On Demand, and Demanding Their Rights

Steven Greenhouse

Travis Kalanick, Uber’s founder, recently recalled that when he first started the company seven years ago, “it was easy to communicate with the handful of drivers using the app.” Uber’s marketing manager called each of the drivers regularly, Kalanick said, “to get their feedback and make sure things were working well.”

Nowadays, Uber has far more than a handful of drivers—it has more than 400,000 in the United States alone, and many drivers complain that Uber’s managers no longer listen to them to make sure things are working well. “They do whatever they want,” said Bigu Haidar, an Uber driver in New York who is furious at Uber over fare cuts and other moves that have reduced his income. “I don’t see any voice for the drivers.”

Such heartfelt complaints are heard across much of the digital on-demand economy, whether at Mechanical Turk, TaskRabbit, Lyft, or Instacart. The internet is crackling with gig workers’ complaints about sub-minimum wages, 12-hour workdays, and companies that stiff them on pay. Within these tales of woe is a frequent refrain: that gig workers are not listened to, that they have little or no voice or leverage on the job.

Considering the nature of the platform-based economy, it shouldn’t be a surprise that so many workers feel they have so little voice. The companies are often remote, and many workers rarely, if ever, communicate with managers. Instead, they typically deal with apps and algorithms, which don’t exactly encourage dialogue—or ask about workers’ concerns. App-based workers are often isolated from each other and dispersed. Mechanical Turk workers toil at home, transcribing audio, typing in details of receipts, or inspecting YouTube videos for profanity. TaskRabbit workers do plumbing or carpentry at this house or that one, and Uber and Lyft drivers are in their cars, ferrying passengers around.

Despite the atomization of this workforce, there are stirrings from below among the app-based, crowdsourced, microtasking masses. As has so often happened across history when workers feel underpaid and unheeded, the toilers of the on-demand economy are stepping up and taking steps—some tentative, some innovative,
and a few ingenious—to be heard and heeded. To these workers, myriad problems cry out for fixing: pay that is often below minimum wage; managers who systematically ignore their concerns; being misclassified as independent contractors, and being fired, blocked, or deactivated by platforms with little notice or justification.

Many gig workers are seeking to lift their voices by banding together. At Upwork, a platform that connects freelancers with projects, workers have showered the company with complaints that its stated minimum pay of $3 an hour is inexcusably low. (Like most platform-based companies, Upwork insists that its workers are independent contractors, a group not covered by minimum-wage and overtime laws.) To Uber’s dismay, its drivers in Seattle have formed an association that they hope—thanks to an innovative Seattle law—will evolve into a formal union that does collective bargaining, even when the workers are considered independent contractors. Workers for Mechanical Turk—which giant online retailer Amazon developed and owns—have created numerous online forums to share advice with each other and warn about requesters who cheat them by refusing to pay them for their work. Helped by several researchers at Stanford, Mechanical Turk workers have also set up a thriving forum, called Dynamo, a virtual union hall where workers brainstorm strategies to press for better pay and conditions.

“There is enormous creativity and dynamism going on—a multiplicity of approaches,” says Wilma Liebman, former chair of the National Labor Relations Board. “To me, it’s just inspiring—there’s all this energy, all this thinking, all this commitment. There’s all this experimentation at the local level.”

“None of these groups yet have the power unions once had in collective bargaining,” Liebman adds. “But they’re working on it.”

In many ways, digital on-demand workers face far more obstacles to organizing and being heard than workers in the traditional economy. Isolated as so many of them are, on-demand workers rarely meet face to face, and online forums are a second-best substitute for building trust and solidarity. Sometimes when these workers communicate online, companies spy on them—and even kick potential troublemakers off their platforms. Moreover, since on-demand workers are frequently considered independent contractors, they aren’t protected by federal labor laws that prohibit companies from retaliating against employees who join together to improve conditions.

Notwithstanding such obstacles, “workers are finding ways to move their voices,” says Leonard Smith, a Teamster organizer in Seattle, where the Uber drivers have arguably done more to organize than any other platform-based workers in the country. “Whether this leads to more union organizing in the traditional or nontraditional economy, I don’t think we know yet. It really depends on the ability of the labor movement to adapt to the workers of today, rather than have workers adapt to the labor movement.”

