

At what human cost?

Amazon Logistics set to surpass delivery volume of FedEx, UPS by 2022

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A report by the investment bank Morgan Stanley released last week notes that a major shift is taking place within the logistics and delivery industry which will accelerate the deterioration of conditions for millions of warehouse workers and drivers in the United States and around the globe.

According to the report, Amazon Logistics, a subsidiary of Amazon, the international technology company owned by multi-billionaire Jeff Bezos, is set to surpass the volume of FedEx by 2020 and United Parcel Service (UPS) by 2022, representing a potential loss of \$65 billion in revenue for the rival firms.

Morgan Stanley commented that the growth of Amazon Logistics “has been the most disruptive event within transportation in the last five years.” The report went on, “The collateral impact of the disruption has been obvious, a sudden and significant loss of business at several parcel companies.”

The bank’s report was based on an analysis of 70,000 Amazon transactions from 300 US shoppers over a nine-year period, allowing analysts to track changes over time and predict future outcomes.

Already this past August, Amazon was delivering 46 percent of US packages bought on its online platform through Amazon Logistics, an increase of 20 percent from a year prior. Fox Business compared the Amazon takeover of shipping and delivery to a new search engine taking over Google’s top position, as it ousts the former giants of the market.

While Morgan Stanley focused on American statistics, the rise of Amazon and changes anticipated across the logistics industry are global in character. As of 2018, there were 258 operational facilities in the United States and another 486 internationally, and

those numbers are climbing.

Along with its fulfillment and Prime delivery facilities, Amazon will have a fleet of 70 aircraft by the end of 2020. It also owns 20,000 branded truck trailers, driven by independently contracted drivers who are among the lowest paid in the industry, though soon Amazon will begin hiring its own drivers.

Based on an assessment of new jobs created in import-related departments and Amazon’s strategy documents, Eytan Buchman at *Transport Topics* noted, “Amazon’s evolution into a comprehensive global supply chain is now an inevitability.”

With the support of the political establishment in the US and every other country where it operates, Amazon has rapidly expanded its operations into one sector of the economy after another: technology, cloud computing, satellite networks, global shipment and delivery, air freight and ocean freight, grocery services, and even healthcare.

Now valued at \$1 trillion, Amazon’s corporate empire is the product, in part, of the extortion of billions in government handouts, the ruthless undercutting of its rivals, and efforts to integrate itself with the military and intelligence apparatus.

However, at its base Amazon’s rise has been based on the deployment of advanced techniques of workplace exploitation along with low wages and breakneck conditions for hundreds of thousands of workers around the world. In its wake, Amazon has left a trail of death and suffering, with untold numbers of injured and disabled workers left to fend for themselves without adequate healthcare.

The conquest of the package delivery industry means that Amazon will often control the entire process of

ordering a package online from start to finish, from the software used to order the package all the way to the delivery of the package to a person's doorstep.

The impact of Amazon's business model has strained the existing transportation system, which was not designed to bear Amazon's package volume. By attempting to develop its own private distribution network, "Amazon is just shifting the problem from UPS to itself, but it's still the same fundamental problem of not having enough capacity," logistics consultant Marc Wulfraat told the *Los Angeles Times*. "He continued: "Amazon's solution is to whip everyone as hard as it can."

Under private ownership, breakthroughs in technology are being used for the extraction of profit from workers, rather than for progressive applications that meet human needs. Amazon's brutal use of technology includes psychological manipulation, tracking every movement of workers and setting unattainable quotas and rates.

Under pressure from Amazon, these techniques will now be used to "whip" all workers in the logistics industry, turning every worker into a slave at the machine until they are mentally or physically injured, tossed aside and replaced.

This process has already begun. A review of underreported injuries in warehouses across the United States by Bloomberg Law found that workers at United Parcel Services (UPS) labor under a "culture of fear" of reporting injuries, with threats of being fired if they raise a concern.

UPS received the green light to proceed with its own cost-cutting plan that included these safety violations when the Teamsters union enforced pro-company contracts on its more than 250,000 drivers and warehouse workers in October 2018, despite a majority "no" vote by union members rejecting the agreement.

The anti-democratic contract lays out plans for "hybrid" driver positions, in which a worker splits their hours between the warehouse and driving delivery routes, for a significantly reduced hourly wage. It also maintains the poverty conditions of hourly warehouse workers and part-time workers, who account for 70 percent of the UPS workforce.

Furthermore, the contract enforced by the Teamsters against the democratic will of UPS workers does nothing to end harassment by supervisors, limit

increases in line and delivery speed, stop the tracking of workers through technological devices or meet other safety concerns.

The UPS-Teamsters contract is one of the most open expressions of the anti-working-class nature of the unions, which have become completely integrated with company executives and the political establishment.

Parallel trends can be seen in virtually every industry—from automotive to healthcare—as executives seek to pile on heavier workloads while cutting full-time staff levels, wages and benefits, all with the loyal assistance of the trade union apparatus.

However exploitative they may be, the common conditions that all workers share are not just oppressive in nature. They also have revolutionary implications. Linked together in the completely integrated global economy, logistics workers in every company and every country have an objective foundation for uniting in a common struggle against Amazon and the capitalist system which has spawned it.

It is a vital necessity to create independent workplace committees at every warehouse and hub, which will provide the necessary means to coordinate and organize the international struggle of all workers against the global corporations.



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