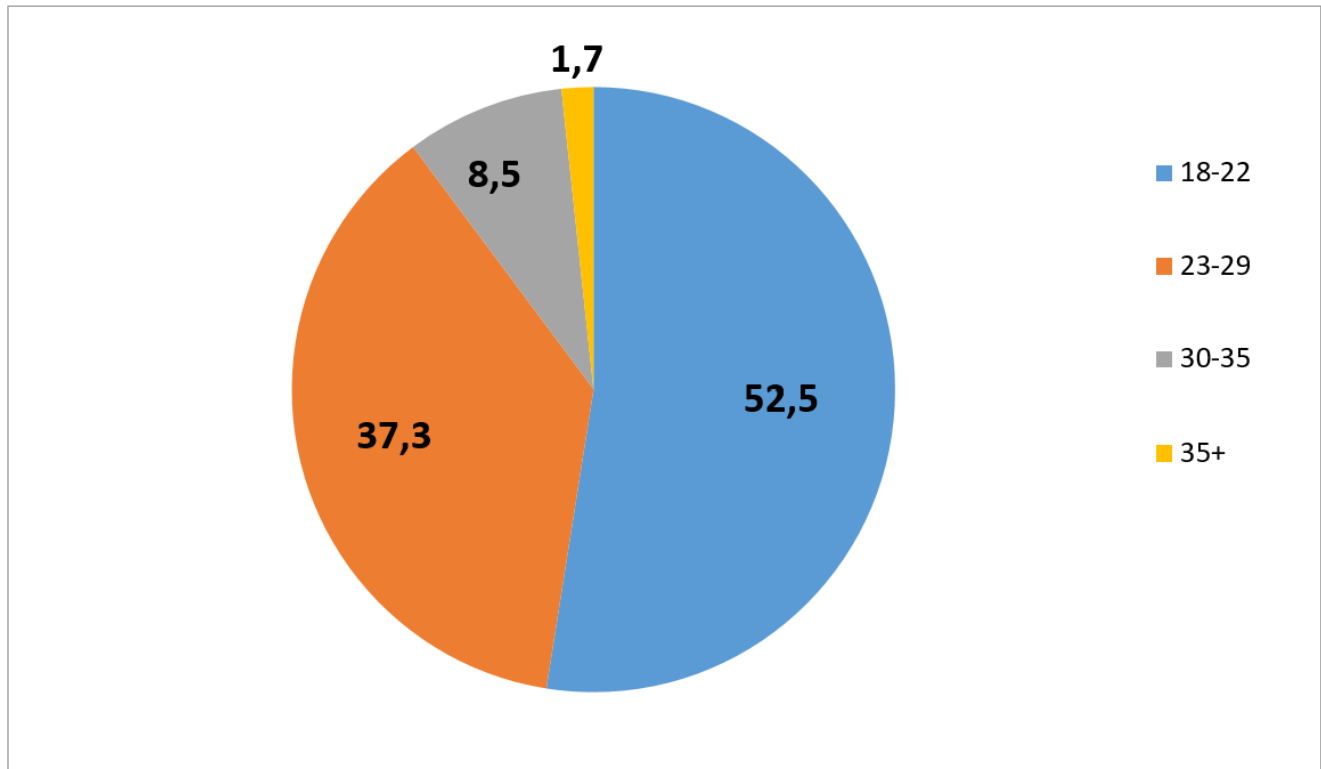
1. General information about the respondents
2. Data on respondents' income and expenditures
3. Data on respondents' working conditions

All respondents involved in the survey were men and citizens of Azerbaijan. According to the Worker's Table Trade Union Coalition, female couriers in Baku currently number about 60, accounting for less than 1 percent of all couriers. Foreign citizens (from Turkey, Pakistan, etc.) also provide courier services. There is no precise figure for their number, but it

is estimated that they constitute about 2% – 2,5% of couriers.

Analysis of respondents by age group shows that about 90% of couriers are under the age of 30. Only 1,7% of those surveyed are over 35 years old.