Inasmuch as digital on-demand companies come in different shapes and sizes and use workers in different ways, workers in those companies may need to embrace different strategies. TaskRabbit and Care.com, which provides home-care aides, nannies, and housekeepers, are online exchanges that match workers with customers. Uber and Lyft serve as exchanges, too, but also play a powerful role in managing, hiring, and firing drivers. Mechanical Turk and Crowdflower are digital marketplaces that sell crowdsourced labor online. And a few on-demand companies, like Instacart (whose workers buy and deliver groceries), Shyp (which picks up, packages, and sends things), and Hello Alfred (a butler-like service that helps with shopping, cleaning, and laundry) treat most of their workers as W-2 employees.
Seth Harris, a former deputy secretary of labor, notes that some on-demand workers already have plenty of voice and bargaining power. For instance, the chefs on the platform Homemade—far different from Uber drivers or Mechanical Turk workers—have the power to determine the prices of their meals and what dishes to offer.

Larry Mishel, president of the Economic Policy Institute, a liberal think tank, estimates that there are 600,000 workers in the nation’s digital on-demand economy, but some gig economy experts, like Sara Horowitz, founder of the 300,000-member Freelancers Union, say there are millions of such workers. Defining who exactly is an on-demand worker can be difficult. Nearly eight million caregivers have registered on Care.com, but should they be considered workers in the digital on-demand economy? Mechanical Turk boasts that it has more than 500,000 workers worldwide to draw from to do a range of tasks, but an International Labour Organization study estimated that it has a stable workforce of just 20,000.

Whatever the number, the on-demand economy is growing so fast and has stirred such vast interest from investors, the public, and the news media that how this innovative sector treats—and mis-treats—its workers has become a major issue. Indeed, how gig workers respond to these challenges and how they exert collective power are shaping up as an important new chapter in the nation’s labor history.

Back in 2007, Rochelle LaPlante was a full-time social worker in Seattle, and at a friend’s suggestion, she began supplementing her income by working part-time for Mechanical Turk doing HITs (“human intelligence tasks”). LaPlante has since moved to Los Angeles and now often spends 30 hours a week “turking”—she transcribes audio, scans bar codes to tell companies what products match them, and watches YouTube videos to see whether they’re appropriate for children. Many HITs pay just 3, 5, or 10 cents each, and sometimes LaPlante can do 100, even 200 of them, in an hour.

“There are days the pay is amazing, and some days it’s awful,” she says. A study by Janine Berg, a senior economist at the International Labour Organization (ILO), found that median pay for Turkers in the United States is $4.65 an hour, although LaPlante says her average is “ten-ish.”

Among Turkers, one of the most common complaints is requesters who refuse to pay. Sometimes requesters legitimately conclude that Turkers’ work on a HIT was not up to snuff. Sometimes they simply cheat workers.

“That happens all the time. That happens daily,” LaPlante said. “There are definitely cases where it’s done on purpose. They reject because they don’t want to pay, and they take the completed work and use it.”

To deal with this wage theft, many Turkers contribute to Turkopticon, a browser plug-in that rates Mechanical Turk requesters. Companies that repeatedly reject Turkers’ work for no good reason without paying get a red light, while those who pay well, give clear instructions, and readily accept Turkers’ work get a green light. Two researchers, Lilly Irani and Six Silberman, set up Turkopticon in 2008 to give these “invisible” workers a tool against requesters who cheat.

“Our first goal was to give workers an ability to help each other: mutual aid,” says Irani, a professor of communications at the University of California, San Diego. “But that isn’t the same as voice. It doesn’t mean Amazon will listen to them. But it means requesters could be pushed to listen.”

Many Turkers voice frustration that Amazon, which owns Mechanical Turk, refuses to intervene when a requester rejects their work and refuses to pay without justification. The Amazon “participation agreement” that Turkers must sign to work says Amazon is “not involved in the transactions between Requesters and Providers” and is “not responsible for the actions of any Requester or Provider.” Moreover, the agreement states, “As a Provider you are performing Services for a Requester in your personal capacity as an independent contractor and not as an employee of the Requester.”

Irani has seen an evolution of Turkers’ views. “When we first began Turkopticon, the reaction workers had was, ‘We don’t want to be in a labor union. Is this going to turn into a union thing?’” Irani says. (Turkopticon is not a labor union
and was not founded with formal unionization in mind.) “But over the years, it seems workers have become more open to how unions can help them. They see how recalcitrant Amazon has been on making changes.”

