

# Research on Social Security for the Flexible Employment Group in the Context of Digital Economy: A Case Study of Beijing

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## ABSTRACT

With the rapid development of Beijing's digital economy, especially under the guidance of building a global benchmark city for digital economy, the digital economy has driven the employment market to present new formats and forms, and the number of flexible employments continues to increase. The development of the digital economy in Beijing has brought about an increase in flexible employment, which not only solves the employment problem and expands the income channels for residents, but also poses new challenges to the new labor relations and social security issues. This article analyzes the development of flexible employment in Beijing under the background of the digital economy, showing that the employment scale is increasing day by day, social security policies are improving day by day, and social security needs are clearly differentiated. In response to the current lagging institutional construction. Likewise, the article proposes policy suggestions from the aspects of improving policy systems, increasing market supervision, and enhancing government service levels to promote the healthy and sustainable development of the digital economy and flexible employment, in order to address issues such as inadequate implementation by enterprises and weak awareness of labor rights.

## KEYWORDS

Digital Economy; Flexible Employment; Social Security.

## 1. INTRODUCTION

The report of the 20th National Congress of the Communist Party of China emphasizes "strengthening employment-first policies, improving the employment support system for key groups, supporting and standardizing the development of new forms of employment, and strengthening the protection of the rights and interests of flexible workers and those in new forms of employment." The 14th Five-Year Plan and the 2035 Long-Range Objectives Outline clearly propose "establishing and improving a labor rights and interests protection system adapted to flexible employment and new forms of employment." Beijing, as the "pacesetter" in China's digital economy development, has witnessed rapid growth in its digital economy in recent years. The added value of the digital economy has risen from 871.94 billion yuan in 2015 to 1,876.67 billion yuan in 2023, accounting for 42.9% of GDP, an increase of 7.7 percentage points. The rapid development of the digital economy has driven employment towards a more diversified and flexible model, resulting in a rapid increase in the flexible employment group. The current development status, existing problems, and future strategies for addressing them among the flexible employment group in Beijing against the backdrop of the digital economy are crucial issues of concern to both the government and society at large.

This paper, by analyzing the current status and issues faced by the flexible employment group in Beijing within the context of the digital economy, proposes directions for optimizing policies targeting this group in the future. It aims to provide insights and references for improving social security policies for the flexible employment group in Beijing against the backdrop of the digital economy.

## **2. LITERATURE REVIEW**

In recent years, the rapid development of the digital economy has led to a surge in the number of flexible employment groups, and the issue of social security for this group has received significant attention from both the government and society (Wang Lijun & Tu Yongqian, 2022). Flexible employment groups often find themselves lacking in social security, and due to the absence of a two-way restraint mechanism, they easily become bearers of risks and costs (Xie Fusheng & Wu Yue, 2020). Platform enterprises in the digital economy, leveraging big data and scale advantages, may disrupt market order and exacerbate social inequality (Qiu Zeqi, 2021). It is imperative to embed solutions to labor protection and benefit sharing within the digital economy itself to ensure that the fruits of economic development reach all people more equitably and abundantly" (Cai Fang, 2021). However, China's current social security system lags behind in adapting to new forms of labor relations, and the "lack of new policies and continuation of old systems" has hindered the development of new employment forms to a certain extent (Meng Quan, 2021). The high mobility of flexible employment groups hinders the effective implementation of labor social security systems, resulting in a widening gap between social security participation and benefit payments, creating holes in the "social safety net" (Yin Jidong, 2021). Prolonged exposure to this situation can erode the confidence of flexible employment groups in employment and social security, ultimately impacting their psychological and physical well-being (Friedmann & Jakob, 2021). Therefore, the issue of social security for flexible employment groups urgently requires attention and improvement (Zhu Xiaoyu & Tian Yaqiong, 2024).

