

Evolving Platform Responsibilities Under Regulation: A Comparative Study of Internal CSR Practices in Ride-hailing Platforms Across the EU, the US and China, and Implications for Sustainable Development

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Abstract. This examination delves into the regulations from China, the EU, and the USA to understand what major ride-sharing companies like DiDi, Uber, and Lyft are doing internally, particularly in areas such as customer assistance and collaboration. Based on findings, it is evident that the EU's integrated rights-based framework can encourage standardized practices and compliance-oriented behavior, making corporate social responsibility (CSR) often an extension of legal requirements. The absence of U.S. federal legislation has led to fragmented regulations, prompting ride-hailing platforms to navigate state-level rules through political lobbying and state-specific benefit strategies. To strategically adapt, China employs categorized governance and incremental policies, aiming to help platforms strike a balance between accountability and flexibility, particularly in areas like algorithms and benefits. The study reveals how the regulatory structure shapes the strategic choices of CSR of online ride-hailing platforms through institutional pressure, expands the explanatory boundaries of CSR theory in the context of online ride-hailing platforms, and provides theoretical basis and practical inspiration for the sustainable governance of the most representative online ride-hailing industry in the gig economy.

Keywords: Regulatory Models; CSR; Ride-hailing Platforms; Gig Economy.

1. Introduction

In the context of the rapid development of the global online ride-hailing industry, ride-hailing platforms represented by Didi and Uber have reshaped the traditional travel market with their unique flexibility and efficiency, and become an important force to promote economic growth and employment. With its influence increasing, more is placed on protecting work rights, balancing economic gains and social equity, and making clear who owns these platforms. How they satisfy their social obligations as well as those set by laws and society at large via human resources is therefore crucial for their corporate social responsibility (CSR), sustainable development plan. Most notably different in legal and cultural background of internal CSR practices of the EU, the USA and China, it shows different pattern of relationship between them. Therefore, systematic comparison and interpretation are needed [1].

This is the study of an increasing level of oversight placed upon ride-hailing apps. It looks at how their CSR interact in China, the EU, and the US, making a contrast based on rules and culture. To find out if platform responsibilities, sustainable HR practices, internal CSR ways are different in these places, see how they share problems and have special rules about being flexible but also fair with taking care of the world. And evaluate to see how CSR has been applied on these web pages with its result for that company, who is the driving and society. In summary, this study would like to give out a theoretical foundation as well as practical policy-making ideas on how to design a more social equity and economic efficiency balanced governance structure in order to support the sustainable growth of the ride hailing industry.

2. Literature Review

The rapid expansion of ride-hailing platforms is transforming traditional labor relations and posing significant challenges to established CSR theories. While these digital platforms exert extensive control over the labor process through algorithms, they frequently avoid the responsibilities of a traditional employer, resulting in a pronounced "responsibility gap." This situation not only highlights shortcomings in existing labor regulations but also calls for a critical re-examination of how CSR principles apply within the platform economy [2].

Traditional CSR research predominantly assumes stable employer-employee relationships, making it ill-suited to address the "de-laborization" trend within the platform economy [3]. Confronted with this theoretical impasse, current studies have diverged into two main strands: one focuses on critiquing platforms for their "lack of social responsibility," framing their CSR practices as an overemphasis on economic goals and an instrumentalization of other responsibilities [1]; the other turns to regulatory studies, highlighting the government's role as an external force in filling the "responsibility vacuum" [4]. However, these two approaches are marked by significant tension: the former, while revealing real problems, often lapses into moral criticism, whereas the latter tends to overemphasize top-down regulation, overlooking the fact that platforms are strategic actors capable of actively lobbying, circumventing, and even reshaping rules [5].

It is within this interactive space that the present study positions itself. While acknowledging the importance of regulatory pressure, the study argues that platforms' institutional CSR practices constitute strategic responses to external institutional pressures rather than passive compliance. Different regulatory models across jurisdictions—such as the unified legislation in the EU, fragmented bargaining in the U.S., and administrative guidance in China—provide platforms with distinct "institutional scripts" and "room for maneuver." Accordingly, this research asks: How do these varied regulatory models trigger fundamentally different strategic responses in CSR among ride-hailing platforms through institutional pressure mechanisms? This "regulation-driven strategic response" framework aims to bridge the gap between macro-level regulation and micro-level corporate practices, offering a more dynamic and explanatory perspective on the evolution of platform responsibility.