Miriam Cherry, a labor law professor at St. Louis University who has written extensively on crowdsourcing, says it was unfair that platforms like Mechanical Turk (which are eager to attract as many requesters as they can to maximize their commissions) turn a blind eye to workers’ concerns by refusing to do anything about complaints that requesters are cheating them. “The platforms unanimously let people reject your work and not pay you,” Cherry says. “In the real world, if someone is doing a bad job, you can fire them, but you still have to pay for the previous week’s work.”

LaPlante and other Turkers use not only Turkopticon, but also online forums like Mechanical Turk to recommend lucrative new HITs, to warn against bad requesters, and to share tips on how to “turk” more efficiently. Some forum members text their forum buddies as soon as especially good HITs are posted.

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LaPlante says she averages 28.4 hours of work per week—21.8 hours of paid work and 6.6 hours of unpaid work, searching for HITs and doing preparatory work.

Eleven percent of U.S. Turkers have postgraduate degrees, 34 percent have a bachelor’s, and 37 percent have some college, with a significant percentage of them pursuing a bachelor’s degree. The survey found that only 10 percent of American Turkers earn more than $10 an hour—around what LaPlante says she averages.

Most Turkers are very educated and they choose to do this,” LaPlante says. “They have three children at home or are caring for a parent at home or they have a disability, and it’s hard to get out of the house. It’s not just people who sit solitary in their basement. I know someone who is an attorney who does it in the evening.”

LaPlante, who has a degree in human services from Western Washington University, helps run two forums for fellow Turkers, which lifts her mood and her earnings. “The forums provide a lot of socialization for people,” she says. “Without the forums, people would be completely lost, they wouldn’t know what to do, where to start. It’s just totally jumping into the deep end of the pool. Forums help workers, especially those who are new and don’t know what to do.”

When a new requester begins posting numerous HITs, LaPlante and other forum members often send messages to that requester, recommending how to make instructions clearer or perhaps protesting that the proposed pay is too low. When a new requester rejects their recommendations, they sometimes push to get hundreds of Turkers to shun that requester’s HITs. All this sometimes results in getting better instructions and sometimes even higher pay.

These forums provide some worker voice, but their power is limited, partly because it’s hard to herd Turkers, who are invisible to each other and dispersed around the nation—and world. Janice Bellace, a professor at the Wharton School of Business, calls Mechanical Turk’s microtasking “post-industrial homework”—similar to the underpaid piecework that garment workers did at home a century ago on New York’s Lower East Side.

Crowdsourcing can involve highly skilled work. Germany’s biggest labor union, IG Metall, has grown worried that even industrial giants Daimler and Bosch have turned to crowdsourcing for help on several elaborate design projects. In April, IG Metall brought together organizers and academics from around the world for a conference in Frankfurt to discuss whether crowdsourcing might undercut high-road employers and unionized workers and what, if anything, should be done about it.

In the ILO’s study, one Turker told of a requester who had blocked her “after I sent him an email suggesting politely that he could pay a tiny bit more for the work he was asking people to do.” (Requesters can block Turkers they’re unhappy with from working on their HITs.) The Turker said the requester “was very condescending and rude” and wrote that blocking her was aimed at putting her overall Mechanical Turk account in jeopardy.

“This is unreal,” the blocked Turker said. “I reported it to Amazon, but they have done nothing.”

With more than 500 Turker members, the Dynamo forum, with its concept of a virtual union hall, is seeking to exert far more collective pressure on Amazon than other forums.

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far more collective pressure on Amazon than other forums. Dynamo’s website proclaims, “Turkers are human beings, not algorithms,” and displays a letter to Amazon’s founder, Jeff Bezos, saying, “Turkers are not only actual human beings, but people who deserve respect, fair treatment and open communication.”

Much like union members, Dynamo’s members debate and decide on what issues and campaigns to pursue. One campaign has pressed academic researchers who use Mechanical Turk to adopt a code of ethics; academics often turn to the platform to find people to complete surveys and tests. And when many Turkers in India were complaining that Amazon paid them by check—which often took several weeks to arrive, that is, if the check didn’t get lost in the mail—a Dynamo campaign persuaded Amazon to start paying Turkers in India through direct deposit. On the Dynamo website in early June, nearly 50 Turkers were calling for a campaign to pressure Amazon to reduce its commissions—which generally run from 20 percent to 40 percent—of what requesters pay.