In summary, there has been a growing number of studies among scholars on the social security issues and their consequences faced by flexible employment groups in the context of the digital economy. However, there is a scarcity of research on the current status and challenges of social security for flexible employment groups in megacities, let alone a discussion on practical policy interventions. This paper focuses on the current status and problems of social security for flexible employment groups in the context of the digital economy in Beijing, a megacity, and proposes policy optimization strategies to address the gaps in existing research.

## **3. CURRENT STATUS OF FLEXIBLE EMPLOYMENT DEVELOPMENT IN BEIJING AMIDST THE DIGITAL ECONOMY SECTION HEADINGS**

As a megacity and the "leader" in China's digital economy development, Beijing is an important hub for flexible employment groups. The social security issues faced by flexible employment groups in Beijing are of typical representative significance and hold significant research value.

### **3.1. Growing Scale of the Flexible Employment Group**

In recent years, the rapid development of Beijing's digital economy, particularly fueled by the rapid expansion of Internet platform enterprises such as Didi, Meituan, Tencent, and JD.com, has led to a substantial increase in the city's flexible employment group. According to data released by the Beijing Municipal Human Resources and Social Security Bureau, in 2021, the number of flexible employment individuals in Beijing was approximately 3.619 million, accounting for 22.8% of the total employed population. Among them, self-employed individuals accounted for 66.6%, freelancers

for 22.1%, and other flexible employment workers for 11.3%. From a gender perspective, the proportion of male flexible employment workers was slightly higher than that of females, at 51.2% and 48.8%, respectively. In terms of age structure, the 25-44 age group was the primary demographic for flexible employment, comprising 70.6% of the total. From an educational background perspective, individuals with bachelor's degrees or above formed the majority of flexible employment workers, accounting for 59.5%. Based on relevant data projections, the number of flexible employment workers in Beijing is still maintained above 3 million in 2023, and with the accelerated pace of Beijing's digital economy construction, platform enterprises will continue to drive the flexible employment group to remain at a high level. The increase in the flexible employment group has further energized the job market and consumer market, broadened residents' income sources, improved labor market efficiency, and enhanced labor's contribution to the economy.

### **3.2. Gradual Improvement in Social Security Policies for the Flexible Employment Group**

As the social security of the flexible employment group has garnered increasing societal attention, relevant Beijing departments have successively implemented a series of measures in 2023 to gradually improve social security policies for this group. From a policy perspective, Beijing has optimized and streamlined the social insurance premium declaration and payment processes for the flexible employment group, eliminating the need for them to "run around" between different departments, and has strengthened social insurance subsidies for flexible employment workers, lifting unreasonable institutional restrictions on their social insurance contributions and subsidies. In terms of social services, various districts in Beijing have conducted in-depth research into the social service needs of the flexible employment group, guided by grassroots party building, and launched a series of "heartwarming projects" to serve this group, such as establishing "Worker Service Centers," "Driver Homes," and "Delivery Rider Gas Stations." In Chaoyang District, targeting issues like difficulty in finding routes, updating information, accessing communities, and limited learning channels faced by truck drivers, food delivery workers, and express delivery personnel, an internet mini-program based on local needs has been developed, leveraging resources from streets, communities, and buildings, and mobilizing social units like convenience stores, pharmacies, and bank branches along the streets to provide services to the flexible employment group. In Daxing District, six party service centers and 22 heartwarming stations have been established for couriers, food delivery workers, and other emerging job groups, hiring "heartwarming managers" to provide intimate services such as drinking water, resting areas, convenient medical care, reading and dining areas, and legal consultation to the flexible employment group. These measures have created a favorable "soft environment" and "hard facilities" for the flexible employment group to study theories, understand local realities, and respond to government calls.

