



DoorDash CEO Calls For 3-Step Plan To Modernize Workplace Law To Match Gig Innovation

Insights

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In a recent op-ed penned in Business Insider, DoorDash co-founder and CEO Tony Xu laid out a three-step plan necessary to ensure that our nation's workplace laws stay current to address the ever-growing gig economy by creating a hybrid model of worker somewhere between employee and independent contractor. The November 29 piece also discusses some of the ways in which his company and similar businesses have been instrumental in providing needed services to consumers and all-important compensation for workers looking to manage through the pandemic and ongoing financial crisis.

Some Facts And Figures

Xu explains why he think gig work has become a necessary component to the country's economy, especially during the COVID-19 crisis. He notes that:

- 7 million new workers joined the company's platform since March 2020 to perform work;
- during the first six-and-a-half months of the pandemic, workers on his company's platform earned nearly \$3.5 billion;
- of that, \$2.1 billion was earned by workers who live in zip codes with above-average Black and/or Latinx representation;
- 76% of workers indicate that working for DoorDash has had a positive impact on their ability to provide for themselves and their family;
- 91% of DoorDash workers work fewer than 10 hours per week, with an average of four or fewer hours;
- 4 out of 5 DoorDash workers say that gig work is not their main source of income; and
- more than 3 out of 4 of them say they have another job or are in school.

Why Is Innovation Needed?

Regular readers of this blog will appreciate these words from Xu: "Instead of getting caught in the no-win dichotomy of employment versus independent contracting, we need a third way that recognizes that this new approach to working is here to stay. That's because workers want it and it provides the legal protections and benefits they deserve — it's as simple as that." He notes that the overwhelming support that Proposition 22 received from California voters is a testament to the importance of flexible work – and all the more reason why a new path is needed when it comes to

importance of flexible work – and all the more reason why a new path is needed when it comes to workplace laws. “This is a signal to the rest of America that change is vital and now is the time for innovative solutions across the country,” he says.

Xu notes that he and his company are taking the lead and partnering with policymakers and a variety of stakeholders – including workers – in the hopes of building a legal framework that would support today’s workforce. “It’s a vision that reflects what Dashers have told us works best for them — not the workforce of 75 years ago,” he says, referencing the federal wage and hour law (the FLSA) that was crafted at a time that no one could have conceived of the concept of gig economy work as it currently stands.

So What Would Innovation Look Like? A 3-Step Plan

Xu suggests the need for a three-pronged platform to create the system necessary to support the gig economy of today. The three keys? It needs to be **portable**, **proportional**, and **flexible**. The system, as he proposes, would allow app-based gig workers to maintain their independence while getting access to employee-like benefits.

- **Portable:** By connecting benefits to individual workers, individuals could freely move from platform to platform without interruption or loss of funding.
- **Proportional:** Workers would receive the benefit of accident coverage and workers’ comp-like insurance in proportion to the engagement they have with a particular gig company.
- **Flexible:** Gig workers would be able to choose the benefits they want or need, retaining the same sort of freedom that they enjoy with gig work itself.

Xu also notes that protections against workplace discrimination and harassment should exist for every worker – “full stop” – in any revised system.

This op-ed is another positive step towards advancing the conversation in this area. I recommend you read [the entire piece here](#). We’ll continue to monitor this debate and report back with further developments.

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