“Dynamo allows us a place to work together and beat around ideas of what to do,” says Kristy Milland, a long-time Turk in Toronto. “Do we submit crappy data to a company that’s abusive to Turkers to teach it a lesson? Or do we assemble people at Amazon headquarters in Seattle to protest?”

Milland agrees with Rochelle LaPlan te that when online forums communicate directly with—and pressure—requesters, that can pay off, at least a little. “Requesters,” Milland says, “can get work done almost automatically and super-cheap, and they realize, ‘Oh my God, these are human beings. I’m paying them like slave labor.’” Thanks to this realization, Milland says, some requesters have agreed to pay more for their HITs, but there’s a long way to go.

There is so much energy and activity in organizing Uber drivers that at times things have degenerated into a turf war. While Turkers have taken to their computer keyboards to win better conditions, Uber drivers have taken to the streets—and done much else to make their voices heard. Indeed, within the digital on-demand economy, Uber drivers have led the way in uniting and fighting. In New York, hundreds of Uber drivers went on a one-day strike in February to protest fare cuts, while drivers in Tampa clocked out for one or two peak hours a week in protest. Drivers have filed ambitious class actions asserting that Uber has unlawfully classified them as independent contractors to save money. And drivers, helped by the Teamsters and other unions, persuaded the Seattle City Council to pass a landmark unionization law for app-based drivers. There is so much energy and activity in organizing Uber drivers that at times things have degenerated into a turf war, most notably in New York City, where three powerful unions have clashed in their efforts to represent the city’s 35,000 Uber drivers.

Harry Campbell, an Uber driver who has a popular blog, The RideShare Guy, says drivers are pushing to be heard because Uber—which calls its drivers “partners”—has long ignored their pleas. Many drivers are at first exhilarated with being able to set their own hours, Campbell says, adding that they initially buy into Uber’s rhetoric that they’re their own boss. But then the drivers start seeing the downsides—having to pay for insurance, gasoline, and automobile maintenance; not getting any retirement or health plan through their job; having to drive 50 or more hours a week to support their families. Their problems were compounded when Uber ordered wave upon wave of fare cuts across the U.S.

“That’s where you lose that feeling of being your own boss. If you were your own boss, you probably wouldn’t give yourself a 30 percent pay cut,” says Campbell, a former aerospace engineer. “Not only are they cutting rates, but they’re telling drivers, ‘This is going to be good for you [by bringing you more passengers].’ I haven’t spoken to a single driver who says, ‘I’m making more after the rate cuts.’”

“This is where the drivers’ voice gets drowned out,” Campbell continues. “Obviously drivers complain about rate cuts. Uber doesn’t listen. It basically ignores you.”

Anger about the fare cuts and the low pay has fueled a multiplicity of efforts to find ways to get Uber to pay drivers more and treat them better. In a class-action lawsuit, drivers in California sought to be declared employees, thereby compelling Uber to make Social Security contributions on their behalf and pay for such “employee” expenses as insurance, gasoline, and car maintenance (as California law requires for employees). In New York, the International Brotherhood of Electrical Workers got several hundred Uber drivers at LaGuardia Airport to sign pro-union cards last February and then asked the National Labor Relations Board to hold a unionization vote so it could represent some 600 drivers. But the Machinists’ union, which has long sought to unionize New York’s limousine drivers, protested that it should have jurisdiction over the Uber drivers. And the Taxi Workers Alliance, a powerful taxi drivers union with 19,000 members, including 5,000 Uber drivers, also claimed jurisdiction.

With all this commotion, there has been a wave of important developments in recent weeks in connection with Uber drivers’ battle for better pay and conditions.

On March 4, the United States Chamber of Commerce filed a federal lawsuit against the City of Seattle in an effort to overturn the law giving the city’s Uber and Lyft drivers the right to unionize even
though they are independent contractors. Many labor advocates have praised the Seattle law, enacted last December, as a pioneering approach to unionizing app-based drivers. The Chamber’s lawsuit asserts that if independent-contractor drivers band together to bargain on fares and other matters, that would violate antitrust laws as a conspiracy in restraint of trade. The law’s backers argue that the drivers’ union would enjoy a state immunity exemption to antitrust laws because the city council took official government action to make the Uber drivers’ union possible. (The National Labor Relations Act excludes independent contractors from the federal right to bargain collectively, just as it excludes public employees and farmworkers. Seeing that many states and cities have given public employees collective-bargaining rights, the Seattle City Council concluded that it had the power to create such rights for independent contractors, too.)

