

NEWS / US & CANADA

Uber, Lyft drivers strike in cities worldwide ahead of Uber IPO

Drivers turn off apps for hours, demanding higher pay rates, better work conditions and job security.

by Maya Yang

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A ride share car displays Lyft and Uber stickers on its front windshield in downtown Los Angeles [File: Richard Vogel/AP Photo]

New York City - Thousands of Uber and Lyft drivers across the United States are planning to turn off their apps for hours on Wednesday to fight for higher and regulated pay rates, better work conditions and job security.

Organised by driver communities and unions, the strikes are being carried out in major cities including New York, Chicago, Los Angeles and San Francisco, as well as cities and towns in the United Kingdom and Australia. Drivers and labour groups are also expected to hold press conferences and protests outside Uber and Lyft offices.

In New York City, ride-sharing cars were hard to find during the rush hours of 7 to 9am as drivers boycotted the apps.

"I'm striking for my kid's future. I have a 5-year-old son, and I drive for Uber to support him. But it's becoming harder and harder," said Sonam Lama, an Uber driver and member of New York Taxi Workers Alliance (NYTWA).

"First Uber cut the rates, then they put too many cars on the roads so there weren't enough fares to go around ... We want Uber to answer to us, not to investors," Lama said.

Don Creery, another Uber driver, said the strike is "the culmination of years of pay being cut by constant rate reductions".

He told Al Jazeera that last week many drivers received a three to six percent cut in the mileage and time pay rate. "This is money that will be taken from drivers and given to shareholders," he said.

IPO

The work stoppage comes ahead of Uber's expected IPO (initial public offering) on the New York Stock Exchange on Friday, one of the biggest moves in the company's 10-year history.

The company is aiming to raise \$9bn in its IPO, and expects to be valued at over \$90bn on its first day on Wall Street, despite its slowed revenue growth and approximately \$1.1bn loss during the first quarter of this year.

"With the IPO, Uber's corporate owners are set to make billions, all while drivers are left in poverty and go bankrupt," said Bhairavi Desi, executive director of the NYTWA.

Arvind Magesan, an economics professor at the University of Calgary, said the IPO has already been tough for drivers.

"Uber has lowered driver wages and raised prices ahead of May 9, in order to make the company more attractive to potential investors," Magesan told Al Jazeera.

"Uber (and Lyft) will use some of the proceeds from the IPO will go towards the development of autonomous vehicles. That will ultimately displace at least some of its drivers," he added.

Uber did not respond to Al Jazeera's request for comment but, in a statement to US media, a representative for the company said: "Whether it's more consistent earnings, stronger insurance protections or fully-funded four-year degrees for drivers or their families, we'll continue working to improve the experience for and with drivers."

In Uber's filing with the US Securities and Exchange Commission earlier this year, the company said it continues to "experience dissatisfaction with our platform from a significant number of drivers". Uber predicted that the level of driver dissatisfaction will continue to increase as the company seeks to slash driver incentives.

Uber also stated in its filing that it "cannot assure our pricing model or strategies will be successful in attracting consumers and drivers".

For both Uber and Lyft, registered drivers are not classified as employees; instead, they are considered independent contractors. This classification prevents drivers from accessing the same rights as employees, including minimum wage, unemployment insurance, overtime and paid sick leave.

A study by the left-leaning Economic Policy Institute found that Uber drivers earn "the equivalent of \$9.21 in hourly wages", after factoring in expenses including commissions, vehicle fees and health insurance. The company, however, cites another study, whose authors included current and former Uber employees, that found drivers made on average \$21 an hour.

Lyft has said its hourly wages have risen over the last two years and on average are over \$20 per hour, according to local media.

In the UK, drivers across major cities including London, Birmingham and Glasgow shut off their Uber apps from 7am to 4pm.

The Independent Workers Union of Great Britain described Uber's business model as "unsustainable" and demanded a two-pound (\$2.60) per mile fair increase and that commissions paid by drivers to Uber be decreased from 25 percent to 15 percent.

Strikes were also staged in Australia in cities including Sydney, Brisbane, and Melbourne, starting as early as 10:30am.

SOURCE: AL JAZEERA NEWS