

The racist business model behind Uber and Lyft

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Byline: Erica Smiley

Highlight: The apps feed a false promise of stability to immigrants and people of color. Instead, drivers receive low pay and no benefits

Body

Uber and Lyft want you to know they aren't racist. It's why Uber put up billboards all over the west coast saying: "If you tolerate racism, delete Uber." It's why Lyft is running ads featuring Maya Angelou's "Lift up your eyes" poem over clips of Black passengers enjoying their service. It's all to say - "We get it. We're woke. We think Black Lives Matter just like you do. We're with you in the struggle."

OK, Uber and Lyft. You want a seat at the anti-racism table? Let's talk about race.

These powerful companies are already in a strong position to discuss it. In fact, they have one of the most diverse workforces in the US. A UC Santa Cruz study found that, in their home town of San Francisco, 78% of app-based drivers are people of color, and 56% are immigrants.

Wow, that's great that Uber and Lyft are providing so many job opportunities to people of color - but wait. That was only the first line in the survey.

According to the same UC Santa Cruz survey, 71% of these app workers work 30 hours a week, and more than half work over 40 hours. Despite this, as much as 20% may earn zero dollars after expenses, and 15% are forced to rely on public assistance to get by. Zero dollars? The last workforce that was predominantly people of color that worked this hard for zero dollars was - well, let's just say it wasn't a great moment in our nation's history.

So, can we call Uber and Lyft's workforce diverse? Yes. But can we call it just? No. Here's why.

Despite the anti-racist billboards and the Maya Angelou poems, these wealthy companies have built an entire business model on gaslighting people of color and exploiting them for cheap labor.

When Uber and Lyft first started, they told drivers (and often still do) they could make up to \$100,000 a year if they drove full-time. But as the industry became more competitive, Uber and Lyft began to demand as much as 20% off each ride, all while drivers were paying their own car expenses. And when these apps realized that they needed larger fleets to compete, they started recruiting low-income, often immigrant drivers with false promises of the American dream. For example, even if you didn't have a car or credit score, Uber would set you up with a car lease - all you had to do was commit to making 150-200 rides a week for the company. Can't do it? No worries, Uber knows there are plenty of others for them to target - but you still have to pay that car lease Uber signed you up for.

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All too often, these apps are feeding the false promise of stable living to immigrants and people of color. It's what driver activists like to call "exploitation through innovation".

California tech companies like Uber and Lyft have "innovated", or "forcibly mutated", the traditional model of employment into a more exploitative (but "flexible!") model than the one that existed previously. Unlike a traditional employer, Uber says you can work whenever you want, for however long you want - but Uber won't pay for your car expenses, and they won't give you benefits. Essentially, you are just self-employed, but with a tech giant skimming 20% off everything you make on your own.

Here's the problem with this "flexible" model of employment - as we've seen, most gig drivers aren't working flexible hours. Again, 71% of drivers in Uber and Lyft's home town of San Francisco work 30 hours a week, and more than half work over 40 hours. And again, despite working full-time hours, this diverse population isn't getting full-time pay. Or benefits, for that matter - more than one-fifth do not have health insurance. And as most uninsured folks will tell you, life isn't exactly "flexible" when you don't have healthcare.

The lack of healthcare, the bad pay, the fact that 59% of app-based food delivery drivers said they could not save enough to handle a \$400 emergency expense, according to the UC Santa Cruz study, led to a perfect storm when the coronavirus hit. A follow-up to that study found that 37% of those surveyed lost 100% of their pay, as Uber and Lyft were their only source of income. And there was no way for many drivers to collect unemployment when the shutdowns started, as they weren't technically "employees", thanks to Uber and Lyft.

How would Maya Angelou feel about all of this? Would she be OK with exploiting people of color for cheap labor? Would she be OK with leaving them out to dry in a pandemic? As a Black woman, I'm pretty confident in saying that she would not be OK with this.

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Thankfully, we have the opportunity to change this racist, exploitative model for good - and it starts in Uber and Lyft's home state of California. California voters can redefine app-based employment this November, and help countless POC drivers get the pay and the benefits they earned, by voting "No" on **Prop 22**. **Prop 22** would partially overturn AB 5, a California law that expands the definition of employment to include app-based workers, so that they could receive full-time benefits for full-time work. If passed, **Prop 22** would permanently exempt app companies like Uber and Lyft from providing benefits to their drivers, even those who work full-time hours for the app.

Uber and its allies has already spent a record-breaking nearly \$200m on lifting up **Prop 22**, all while their drivers are struggling to get through the pandemic. So, despite all the anti-racist advertisements, and the faux "we care about our drivers" talking points, their priorities are clear - keep our POC and immigrant drivers in a constant state of financial insecurity, and protect our profit model at all costs.

But Uber and Lyft's priorities aren't the priorities of working people, of people of color, of immigrants, or of any decent human being who believes in equal pay for equal work. Don't let them gaslight you into thinking otherwise.

Erica Smiley is the executive director of Jobs With Justice, a leading worker advocacy organization within the national labor movement. She is the first Black woman to hold the position

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