3. Comparison of Regulatory Pathways

The EU is committed to building a transnational unified regulatory framework based on the concept of community, with legislation and rights protection at its core. Its 'Platform Work Directive' clearly classifies ride-hailing drivers as traditional employees, requiring platforms to fulfill legal obligations such as algorithm transparency, minimum wage guarantees, and working hour limitations [6]. While this regulatory model ensures that platform workers have basic rights, as well as protects workers from algorithmic discrimination and unfair treatment, it also faces concerns that it may lead to a significant increase in the cost of platform operations, undermine its flexibility and innovation capacity, and even reduce the opportunities for platform work [7]. In general, this supranational level of unified regulation reflects the institutionalized protection of workers' rights within the European social market economy model.

In the United States, the unique political system has led to a differentiated regulatory framework across states. A notable example is California Assembly Bill 5 (AB5), enacted in 2019, which reclassifies many independent contractors as employees [8, 9]. The core in this bill is the workers were judged to be an independent contractor should simultaneous three principles including "Workers are not controlled or directed by the company in contract and practice" "The work the worker is engaged in is outside the normal scope of business of the company " and" The worker is usually engaged in an independently established trade, occupation or business of the same nature as the work provided". If the company fails to meet any of these principles, the worker must be recognized as an employee [10]. This bill has a significant impact because employees enjoy a series of legal protections and benefits such as minimum wage, overtime pay, healthcare, unemployment insurance, workers'

compensation, and the right to collective bargaining, while independent contractors usually do not have these rights. Similar to the platform work directive, the implementation of the AB5 bill has also sparked controversy regarding the operating costs and business model flexibility of platform enterprises. In response to AB5 legislation, major ride-hailing platforms including Uber and Lyft invested heavily to pass Proposition 22 in California in 2022 [9, 11]. Approved by voters in 2020, this initiative essentially allows drivers for ride-hailing and delivery services to avoid being classified as employees under AB5. This means platform companies can continue treating drivers as independent contractors. While the proposal still requires providers to offer basic benefits like minimum wage guarantees, healthcare subsidies, accident insurance, and specific training programs, it effectively nullifies AB5's impact on these companies, allowing their business model reliant on independent contractors to persist. So supporters argue that it would protect drivers' flexibility and avoid service disruptions and price rises caused by forced employee categorisation. However, critics point out that Proposition 22 deprives platform workers of the right to full employee benefits and may set a precedent for other industries, thereby weakening labor protections [11]. In general, the dispute between AB5 and Proposition 22 reflects the tension between the growth of the gig economy in the United States and the traditional labor law framework, as well as the characteristics of platform companies as strategic actors who actively lobby to influence the legislative process.

Compared to the rigid regulatory approaches adopted by Europe and the United States through legislation, China tends to adopt a flexible model to promote innovation, efficiency, and economic growth while safeguarding workers' rights, maintaining market fairness, and ensuring social stability. The proposal of "incomplete labor relations" and the implementation of the "Regulations on the Management of Algorithmic Recommendation Services" represent the Chinese government's efforts to strike a balance between these interests. On one hand, by recognizing flexible labor relationships, it aims to avoid excessively increasing compliance costs for platform enterprises, thereby maintaining the flexibility and innovative capabilities of their business models. On the other hand, algorithmic regulation ensures the basic rights of platform workers under algorithmic management, such as fair task assignments and transparent compensation, while preventing discrimination and exploitation that may result from algorithmic abuse [12, 13].

4. Platform Responses: Evolution of CSR and HR Practices

Faced with differentiated regulatory models, platforms will also flexibly adjust their CSR strategies and operational strategies in order to maximize economic benefits on the basis of compliance. This chapter examines how Uber and Didi, two leading mobility platforms, have adapted their strategies in response to varying regulatory environments.

In the face of the EU's unified and stringent regulatory policies, CSR initiatives have evolved from voluntary philanthropic acts or reputation-building tools to legally mandated obligations. Platform companies like Uber's reclassification of drivers as employees with corresponding benefits directly respond to such external institutional pressures. These welfare measures, traditionally categorized as internal corporate social responsibility (ICSR), now become mandatory "non-voluntary compliance costs" under the platform economy's "de-employment" context. In the meantime, platform companies will still take steps to balance compliance costs and brand image. For example, Uber's external CSR activities to optimize corporate reputation and brand image are often related to sustainable development, community contribution and technological innovation. It is also worth noting that Uber's lobbying of the legislature and its adjustment of business model are also important strategies to cope with strong external regulatory pressure.

