

Seventh New York taxi industry driver commits suicide

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On September 26, an Uber driver facing insurmountable debt was killed when he threw himself in front of an oncoming New York City subway train.

Fausto Luna, a 58-year-old immigrant from the Dominican Republic, is the seventh professional driver in New York City to commit suicide in the past year. Luna had worked for Uber since 2013.

A vigil organized two weeks later by the New York Taxi Workers Alliance (NYTWA) outside the 175th Street subway station where Luna killed himself erupted in anger when the head of the city's Taxi and Limousine Commission, Meera Joshi, arrived. Attendees repeatedly yelled "Murderer! Murderer!" at her until she left.

Luna's death is only the most recent in this tragic string of driver suicides in New York City. It was the first among ride-hailing app drivers and the first since New York City became the only major US city to cap new for-hire vehicle licenses for Uber and other similar services.

The suicide shines a spotlight on the dire conditions facing drivers of the approximately 80,000 cars in New York City affiliated with ride-sharing app companies. The industry is characterized by high competition, low pay and, for many, deep indebtedness.

Uber told the *New York Times* that Luna, a highly rated driver, had consistent earnings and his vehicle was fully paid for. However consistent they may be, the earnings of the majority of drivers in the city are at poverty levels. A report commissioned by the New York City Council estimated a median net wage for Uber drivers of \$14.17 per hour and \$13.85 per hour for Lyft drivers, well below the city's poverty threshold for a family of four of over \$32,000 on an annual basis (equivalent to about \$16 an hour working full time).

The app-based driver pool in New York City is

comprised mainly of immigrant workers (86 percent) driving full time (60 percent). Roughly half have children to support and provide the majority of their family income. A quarter of them provide more than 90 percent of household income. One out of every seven lacks health insurance.

Uber collaborates with a network of car dealers and financiers in the city to grow the supply of drivers, including pushing rentals or leases onto workers with no credit or bad credit at exorbitant rates. An exposé published last year by *Quartz* detailed some of these predatory lending practices. Drivers may be required to authorize the lessor to deduct payment automatically from their Uber paycheck. Leases or rental agreements are drawn up to enable the dealer to remotely disable the car and repossess it if a payment is missed and the driver does not respond within five days.

Many workers are one accident or illness away from ruin and often forced to take on other debt to make ends meet.

When Uber expanded to the New York City market, it sold drivers on the promise of high earnings, flexible hours, and an end to the indentured servitude-like conditions prevalent in the business. It enticed drivers with hefty sign up bonuses, only to cut rates and increase the company's own take.

Uber succeeded in transforming the industry, utilizing technological advancements not to improve conditions of workers, but to replicate the brutal exploitation in a more efficient manner and funnel billions of dollars into the hands of a new corporate elite. As Uber prepares to go public, Wall Street estimates its value at around \$120 billion.

The rapid transformation has been catastrophic for many longtime taxi drivers.

Taxi driver Doug Schifter, 61, shot himself in front of

City Hall in February after posting a suicide note on Facebook describing the hardships facing him and all New York City taxi drivers. “I worked 100-120 consecutive hours almost every week for the past fourteen-plus years. When the industry started in 1981, I averaged 40-50 hours. I cannot survive any longer with working 120 hours!”

Taxi drivers must also deal with the declining worth of medallions—the vehicle permit required to drive a yellow taxi cab in New York City, capped at 13,500 medallions—which at one time sold for over \$1 million, but are now worth less than \$200,000. There are many drivers who took out massive loans or invested their life savings in medallions who now have to pay off hundreds of thousands of dollars for a depreciated permit on reduced earnings. According to the NYTWA, taxi workers’ income declined by 23 percent on average between 2013-2016, from \$45,529 to \$35,344 a year—a reduction of \$10,000 in only three years.

The primary cause of the collapse in medallion worth is from ride-hailing app vehicles not subject to such a permit, and up until this year, not having any restrictions on the number of vehicles on the road. Because of this, Uber now outpaces New York City yellow taxis both in vehicles on the road and trips per day. In 2017, 65,000 Uber vehicles provided more than 400,000 trips per day, while the 13,500 yellow taxis made just over 300,000 trips each day.

While this massive surge in for-hire cars alone contributes to worsening conditions for drivers due to heightened competition, Uber and Lyft compound the exploitation by misclassifying its hundreds of thousands of drivers in the US as independent contractors. Treating workers as contractors allows the companies to deprive drivers of health care, overtime pay, and minimum wage protection. According to a 2018 report by The New School and University of California-Berkeley for the New York City Taxi and Limousine Commission, if Uber didn’t misclassify its drivers, it would be the largest for-profit employer in New York City.

Well aware that the increasingly intolerable conditions could trigger an explosive response by workers, New York City’s mayor Bill de Blasio responded with a law to impose a yearlong moratorium on new for-hire licenses and authorize the Taxi and Limousine Commission to set a wage floor after a year

of study. These largely cosmetic gestures do not fundamentally alter the conditions that have driven seven drivers since last December into suicidal despair. Uber has in fact pledged continue to expand its driver base in the city despite the cap by recruiting from the 40,000 licensed livery cabs.

With a recent study showing that US suicides increased by 25 percent from 1999 to 2016, with a significant increase in the suicide rate for people between the ages of 45 and 64, it is clear that the New York City transportation industry is just one of many layers in the working class hit hard by deteriorating living and working standards. It is only through the struggle of the working class for full democratic control over the means of production that technological developments will finally be used to improve the lives of workers.



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