



Connecticut's Proposed Worker Bargaining Law Would Transform Gig Economy As We Know It

Insights

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A unique legislative proposal pending in Connecticut would upend the way that gig economy businesses interact with their workers – and has drawn both strong support and vocal dissent from the very group of individuals it is intended to assist. Senate Bill 1000 would permit rideshare and delivery drivers for gig economy businesses to form a hybrid type of union and engage in bargaining with their hiring entities without being classified as employees. However, this attempt at compromise has run into a bit of brick wall, as both businesses and a large segment of the workforce has come out in opposition of the proposed law.

Taking A Closer Look At The Proposal

The legislative proposal would create a special industrywide version of bargaining for gig workers – the nation's first "sectoral bargaining" system for rideshare and delivery drivers, allowing worker representatives to negotiate workplace terms and conditions for all workers in this particular industry, regardless of which company they provide services for – but would not make them employees.

According to a summary provided by Bloomberg Law, the law would allow these workers to elect unions to represent them in bargaining talks with gig industry hiring entities. Any benefits agreed upon in negotiations would be funded by a surcharge on trips paid by consumers. These companies "would be banned from retaliating for union activity, and an arbitrator could be brought in to break an impasse," according to the Bloomberg summary. Because federal law currently blocks independent contractors from banding together for such purposes under antitrust rules, the proposed law would enable a state agency to decide whether to actually put into place any workplace terms agreed upon by the parties or imposed by an arbitrator.

Why Is This Seen As Necessary By State Lawmakers?

Connecticut lawmakers are approaching the issue in this manner because they want to avoid the same pattern that occurred in California. There, state lawmakers pushed so far towards eliminating the ability of gig workers to be classified as contractors that the whole issue blew up in their faces. It led to fierce blowback and resulted in gig businesses successfully asking voters to pass a measure ensuring traditional gig rideshare and delivery drivers to be classified as independent contractors. Members of the Connecticut legislature supporting this latest measure hope to avoid an all-or-

nothing debate and build consensus towards a compromise solution, one they believe would preserve worker freedom and flexibility while creating a certain measure of workplace protections for them otherwise unattainable.

Objections By Businesses – And Workers

But an improbable coalition has emerged in objection to the proposal: the businesses that would face additional regulation have joined with a group of workers intended to be protected by the law to register their opposition. Of course, the reason for their opposition is markedly different:

- In testimony provided to the legislature, several gig economy businesses indicated that the new law could harm the “flexibility and control that drivers currently enjoy.” The companies are also concerned because the proposal never explicitly classifies the workers as “independent contractors,” perhaps leaving room for the situation to be exploited by attorneys and regulators who wish to attack the classification model despite the legislative compromise.
- Meanwhile, a group of rideshare drivers affiliated with the worker-led Connecticut Drivers United organization protested the bill on March 24, criticizing the fact that the proposed law did not go far enough. They indicated they wanted greater benefits and rights for rideshare and delivery drivers than the proposal would provide, including minimum driver pay, a formal appeal structure for drivers facing company discipline, and a full suite of worker benefits (including workers’ compensation coverage, sick time, vacation, overtime, and more).

What’s Next?

As of the time of publication, the proposal remains in the Connecticut Joint Committee on Labor and Public Employees. We’ll keep an eye on the bill to see if it advances during this year’s session – and whether other states will follow Connecticut’s lead and propose similar legislation that would take another step towards creating that elusive hybrid worker classification.

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