### **3.3. Pronounced Differentiation in Social Security Needs Among the Flexible Employment Group**

The rapid development of the digital economy has created numerous new forms of employment. Currently, Beijing boasts a diverse range of flexible employment forms, including local life delivery, ride-hailing drivers, live streaming, online micro-entrepreneurs, lifestyle services, and self-media. While these flexible employment groups rely on Internet platforms to establish employment relationships, these relationships tend to be ambiguous, multilateral, and complex, with flexible working hours. On average, this group earns more than the city's average income level, but their social welfare protection is relatively weak, and their ability to withstand market risks is poor. Enhancing their social security has thus become a common career development aspiration. At the same time, it should be noted that there is a certain degree of differentiation in social security needs among the flexible employment group. Since a significant proportion of the flexible employment group in Beijing comprises migrant workers, particularly those with rural household registrations, they face

considerable differences in social insurance and medical insurance contributions compared to local flexible employment workers due to their household registration status. These workers often prioritize higher current income. Furthermore, due to variations in job nature, job content, occupational safety, and work-related injuries among different professions, there are also differences in social security needs between short-term income security and long-term social welfare protection.

#### **4. THE REALISTIC DILEMMA OF SOCIAL SECURITY FOR FLEXIBLE EMPLOYEES IN BEIJING UNDER THE BACKGROUND OF DIGITAL ECONOMY**

The rapid development of Beijing's digital economy has brought about new changes in the employment market structure. The number of flexible employees engaged in occupations such as online ride-hailing, express delivery, food delivery, and live streaming, which rely on internet platforms, has increased rapidly, posing new difficulties and challenges to Beijing's labor and social security system.

##### **4.1. The Relatively Lagging Social Security System for Flexible Employment**

The primary reason for the lagging social security system for flexible employment groups lies in the rapid development of the digital economy and the surge in flexible employment, while the construction of related social security supporting systems has lagged behind. Existing labor and employment-related laws such as the "Labor Law" and "Social Security Law" fail to meet the current social security needs of flexible employment groups. From a practical perspective, under the new circumstances, Beijing's flexible employment takes on more diverse forms, employment relationships become more complex, government market supervision becomes more difficult, problem identification becomes more challenging, interests of different groups diverge, central-local coordination difficulties increase, and there are differences in the household registration system. As a result, it is difficult for the government and society to form a corresponding social security system in a short time, which is also one of the reasons why laws and social security systems cannot fully guarantee social security. Although Beijing has made certain institutional improvements in the areas of supplementary social security, such as work-related injury insurance, unemployment insurance, housing provident fund, and enterprise annuity, which are closely related to flexible employees, these safeguard measures are still constrained by the existing overall institutional framework and practical implementation difficulties, making it difficult for them to fundamentally play a role. In some cases, it has even become more difficult for flexible employees to safeguard their rights.

##### **4.2. Inadequate Implementation of Platform Enterprise Responsibilities**

As the employment platform relied upon by flexible employment groups, platform enterprises are the direct entities responsible for protecting the social security rights and interests of these groups and are also important parties in labor disputes. The inadequate implementation of platform enterprise responsibilities is a significant factor contributing to the insufficient social security for flexible employment groups. This manifests in three main ways: First, platform enterprises evade responsibilities by not signing employment contracts with laborers or adopting labor dispatch and outsourcing methods to avoid legal and social security responsibilities, thereby reducing operational burdens. Second, some platform enterprises are willing to sign employment contracts with flexible employment groups but contribute low levels of social insurance, which still fails to meet their needs, significantly compromising their social rights and interests' protection. Third, some platform enterprises purchase insurance for flexible employment groups with low coverage and mismatched demands, making it difficult to cover their actual needs, particularly in high-risk areas such as food

delivery, logistics and express delivery, and ride-hailing, where work-related injuries and accidental safety incidents are prevalent.