**Chart 1: Distribution of respondents by age group (in percent)**



It is clear from the questions about place of registration that 44% of respondents are registered in Absheron Peninsula (Baku and Sumgayit cities, Absheron district). The remaining 56% are officially registered in other cities and districts across the country. 7% of respondents are residents from the occupied territories. In this connection, it turns out that the option of working as a courier in Baku caused people from other regions of the country to move to Baku in search of job opportunities. It includes people who are in Baku to study in addition to those arriving here for work.

37% of those surveyed said they were students and 63% said they were not students. Of the 44 couriers who said they were students, only one was studying part-time and the rest were studying full-time. The fact that the proportion of students

among couriers is so high shows that there is a strong demand for platform work among students who need to cover daily expenses.

A large percentage of couriers are single: 86% of respondents said they were unmarried, and 14% said they were married.

Three-quarters of respondents (75%) indicated they live with their families, and 25% of them said they live alone.

### **Couriers' socioeconomic status**

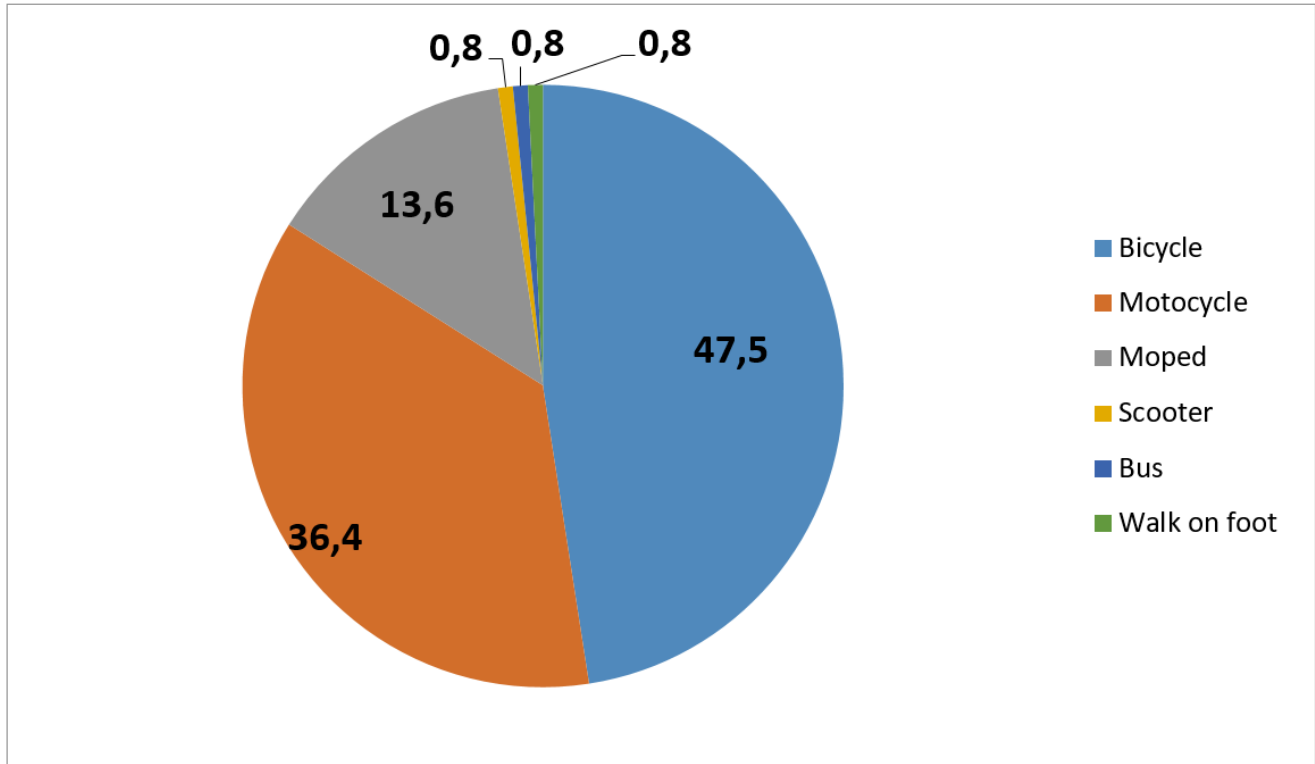
Before moving on to questions about the socioeconomic status of couriers, we will attempt to describe the average courier covered by the survey. First of all, it should be noted that in the survey we tried to talk not only to those who work with well-known food delivery companies, but also to couriers who work for specific restaurants, postal offices and other places. The survey results show that 104 out of 118 respondents work for only one company (79 for Wolt). Another 10 use apps of two or three companies. The rest of the respondents are couriers working for various restaurants, pharmacies and postal offices.

