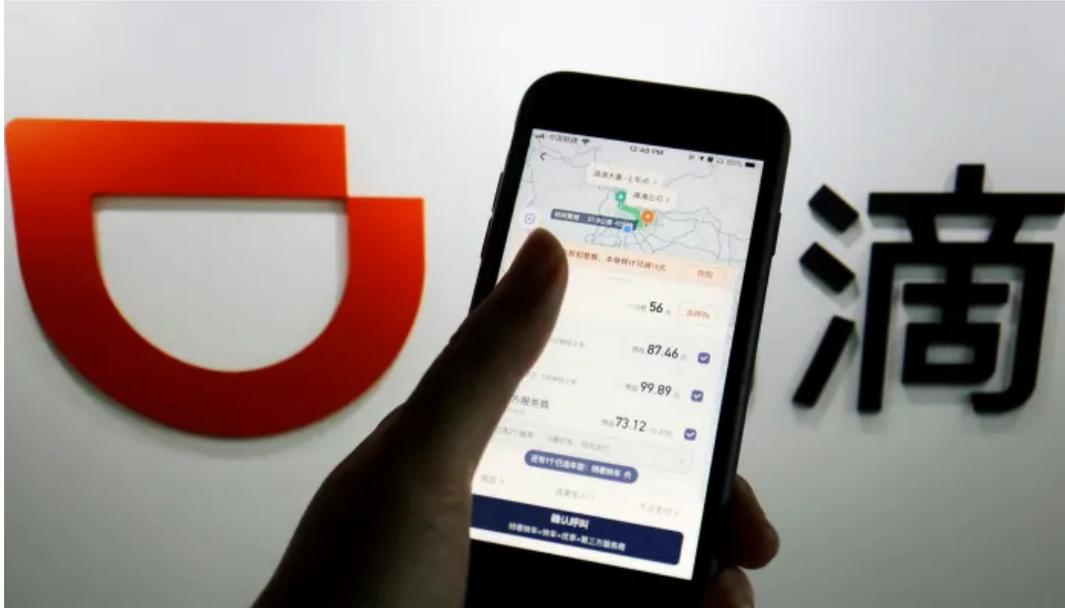


Alibaba**Alibaba vows to give Rmb100bn towards China's 'common prosperity'**

Pledge comes amid heavy pressure on tech sector, with regulators setting 'rectification' deadlines for Meituan and Didi



Didi, China's biggest ride-hailing group, is braced for the results of an unprecedented investigation into its data security © Reuters

Edward White in Seoul 9 HOURS AGO

Alibaba updates

Sign up to myFT Daily Digest to be the first to know about Alibaba news.

Sign up

Alibaba has pledged to give away Rmb100bn (\$15.5bn), the equivalent of roughly two-thirds of its net income last year, to projects that support president Xi Jinping's call for more "common prosperity" as it seeks to defuse Beijing's scrutiny of the tech sector.

The online shopping giant confirmed that it had matched the pledge made by its biggest rival Tencent, which said last month it would double the sum it is donating to social responsibility programmes to Rmb100bn.

Pinduoduo, another fast-rising online shopping company, has pledged to give Rmb10bn to farmers from its second-quarter and future profits.

Alibaba will spread the money over five years to a number of projects that align with Beijing's policy goals, including initiatives to bolster digital and medical services in rural areas, the state-backed Zhejiang Daily newspaper reported.

Beijing has in recent weeks signalled a broad shift towards "[common prosperity](#)", interpreted by experts as encompassing not only wealth redistribution but also improved rights of workers and consumers.

Meanwhile, the pressure on the tech sector increased on Thursday as regulators set the country's biggest ride-hailing companies, including Didi and [Meituan](#) a four-month deadline to "rectify" their treatment of their workers and customers.

The transport ministry said in a statement that it had summoned representatives from 11 ride-hailing platforms, which also included Caocao, a unit of carmaker Geely, and warned the companies over issues including unfair competition, data security and illegal labour.

Officials told the companies at the meeting to investigate their business practices, immediately improve compliance and come up with detailed plans for "rectification" by the end of the year.

According to the transport ministry, the companies said they would immediately comply with the rectification orders. The companies did not immediately respond to requests for comment.

Didi, China's biggest ride-hailing group, is separately bracing itself for the results of an unprecedented [investigation into its data security](#). The probe was launched days after its \$4.4bn initial public offering in New York in June, wiping billions of dollars off its value.

Meituan, the country's largest food delivery service, is also waiting for the verdict of China's second-ever [antitrust investigation](#). Alibaba, the target of the first such inquiry, was handed a record \$2.8bn fine in April for abusing its market dominance.

China's top court and the Ministry of Human Resources and Social Security last week took aim at workers' rights, outlawing the controversial "[996](#)" [overtime policy](#), under which many tech sector employees work from 9am to 9pm, six days a week.

In response to the escalating regulatory scrutiny, companies including Didi and Meituan have in recent weeks begun allowing the establishment of worker unions, according to people familiar with the matter.

While the labour groups will have ties to the government-linked All-China Federation of Trade Unions, experts said their formation could herald [advances in labour rights](#) in China.

Jenny Chan, a professor of sociology at Hong Kong Polytechnic University, said that while China's tech behemoths would be "feeling the heat" to make quick improvements, labour protections remained ambiguous.

"For their corporate image and profitability, the senior management pledge to protect labour rights. Yet we all know that from day one, these companies have outsourced or crowdsourced workers on the frontline, who are not recognised as employees," Chan said.

Additional reporting by Nian Liu in Beijing and Primrose Riordan in Hong Kong

#techAsia weekly newsletter

Your crucial guide to the billions being made and lost in the world of Asia Tech. A curated menu of exclusive news, crisp analysis, smart data and the latest tech buzz from the FT and Nikkei

[Sign up here with one click](#)

[Copyright](#) The Financial Times Limited 2021. All rights reserved.
