Berkeley Center for Law and Business
University of California, Berkeley
School of Law
Boalt Hall #7200
Berkeley, CA 94720-7220

BerkeleyLaw
UNIVERSITY OF CALIFORNIA
Berkeley Center for Law and Business

With COVID-19, The Gig Economy Faces Old Challenges In New Terrain

By Savannah Jo Dowling J.D. Candidate 2022 | March 27, 2020

The gig economy is facing some ups and downs as COVID-19 takes hold in the U.S.

Workers for Uber and Lyft, particularly those who rely on the platforms as their sole source of income, have been greatly affected by COVID-19. Initially, Uber and Lyft halted their carpooling services to stop the spread of the virus, and shelter in place orders have further restricted ridesharing to essential travel only. With more people sticking to their home offices, demand has gone down for ridesharing companies, which has put many workers in serious financial situations. In fact, Uber reportedly recorded a drop in ride volume of up to 70 percent in the hardest hit cities in the U.S.

But while ridesharing is facing demand challenges, delivery is feeling the demand boom. Instacart, a San Francisco-based company, which allows users to get groceries from their favorite stores delivered to their doorstep, announced Monday that the company will be onboarding 300,000 new "full-service" shoppers in light of the increased demand due to social distancing orders. More than one sixth of those shoppers will be located in California. Uber may be preparing to double down on its delivery sector as well, according to TechCrunch, with CEO Khosrowshahi stating that the company may expand delivery into the health sector. Lyft has also reportedly expanded into medical supply and food delivery. Even so, issues surrounding exposure and protection of these workers, who are essential to the social distancing efforts of communities like San Francisco, are top of mind as well.

The threat of the virus and economic instability for drivers and delivery workers come at a time where, arguably, gig economy workers have more protection than ever. Uber and Lyft recently lost a battle in a California district court to halt the implementation of AB-5—a controversial California gig worker protection bill that became law in early 2020. In recent weeks, the companies have experienced pressure from activists and lawmakers, including California senators, to implement policies that secure the incomes of gig workers, de-incentivize working while ill, and reduce risk of exposure. Uber, Instacart, and others recently implemented paid sick-leave policy for workers who test positive for COVID-19. Delivery companies like DoorDash and Postmates and others have also introduced "contactless delivery" to limit person to person contact. Additionally, despite its resistance to offering social protections for workers, Uber's CEO requested that the federal government stimulus include protections for its workers affected by the virus. But coronavirus doesn't just affect those drivers and delivery workers who are sick, thus it's likely that pressures will continue as gig workers risk their health to maintain an income.

Either way, recent weeks have shed light on gaps in policy protecting the individuals who are proving to be vital to the health and well-being of our communities during this pandemic. We should all make sure that those gig workers putting themselves at risk for the rest of us in grocery stores, at restaurants, and even at our front doors are tipped well.