

In the last video, we talked about freelancing work, including new technology-mediated work arrangements. In this video, we're going to take a look at Uber as a case study.

Many of you have probably heard of Uber by now. Their main business model is to connect people who need a ride with drivers who are willing to drive them, using their own personal vehicle. And if this sounds suspiciously like a cab company, you're right. Uber competes directly with traditional cab companies. In contrast, however, Uber drivers use their own vehicle. And this means they're responsible for the costs associated with maintenance and repair, the wear and tear on their own vehicle, and largely fueling their own vehicle. The main service provided by Uber is this technology, which connects people and facilitates automatic payments. Early on, Uber and companies like it, were seen as ushering in a new and very exciting model of work. There was high flexibility in terms of when you worked, and where you worked. Uber even claimed early on that the median salary for a driver, working at least 40 hours a week in New York City, was \$90,000 a year.

Since then, people have begun to challenge these figures. And darker aspects of work at Uber have begun to surface. Uber started out with higher fares, for example. But has cut them on multiple occasions, in order to try to better compete with traditional cab companies. In fact, there are reports that UberX drivers, UberX being the most commonly used, lowest-cost service, make only a little bit more than traditional cab drivers. And again, these drivers are responsible for the costs associated with using their own vehicle over extended periods of time. And there's some evidence that Uber drivers are becoming increasingly disgruntled, because of this price cutting, because of verbal abuse by passengers, and a perception of apathy on the part of Uber to do anything about it. They're frustrated, as well, because of the ranking system, which will essentially make them lose their job if their passenger rating falls below a certain level. And some workers in some areas like California, have begun to try to organize and collectively bargain. So, for example, in California drivers formed CADA, the California App-based Drivers Association. But these drivers face a tough and very difficult road ahead. The US law does not require Uber to negotiate, because these drivers are currently considered independent contractors. In other words, they're not employees from Uber's point of view. They're not their problem. So as it stands, this association, the California App-based Drivers Association, is trying to bring publicity to some of these issues. But it doesn't have very much leverage beyond that. So the question that I would pose to you as a class is, what do you recommend that Uber drivers do to improve their employment circumstances? I encourage you to join in discussion with your fellow classmates in the next segment of this course.