On April 21, Uber announced a far-reaching settlement of class-action lawsuits brought in California and Massachusetts over whether drivers in those states were independent contractors. Under the settlement, drivers in those two states would continue to be considered independent contractors and Uber would pay them up to $100 million. In the settlement, Uber agreed for the first time to publish a deactivation policy and give drivers a warning and reasons when they face deactivation. The settlement also set up an appeals process for drivers who feel they were wrongly terminated.

According to the April announcement, Uber also agreed to “facilitate and recognize the formation of a Driver Association, which will have leaders elected by fellow Uber drivers, who will be able to bring drivers’ concerns to Uber management.” The settlement calls for quarterly meetings with Uber officials, with the associations receiving some financial assistance from the company. In announcing the settlement, Uber’s Kalanick acknowledged, “We haven’t always done a good job working with drivers.”

More than 150 California drivers have asked the judge to vacate the settlement, however, arguing that it awards too little money to drivers and that the attorney representing the plaintiff drivers shouldn’t have surrendered on the independent-contractor-versus-employee question.

In announcing the settlement, Uber’s Kalanick acknowledged, “We haven’t always done a good job working with drivers.”

On May 10, after labor leaders had persuaded the electrical workers to delay their unionization push in New York, Uber and Local 15 of the International Association of Machinists announced a five-year deal in which that union would set up an Uber-blessed “Independent Drivers Guild” to, in the Machinists’ words, “give the 35,000 [New York] drivers using the app a strong voice as well as new protections and benefits.” As part of that agreement, drivers would continue to be treated as independent contractors, and the drivers guild would meet monthly with Uber. Under the agreement, the guild—which doesn’t purport to be an official union—would not be allowed to bargain over fares, commissions, or benefits as part of any effort to get an official contract (although the Machinists say those issues can be discussed).

Deactivated drivers in New York would also get an appeals process, and the Machinists said drivers would gain access to life insurance, discounted legal services, and education courses. The Machinists also agreed not to seek to unionize the drivers during the agreement’s five years, unless the NLRB rules during that time that Uber drivers are employees and thus have a right to unionize.

On June 2, the Taxi Workers Alliance filed a federal class-action lawsuit asserting that Uber has misclassified its drivers as independent contractors, violated minimum-wage and overtime laws, and unlawfully taken surcharges from drivers’ fares. The lawsuit says, “Uber, through its practices and broken promises, severely harmed the thousands of drivers they recruited, and contributed greatly to a ‘race to the bottom.’” Uber, which vigorously insists its drivers are independent contractors, called the lawsuit “a thinly veiled stunt.”

Desai says the Taxi Workers Alliance hopes someday to win a union representation election for Uber drivers in New York.

Bhairavi Desai, the alliance’s executive director, says her group had filed the lawsuit partly out of frustration that the Machinists had agreed that Uber drivers could continue to be considered independent contractors. Desai says the Taxi Workers Alliance hopes someday to win a union representation election for Uber drivers in New York. (Getting a majority of the city’s 35,000 Uber drivers to vote for a union might not be easy, considering that Uber would likely mount a fierce anti-union campaign.)

“I don’t see why the Machinists should capitulate on employee status or collective bargaining,” Desai says. “This is a betrayal of historic proportions for drivers, especially because this company is the most well-financed and politically aggressive, and is rewriting labor law. Why would you concede to them?”

James Conigliaro Jr., a lawyer for the Machinists, defends his union’s agreement with Uber. “We believe this is the best model right now because it achieves immediate results,” he says. “The drivers get immediate support and a body that
will advocate for them. They will have a seat at the table with Uber managers. They will have a voice at the workplace.”

Conigliaro argues that this halfway solution—a non-union guild—made sense because the Machinists had encountered huge difficulties unionizing black-car limousine drivers over the past two decades because of employer opposition, even though the union had won NLRB decisions declaring those drivers employees. And the Machinists would likely encounter far more formidable opposition if it sought to unionize Uber drivers.

Defending the Machinists’ decision to create a guild, Conigliaro adds, “We saw this as a great opportunity to help workers and also get labor’s foot in the door in the gig economy.”