### **4.3. Weak Rights Awareness Among Flexible Employment Groups**

In 2023, Beijing had over 8 million migrant population, mainly consisting of flexible employment groups comprising migrant workers and newly entered youth in the job market, particularly those with rural household registrations. This group generally has a relatively low educational level, limited social experience, and a weak understanding of legal knowledge and the concept of the rule of law, resulting in inadequate awareness of safeguarding their own rights and interests. They lack sufficient understanding of issues that harm laborer rights and interests, such as excessively long working hours, mismatched labor remuneration, difficult-to-guarantee holidays and rest, personal safety, and work-related injury protection. Their awareness of rights protection is weak, and they do not know how to safeguard their legitimate rights and interests. Additionally, some flexible employment groups do not attach importance to employment contracts with platform enterprises during the employment process, making it difficult to safeguard their legitimate rights and interests legally when their rights are affected. Furthermore, some flexible employment groups have a weak willingness to participate in social security, especially due to the difficulties in transferring social security across regions. They view flexible employment as "temporary work," believing that only immediate labor remuneration is necessary, unaware of the importance of participating in social insurance for their own rights and interests' protection, and lacking motivation to contribute social insurance premiums on time and in full.

## **5. OPTIMIZATION STRATEGIES FOR SOCIAL SECURITY OF FLEXIBLE EMPLOYMENT GROUPS IN BEIJING UNDER THE DIGITAL ECONOMY**

### **5.1. Improve and Optimize Existing Policies and Systems**

The improvement of social security for flexible employment groups necessitates expediting the optimization of the current social security system. The existing system, rooted in traditional labor-employer relationships and the relatively fixed industrial labor relations of the industrial era, must adapt to the trends of digital economy development and the social security needs of flexible employment under this new economic paradigm. More targeted safeguard measures should be introduced. Firstly, we must deeply understand the development trends of flexible employment against the backdrop of the digital economy. Pilot projects should be launched to classify and tier the labor-employer relationships between platform enterprises and flexible employment groups. A multi-tiered social security system should be established in line with industry characteristics, enterprise features, and the attributes of flexible employment groups, ensuring that the system remains agile and responsive to current flexible employment trends. Secondly, new models of labor relations for flexible employment should be explored. Based on the nature of work, working hours, job content, years of service, and income thresholds of flexible employment groups, substantive labor relation thresholds should be set. Those who meet the thresholds must be fully covered by the existing national social security system to safeguard their rights. For those below the thresholds, minimum social security should be provided. Relevant departments should collaborate with various social forces to establish a list and implementation standards for minimum social security, ensuring comprehensive protection of flexible employment group rights. Thirdly, industry rules should be formulated. Relevant departments should rely on industry associations to set entry thresholds for platform enterprises and related flexible employment groups, effectively regulating the behaviors of both enterprises and workers, and ensuring the full fulfillment of rights and obligations by both labor and management.

## **5.2. Strengthen Market Supervision**

The protection of social security rights and interests of flexible employment groups cannot be achieved without government supervision, ensuring the implementation of relevant central and Beijing municipal policies on the rights and interests of flexible employment groups. On the one hand, strict administrative supervision measures should be adopted to establish a dynamic rights protection announcement mechanism. Violations of laborer rights protection laws and regulations by platform enterprises should be resolutely combated, and platform enterprises should be urged to implement government policies related to flexible employment. By establishing monthly and annual announcement mechanisms for platform enterprises to safeguard the legitimate rights and interests of flexible employment groups, effective guidance for platform enterprises can be achieved. On the other hand, economic incentives should be introduced for social security among flexible employment groups. Financial subsidies, tax incentives, and annual rewards should be provided for platform enterprises and flexible employment groups that pay social insurance premiums in accordance with the law, effectively motivating market entities such as platform enterprises and private employers, as well as flexible employment groups, to take initiative. This will create a demonstration effect across society in protecting the rights and interests of flexible employment groups. Furthermore, relying on government public data platforms and digital technologies, big data analysis models should be established. Based on daily business operation data, a corporate social responsibility early warning mechanism should be constructed. The social security rights and interests of flexible employment groups, as well as complaint and feedback mechanisms, should be incorporated into the regulatory early warning system. Dynamic supervision of the implementation of social security for platform enterprises and flexible employment groups should be carried out, with real-time online monitoring and governance of corporate daily activities and laborer rights protection complaints, jointly safeguarding the lawful, orderly, and healthy development of the flexible employment market.

