



# Gig Workers Get New Allies In Fight For Better Pay And Workplace Rights: Uber And Lyft

Insights

6.14.19

In a development many wouldn't find surprising, a collation of forces announced this week that they would like to see ride-sharing drivers for Uber and Lyft receive a guaranteed base wage, flexible benefits, and a new drivers' association to lend a united voice to represent their interests. What is surprising? The two forces that joined to make this call were the leaders of Uber and Lyft themselves.

In a June 12 op-ed appearing in the San Francisco Chronicle, the CEO of Uber (Dara Khosrowshahi) and the CEO and President of Lyft (Logan Green and John Zimmer) said they were "ready to do our part for drivers." They acknowledged that drivers reported higher levels of stress than other members of the American workforce, no doubt caused by lack of financial stability, lowered job protections, and a lack of meaningful voice in the companies. They also pointed out what many already knew: that there has been a call to solve these problems by transforming these workers into employees. However, the op-ed notes that the majority of drivers do not want to be employees, and that they instead appreciate the freedom and flexibility afforded by independent contractor status. So where does that leave the companies?

Instead, the op-ed calls for an "update to century-old employment laws," so that gig economy companies can "offer certain benefits without blurring the boundaries of employment and triggering a wave of litigation in which nobody wins." Their specific suggestion is to work with legislators on a fix to AB 5 – a piece of legislation currently pending before the state legislature – to exempt workers performing short-term projects or those people who control their own schedules. In exchange for such a legislative fix, the op-ed says that Uber and Lyft will be prepared to make the following three compromises, more fully fleshed out in an accompanying article published the same day:

1. **Benefits:** The companies said they would support an amendment to existing law to permit for a system of worker-determined benefits, including paid time off, retirement benefits, and lifelong learning opportunities through education reimbursement. "Drivers could choose which perks they prefer; coverage might be prorated based on how often drivers work," the SF Chronicle reported.
2. **Wage Guarantee:** Uber and Lyft said they will commit to working with the legislature to increase driver pay and increase earnings transparency for the work performed between accepting a ride and dropping off a passenger. This as-of-yet unspecified base wage, after expenses, would help

drivers earn a higher rate of pay and bring them closer in line with other workers who have full-time employment.

3. **Drivers' Association:** Finally, the companies would provide the drivers with more of a say in the decisions affecting their livelihoods. By forming a drivers' association, the companies believe the drivers would have the ability to bridge the gap that often appears because independent workers don't always feel connected to their peers due to the diffuse nature of their business. The association would partner with state lawmakers and labor groups to represent drivers' interests and administer the sorts of benefits that meet their highly individualized needs. The group could also provide an appeal process for driver deactivations, and offer training to workers so they can better serve customers and earn more money. However, while organized labor might be involved, the associations would not engage in collective bargaining.

This development could lead to a compromise mimicked by other states, as gig economy companies wrestle with the balancing act caused by 20th-century employment laws covering 21st-century workplace relationships. By creating a system that retains the freedom and flexibility craved by drivers, while offering the kinds of benefits that form a much-needed safety net, the Uber and Lyft proposal could be a model for a new way of looking at the gig economy workforce.

### ***Related People***

---



**Richard R. Meneghello**  
Chief Content Officer  
503.205.8044  
[Email](#)