

“They spit on our solidarity”

## Lyft cuts drivers’ rates in weeks following global rideshare strike

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Thousands of rideshare drivers working for Lyft and Uber participated in a global strike on May 8 to demand wage increases and job security and oppose their status as independent contractors. Since then Lyft has issued further compensation cuts in the wake of the stock market frenzy surrounding Uber’s Initial Public Offering (IPO).

In the mainstream media, which has focused entirely on the corporations’ quest for profitability, drivers have reported per mile pay cuts that range from 11 percent to 27 percent in major cities across the US. The changes affect some 180,000 people in the “Express Drive” program, in which workers pay daily or weekly to rent a car from Lyft rather than use their own.

In Boston, Lyft announced a 15-cent rate drop from 56 cents to 41 cents per mile. Some drivers reported on Reddit that the actual rate is 38.25 cents once broken down in their weekly summaries, amounting to a 27 percent per-mile pay cut.

Drivers in Philadelphia are now paid 40 cents per mile, a decrease by 14 cents from the previous 54 cents. “Gas goes up, pay gets slashed,” one driver remarked on Reddit, one of the social media platforms where many have spoken out about the new conditions. With a 26 percent cut, he writes, “Is Lyft literally trying to have people starve? Guess my strike is gonna be permanent.”

Christine, an express Lyft driver of two years, told the *World Socialist Web Site* of the situation in Seattle. The day after she participated in the global strike Christine received an email from Lyft announcing a per-mile rate cut from 97 cents to 88 cents, or roughly 11 percent.

“The ostensible reason was higher insurance costs.

Allegedly it costs \$200 to \$300 per driver,” though she and other drivers know that Lyft is preparing to cut labor costs. Express drivers already have to pay for a rental car, which includes insurance, as well as gas and taxes as an “independent contractor.”

Compensation includes the now 88 cents per mile, in addition to a flat \$2.66 per ride and bonus rewards for hitting a certain number of rides in one day. Christine explained, “The day before the strike, I broke down my income, which works out to be \$9.00 an hour, where the [Seattle] minimum wage is legally \$15 an hour.”

“If I drive 40 hours a week, I will gross anywhere between \$750 to \$900,” she explained. After paying \$205 per week for a reduced-price car rental, \$80 in gas, and withholding 15 percent to pay quarterly “self-employment” taxes, she takes home only \$395 per week.

As a college graduate with a bachelor’s degree and student loan debt, she struggles to pay her monthly housing and student loan bills, even while working full-time and paying \$750 a month for low-income housing in a city with one of the fastest growing homelessness rates in the country. “The difference in amounts is really hitting us hard now,” Christine told the WSW. “I can usually cover my rental costs in two days, then the rest is gas and profits. I am on day three, and I haven’t even covered my initial costs.”

While the most recent cuts hit Lyft drivers, both Uber and Lyft have slashed the pay and intensified working conditions for the more than 2 million drivers who work for the companies. The average per-mile rate is only half of what it was one year ago, dropping from around \$1 to 50 cents, though in some cities the decline is much sharper. According to a 2018 Economic Policy

Institute report, the average Uber driver in the US makes only \$9.21/hour.

Though both Lyft and Uber are currently unprofitable, their respective valuations currently sit at \$17 billion and \$70 billion. Now that Uber joined Lyft on the stock market with its IPO on May 9, corporate executives and financial investors feel greater pressure to garner the highest possible rates of profit.

The near maniacal pursuit of profit by these corporations means further attacks on drivers, cutting into rates, rewards programs and other forms of compensation while the cost of living continues to rise. A recent *Business Insider* article by Matthew DeBord suggested additional methods for Uber to turn a profit, such as expanding further into delivery and logistics, turning Lyft cars into advertising hubs, and investing in driverless cars. Thus, drivers earn less and may lose hours while users pay more so that the wealthy investors can rake in an ever-higher rate of return.

As in the case of Christine, cost-cutting measures by Uber and Lyft have serious impacts on the daily lives of workers who rely on rideshare earnings, one pillar of the growing international “gig economy” of part-time, casualized work that employs 34 percent of the American population. Around half of all rideshare drivers have a bachelor’s degree or higher, with many crushed under student loan debt and unable to secure a decent job in their field.

“They [Lyft executives] obviously feel like they can exploit people,” explained Christine, especially the most vulnerable layers of the working class, like immigrants who “may be on shaky ground” or those who are desperate for a job. “They basically spit on our solidarity, announcing these cuts the day after our strike.”

In opposition to the exploitation imposed by Uber and Lyft, workers have taken the initial steps to mount their own fight back. Drivers demonstrated their potential strength in an inspiring strike across national borders and largely independent of the corporate-backed trade unions.

They also attracted support from the broad mass of the working class, who share the same problems at the hands of the same financial and political elites. As part of the resurgence of global class struggle, teachers, autoworkers, transit workers service workers and other sections of the working class have participated in the

highest number of strikes since the 1980s.

Noting difficulties that she encountered during the strike, such as language barriers and making sure that all drivers were aware of workers’ actions, Christine stated, “If we had some centralized way to communicate, we’d be able to do something. Any kind of worker organization will be a major step forward.”

Uber and Lyft drivers can expand their international and independent struggle by building rank-and-file worker committees. The formation of such organizations would allow rideshare drivers to develop the struggle in which they are already engaged, fighting solely for the common demands of workers against the company executives, bankrupt trade unions and political establishment.

In order to achieve a higher level of coordination, workers can draw inspiration from ongoing workers’ struggles—such as US teachers’ strikes and French “yellow vests” protests—by developing independent channels to communicate on social media, where drivers can discuss and organize across all geographic, linguistic and ethnic boundaries.

United to demand the common interests of the working class for decent jobs and benefits, drivers will necessarily be up against the corporations that will stop at nothing to maximize profits. Thus, it will be necessary to assert the call for public and democratic ownership of the rideshare industry, so that the technological efficiencies can be harnessed for social need rather than the accumulation of private profit.

The *World Socialist Web Site* strives to provide assistance to the emerging struggles of the working class. Are you a driver with Uber, Lyft or another company? Do you have information to share regarding rate cuts and work conditions as a driver? Would you like to learn more about organizing rank-and-file committees? Contact us here.



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