Regarding the legal status of couriers, it should be noted that 55 out of 118 couriers hold taxpayer identification numbers (TIN), whereas 63 work without TIN. At the same time, 54 couriers work with platform companies indirectly through an intermediary company. That is, as can be seen, the legal status of the vast majority of couriers also remains ambiguous. Only 47% of couriers formally have the status of an individual entrepreneur according to the legislation of Azerbaijan. The rest, however, do not work under the labor code and do not have any other legal status. This figure can be considered an indicator of how often informal employment occurs in the labor market in Azerbaijan.

The average courier surveyed rides a motorcycle (45 people) or bicycle (56 people). Those who ride a moped ranked the third.

In addition, there are couriers who ride scooters and walk on foot.

**Chart 2: Distribution of couriers by type of transport means they use (in percent)**



The most common responses to the question of the age of couriers' transportation devices are "Up to one year" (mostly bicycles) and "1-3 years" (mostly motorcycles and mopeds). In other words, the average courier surveyed uses a one-year-old bicycle or a two-year-old motorcycle.

For 90% of those surveyed, courier work is their main source of income. So why this particular job? The answers to this question mainly ranged between two options: material needs and flexible work schedule. 40% of couriers chose both options. An interesting point is that the majority (42,5%) of those who chose the flexible work schedule option had registration in Baku, but 85% of those who chose the material needs option had registration in other regions. Only 4% of respondents providing a reason for working as a courier indicated unemployment. At the same time among the reasons for working

as a courier, 2% of respondents indicted love for motorcycles.

**Table 1: Survey respondents' answers to the question "Why did you choose this job?"**

	<b>Those having registration in Absheron Peninsula</b>	<b>Those having registration in other regions</b>	<b>Total</b>
Flexible work schedule	42,9%	37,7%	39,8%
Material needs	32,7%	44,9%	39,8%
For extra income	8,2%	4,3%	5,9%
Lucrative earning opportunity	6,1%	5,8%	5,9%
Unemployment	6,1%	2,9%	4,2%
Other	2,0%	2,9%	2,5%
Love for motorcycles	2,0%	1,4%	1,7%
Total	100%	100%	100%

The study also examined how many years couriers had been working in the field. We offered three answers: "0-6 months," "6-12 months," and "more than 1 year." Exactly half of the respondents have no more than 6 months of experience. Another 21% had 6 months to 1 year of experience, and the remainder had 1 year. Among the latter were respondents with 9 and 14 years of experience.

One of the questions the survey explored was whether those working as couriers are interested in continuing courier services. To that end, survey participants were asked the question "Do you intend to continue working in this field?"

Only 35% of those surveyed said they did not want to work in this field and said they were now looking for additional or other work. 40% of survey participants said they were not currently looking for another job, but viewed courier activities as a temporary job, so they do not want to work in this field in the future. On the other hand, only 25% of couriers said they intend to continue working in this field and were not looking for another job. Half of those who gave this answer have an average of 2,4 years of experience in the courier field. In other words, it appears that relatively more experienced individuals intended to continue working as couriers. (However, we note as an exception that both of the above individuals with 9 and 14 years of experience stated that they were not currently looking for additional work, but viewed courier activities as a temporary job.)

As noted in our survey, 75% of respondents live with their families. But what is the role of couriers in family income? 60% of respondents living with their families admitted that other family members earn more than they do. Another 18% indicated that there are other earners in the family besides them, but still, courier earnings make up the highest source of income in the family. According to the survey, the average monthly income of couriers living in families where the person who earns the highest earnings in the family is a courier amounted to AZN 809. The remaining 22% of families depend solely on the earnings of the courier. The average monthly income of couriers living in such families is AZN 700.