While adapting to state-specific regulatory frameworks and allocating additional resources for implementing more lenient legislation, Uber maintains greater autonomy in its CSR policies within the U.S. compared to Europe. Particularly in states with relatively lax regulations, maintaining drivers' independent contractor status not only significantly reduces Uber's mandatory CSR investments but also enhances the company's external reputation—— rather than being perceived as merely fulfilling

legal obligations. In this context, Uber's CSR practices in the United States meet minimum regulatory requirements, but are mainly based on its own operational decisions, without a strong mandatory color, which is the main difference from the European model.

In the face of China's flexible regulatory mechanisms, Didi demonstrates greater flexibility compared to Uber. On one hand, it maintains drivers' independent contractor status through regulations on "incomplete labor relationships," and after facing cybersecurity reviews in 2021, it strengthened data storage and privacy protection measures in compliance with regulatory requirements while revising its privacy policy to meet the requirements of regulations such as the Personal Information Protection Law [14]. On the other hand, it has introduced a tiered welfare system allowing drivers to exchange "service points" for commercial insurance and health plans. Under these circumstances, Didi's CSR practices, while guided by regulatory considerations, can also serve the company's own operational strategies.

5. Discussion and Implications

The comparative analysis mentioned above first reached a clear conclusion, namely that the CSR practices of businesses are significantly influenced by differences in regulatory environments. Even the same company may adopt different response strategies due to various regulatory mechanisms. At the same time, it also shows that the platform's response to external institutional pressure is not passive, instead of the distinct sense of initiative and strategic purpose, Uber's lobbying efforts to seek a more lenient regulatory environment in Europe and the United States are particularly illustrative.

Overall, the practice of CSR by platform companies, whether regulation-oriented or strategy-oriented, coincidentally aligns with the core propositions of stakeholder theory and sustainable human resource management: investing in labor is the only way to achieve long-term value. The uniqueness of this digital economy platform lies in its response to regulation, which, as previously mentioned, is detached from traditional labor relations and contracts, and instead is deeply integrated into the data interaction interface of order dispatch logic and performance rating, underpinned by algorithms, thus forming a new model for ensuring workers' welfare.

For regulators, this research underscores that no single model is perfect. The EU's rigidity may inhibit innovation, the U.S. flexibility breeds inequity, and China's balancing act requires exceptional regulatory sophistication. Future policy design should avoid transplanting any single model but instead synthesize strengths through hybrid governance innovations. For instance, draw on the EU's baseline of rights protection, leverage China's tools of technology-enabled regulation, and incorporate the U.S. practice of multi-stakeholder hearings to enhance contestation fairness? For platform companies, the key lies in shifting from a passive compliance mindset toward viewing responsible ICSR practices as a source of sustainable competitive advantage, proactively collaborating with regulators and workers to develop inclusive innovative solutions.

6. Conclusion

Through a comparative analysis of regulatory and corporate practices among ride-hailing platforms in China, Europe, and the United States, this study elucidates the responsive mechanisms and evolutionary pathways of platforms' ICSR practices under different institutional environments.

First, it is evident that differences in regulatory models lead to significant variations in the responsibility strategies adopted by ride-hailing platforms.

Secondly, ride-hailing platforms actively seek strategic balance between institutional pressures and economic benefits. Uber's compliance adaptation in the EU, its contestation behavior in the US, and DiDi's algorithmic and welfare innovations in China all demonstrate the agency of platforms in shaping institutions through integrated CSR practices.

On a theoretical level, this study expands the application of CSR and institutional theory to the ride-hailing context, proposing a "regulation-driven strategic response" framework that emphasizes how platform responsibility emerges from the dynamic interaction between institutions and firms. On a practical level, it offers regulators comparative insights from three governance models, suggesting that adaptive policies should be designed in line with national social structures and labor markets. It also advises ride-hailing platforms to adopt differentiated responsibility strategies suited to their institutional environments, transforming compliance requirements into sustainable competitive advantages.

This study has limitations regarding the scope of cases examined and does not deeply explore the internal strategic coordination mechanisms of platforms across these three major markets. Future research could employ quantitative methods to investigate the causal relationships between regulatory intensity, platform responses, and driver well-being. It could also be extended to comparisons with other ride-hailing markets to build a more general theory of platform responsibility.

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