## **5.3. Enhance Government Service Levels**

With the rapid development of Beijing's digital economy, the flexible employment group will continue to expand. As a crucial sector affecting social employment and stability, flexible employment groups will be a significant focus of future government efforts to strengthen public services and improve governance. Firstly, the protection of social security rights and interests for flexible employment groups requires the government to strengthen digital governance measures. Relying on government public finance data platforms and digital technologies, the government should conduct dynamic supervision of platform enterprises' daily business operations and financial data, as well as their actions to safeguard the legitimate rights of flexible employment group workers, ensuring standardized and routine protection of social rights and interests for flexible employment groups in accordance with the law. Secondly, by optimizing the government's social security service system, efforts should be made to gradually explore the establishment of a unified national social security payment, cross-regional transfer, and data extraction and usage system. This will bridge the system docking channels between Beijing and other regions nationwide, alleviating concerns about the later-stage rights and interests protection of flexible employment groups and breaking down the barriers to social security rights and interests caused by household registration restrictions. At the same time, through the use of intelligent, electronic, and online internet technologies, the processes for registration, payment, maternity, medical, and work-related injury claims related to social security projects for enterprises and flexible employment groups should be simplified, providing convenience for flexible employment groups in paying and using these services. Thirdly, leveraging the diverse promotional means available in the digital economy, efforts should be intensified to promote social security services for flexible employment groups through platforms such as official WeChat accounts, government service platforms, and microblogs. This will enable flexible employment groups to understand, comprehend, and utilize relevant laws and regulations to safeguard their legitimate rights and interests anytime, anywhere. Finally, the government should provide employment guidance and

training for flexible employment groups to prevent unemployment and employment and living difficulties caused by occupational injuries due to their employment vulnerability.

## 6. CONCLUSION AND DISCUSSION

The rapid development of the digital economy has presented significant opportunities for broadening social employment channels, increasing residents' income across society, and enhancing the resilience of economic and social development. However, it also poses challenges in terms of social security for the flexible employment group, introducing new tasks for the government to strengthen institutional development and enhance regulatory and service levels. As the digital economy evolves, the flexible employment group continues to grow steadily. Effectively improving the government's social security measures for this group is of paramount importance for promoting economic and social prosperity, safeguarding the legitimate rights and interests of laborers, maintaining social equity and justice, and realizing good governance in the capital. In safeguarding the social security rights and interests of the flexible employment group, the government must implement relevant national policies while considering the unique circumstances of Beijing; it should establish corresponding legal regulations and focus on policy implementation; it must protect the legitimate rights and interests of the flexible employment group while ensuring that platform enterprises operate within their affordability limits; it should awaken the rights consciousness of the flexible employment group to safeguard their legitimate rights and interests according to the law, and also foster their sense of responsibility and obligation, ensuring the unity of rights and obligations. In implementing social security measures for the flexible employment group, the government should not only consolidate the institutional foundation for their social security but also establish a market-oriented and legalized social security service system, enabling platform enterprises and the flexible employment group to return to the spirit of market contracts. Under the backdrop of market economy, this will achieve a dynamic balance between labor and capital, avoiding any trade-offs that could harm overall social welfare. Consequently, establishing social security for the flexible employment group within the context of the digital economy is a systematic and ongoing task that must adapt and optimize in real-time according to the new characteristics, situations, and requirements of digital economic development. In this process, the government should maintain flexibility and agility in policy formulation, ensuring the healthy and efficient development of the flexible employment market in the digital economy, and preventing frequent policy changes from damaging overall social welfare.

## CONFLICTS OF INTEREST

The author declare that they have no conflict of interest.

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