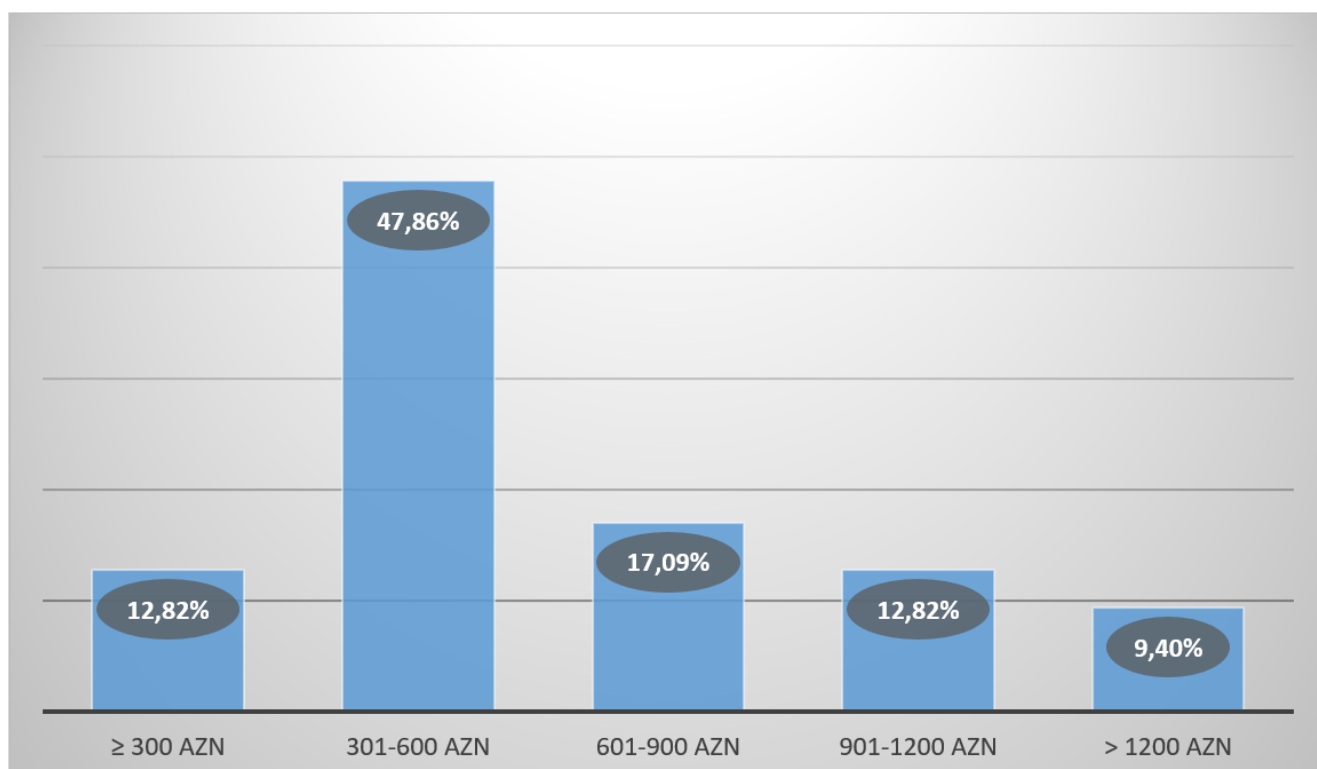
The problem that has most frustrated couriers is their income. But what is the average monthly income earned by couriers? To determine this, we asked several questions of respondents:

1. How much did you earn as a courier over the last month?  
(received from the company)
2. What is the amount of tips you received over the last month?
3. How much did you earn from any other employment (if any)

over the last month?

Only one person did not answer the first question. The answers revealed that half of the couriers earned AZN 300 to AZN 600 (see Graph 1). In second place are those earning from AZN 601 to AZN 900.

**Graph 1. Levels of monthly income earned by couriers**



Overall, the results of the survey showed that the average monthly salary of couriers amounted to AZN 646 (excluding tips). That is AZN 200 less than the registered official average monthly salary [level](#) of AZN 854,5 in Azerbaijan. Another important issue is related to the median level of income. Our survey showed that the median income among couriers amounted to AZN 550. However, the average monthly salary in Azerbaijan is usually of little importance to the economy. This is because when calculating the average monthly salary, the monthly salary of all salary earners in the country is added and divided by their number. In this case, the average monthly figure is higher due to few people with high earnings. In this regard, median wages can more realistically show the situation on the labor market. The



median is the middle point in a dataset – when those numbers are listed in order from smallest to greatest (50% of the numbers are to the right of the median, and 50% are to the left). According to the results of our survey, the median salary of couriers is AZN 550. In other words, half of the couriers earn less than AZN 550, and the other half earns more than that. Unfortunately, no information on the median wage in the country in 2022 has been published, but this figure of 2021 came to AZN 410.

Speaking of additional income, we noted that only 10% of couriers take on additional paid work. But even this additional work generates an average of AZN 526 (ranging from AZN 300 to AZN 1.200). But what profit is made from extra payments, i.e., tips, given by customers?

To determine this, we also asked the couriers a clarifying question. This question was about in what percentage of orders they get tips. According to the couriers' responses, the average (both average and median) is 20%. That is, couriers receive tips for one out of every five orders. We also asked: "What is the amount of these tips?" More precisely, "How much does a courier earn per month in tips?" 53% of respondents said the total amount of their tips does not exceed AZN 30 per month, and 27% said the amount does not exceed AZN 60. The rest said the amount of monthly tips exceeds AZN 60. Interestingly, 6% of respondents receive tips amounting to AZN 100, while another 6% receive tips amounting to more than AZN 100.

**Table 2. Average salary earned by residents from different economic regions**

Economic region	Average income earned by a courier registered in the economic region, AZN	Average salary by region, AZN	+/- , %
Baku	740,44	1 079,80	-31,43%
Absheron	495,58	689,10	-28,08%
Mountainous Shirvan	1020,00	555,10	83,75%
Ganja-Dashkasan	962,50	611,10	57,50%
Karabakh	704,70	537,20	31,18%
Gazakh-Tovuz	426,16	575,20	-25,91%
Lankaran-Astara	736,50	543,00	35,64%
Central Aran	641,25	525,70	21,98%
Shirvan-Salyan	865,50	624,80	38,52%

## Couriers' working hours

The most serious problem of the platform economy is the work schedule. Many studies and [surveys](#) note that it is through the platform economy that the number of hours worked per week is increasing. For example, a 2021 survey among freelancers found that 37% of employees work 41-50 hours per week and 15% work 51-60 hours per week. One of the main requirements of couriers in various cities around the world is precisely an unusual and increased work schedule. Azerbaijan also faces these problems in many cases.

To determine the couriers' work schedule, we asked the following questions of them:

1. How is your work schedule?

2. How many days did you work last month?
3. How many hours per day did you work over the past month on average?

83% of couriers try to work every day, at least they said “daily” to the question “How is your work schedule?” That is, 83% of couriers work every day unless they hold other employment, and the reason they are absent from work is not connected with rest or leisure. 8% of respondents said they work 5 days a week and 3% work 6 days a week. Another 4% of couriers stated that they work once every two days. Only one person from the respondents chose the option “once a month” and one person chose the option “once a week.”

From the answers to the question “How many days did you work last month?” it is clear that 33% of the couriers surveyed worked every day during the past month. The median number of working days among respondents was 25 days. In other words, the average courier works 6 days a week.

At the same time, another indicator of exploitation at work is the daily working time. The labor code prohibits working more than 8 hours a day. But since couriers are not hired under an employment contract, they cannot work in accordance with this code. Consequently, serious problems are experienced precisely in terms of daily working hours. The average (as well as median) working time for couriers is 9 hours per day. In other words, weekly working hours may not exceed 40 hours under the labor code, yet this figure for couriers is 54 hours.

**Table 3: Average daily working time breakdown for courier service**

<b>Average number of hours worked per day</b>	<b>Indicator</b>
4-8 hours	42%
9-12 hours	50%

12 hours and above	8%
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One of the biggest issues couriers face because their activity is not regulated by the labor code is the money they spend to do their work. Because they are not employees, but service providers, couriers themselves are forced to cover virtually all expenses related to the services they provide. That is, fuel costs, repairs done on the motorcycle or moped used by couriers, as well as their food costs and all other expenses are paid from their own funds.

### **Couriers' expenses**

As for expenses directly related to work-related activities, we see that the average courier using a motorcycle or moped spends AZN 130 on fuel per month. Additionally, they spend AZN 50 on average on different kinds of repairs done on their vehicle and on the purchase of spare parts for them. That is, we must also subtract these expenses from the average income we mentioned above.

**Table 4. Couriers' income and work-related expenses**

<b>Transport means</b>	<b>Total income (from the company + tips)</b>	<b>Fuel costs</b>	<b>Repair/spare costs</b>	<b>Lunch costs</b>	<b>Balance</b>
Bicycle	527,64	0,00	38,44	91,83	397,37
Motorcycle	939,87	137,44	165,44	143,04	493,95
Moped	642,35	140,00	69,83	128,47	304,05

We noted above that 68% of the couriers do not have a

registration in Baku. This automatically means that, because most of them work in Baku, they must rent privately. Fifty-six people, or 47% of those surveyed, are tenants. The average cost of their rent is AZN 250. This should also be taken into account when assessing the couriers' socioeconomic status.

**Table 5. Calculation on courier tenants**

<b>Transport means</b>	<b>Balance after all expenses</b>	<b>Rental costs</b>	<b>Balance after rental costs</b>
Bicycle	397,37	248,07	149,30
Motorcycle	493,95	305,60	188,35
Moped	304,05	250,00	54,05

An average lunch during working hours also costs AZN 3 per day, totaling AZN 75 per month if we calculate according to the appropriate schedule. In other words, if a courier uses a motorcycle, his monthly work-related expenses will amount to AZN 255 (see Table 4 for more details).

Things are more complicated with couriers who are tenants. Thus, they have a maximum of about AZN 200 after all expenses depending on the type of transport facilities and rental costs. Things are even worse for those riding a moped and renting privately in Baku. So, it's no coincidence that 72% of respondents said "yes" to the question "Do you have any debt?"

## **Conclusion**

Pursuant to Article 89 of the Azerbaijani Labor Code, "daily and weekly working hours during which an employee must perform his/her duties may not exceed, accordingly, eight and 40 hours." A survey we conducted among couriers, mainly running a food delivery service in Azerbaijan, shows that a large number of them work 9 hours a day and 54 hours a week. Even though

these conditions of employment contradict the labor code, this sphere is not regulated by the government at all. The reason is also very simple. Persons employed in this sphere either access the relevant system directly through the taxpayer identification number (TIN), that is, as individual entrepreneurs, or work without a TIN through an intermediary. This also means that all relationships are established either under a service contract or without any legal status at all. This also leads to excessively high exploitation.

Another side of exploitation is that the vast majority of those employed in such services have to pay job-related expenses out of their own pockets. This also dramatically reduces income, which seems at first sight relatively high. In Table 4 we have shown that although the income received from companies or in the form of tips seems relatively high in the Azerbaijani context (from AZN 537 to AZN 939), in reality, employees only have about AZN 300-400 after deducting expenses related to their labor activity.

On the other hand, a significant portion of those working in the field are students, and at the same time their main registration addresses are located outside Baku. In other words, courier activities actually solve the problem of youth unemployment. Does it address the issue successfully? That's hard to say. A considerable part of the tenants' income goes precisely to rent payments. On the other hand, because of the large number of full-time students, we can assume that most of them fund many of the tuition costs through their courier activities.

#### **Note:**

[\[1\]](#) A total of about 300 couriers reached out to the survey. A considerable number of those involved did not want to participate in the survey. To that end, they said this type of questions can result in serious problems in the workplace, and they were expecting to receive orders and to leave soon.