Liebman, the former NLRB chair, gave the deal tentative praise. “It’s a first step,” she says. “It’s a foot in the door. It gives them some access to benefits. … They said they would have a regular forum for dialogue with Uber and a right to represent drivers in deactivations. Those are not insignificant matters.”

But Benjamin Sachs, a labor law professor at Harvard, is more skeptical about both the drivers guild in New York and the drivers associations in California and Massachusetts. “The biggest question mark is, is this a way of avoiding and subverting meaningful worker voice, or is it an onramp to meaningful worker voice?” he says.

Sachs expresses concern that these driver groups could in effect become company unions. On one hand, he notes “they can lead to something more; that is, if you give workers a taste of what it’s like to be in community with one another,” they might then push for a true union. But on the other hand, he says if this effort “feels like it’s going to be a dead end, then it will be a dead end.”

If management clearly dominates and manipulates these groups, he continues, the NLRB might find them to be illegal company unions—but to do that, the labor board would first have to determine that the drivers are employees. Sachs says that these groups probably wouldn’t be considered company unions if they do next to nothing and serve as a mere suggestion box, or if they become independent of Uber and actually make decisions. Sachs adds that companies saying, “We listen to what our employees say’ has a kind of ‘welfare capitalism’ feel to it—which history shows we should be skeptical of.” (Under the “welfare capitalism” of the 1920s, company-controlled unions provided some benefits to their employees—until the companies abandoned those unions after the 1929 market crash.)

The Uber-employee model he likes most, Sachs says, is the Seattle ordinance because it “provides a road to genuine collective organization and collective voice.”

“But I hedge about being optimistic,” he continues. “It’s hard to unionize a dispersed workforce, even when you have the legal architecture to do that. It shows how far back we’ve moved—now, when a group of workers is declared to have unionization rights, we celebrate that, as if it’s not insanely difficult to unionize workers.”

Notwithstanding such pessimism and the myriad obstacles, on-demand workers have racked up some undeniable—and largely unadvertised—gains, thanks to their speaking up and pressuring companies. After some “taskers” complained that they were earning less than the minimum wage, Leah Busque, TaskRabbit’s then-CEO announced in July 2014 that her company would ensure a minimum-wage floor of $11.20 for its 30,000 workers. Since then, TaskRabbit has required that every task posted on its site pay for at least one hour’s work and that pay average out to at least $11.20 per hour.

The National Domestic Workers Alliance (NDWA), an advocacy and organizing group for care workers, families, and home care and domestic workers, has created a Good Work Code that a dozen platform-based companies, including CareLinx. com, DoorDash, and Managed by Q, have adopted. Among other things, the code calls for safe, stable, and flexible working conditions. Palak Shah, the alliance official overseeing that effort, is also urging companies to embrace its “Fair Care Pledge.” NDWA has partnered with Care.com, a giant online marketplace with 11 million users, to post the pledge on the company’s website. As a result, 130,000 families have promised to follow the Fair Care Pledge with the caregivers and housekeepers they hire. This pledge includes treating workers with respect, signing a work agreement, paying at least $15 per hour and providing paid sick days, paid holidays, and paid vacation.

“I was worried that there were a lot of people out there in the gig economy speaking for workers who were not from worker organizations,” Shah says. “They said they had to figure out how they’re going to have a quality labor force, and we wanted to offer a road map of how they should start thinking about this.”

Many worker advocates are talking up what they see as the ideal way to assure ample worker voice and leverage in the on-demand economy—set up platform cooperatives owned by the workers themselves, be they microtaskers, home-care aides, or livery drivers. But while there is immense enthusiasm for this idea, such on-demand cooperatives are in the embryonic stage in the U.S. For instance, Juno, a brand-new company seeking to compete with Uber, says it will treat its drivers as employees, not independent contractors, and holds itself out as a semi-cooperative—it’s reserving 50 percent of its equity for drivers.

Trebor Scholz, a professor of culture and media at the New School, is the foremost champion of platform cooperatives
and points to Stocksy, a photographer-owned online cooperative that sells stock photographs. Richard Freeman, a labor economist at Harvard, applauds the idea of cooperatives, but warns that fledgling startup cooperatives, whether Juno or a home-care aides’ cooperative, might have a hard time growing because they’d be dwarfed by established giants like Uber and Care.com. Moreover, Freeman notes, employee-owned companies and cooperatives in the U.S. have often stumbled and been riven by divisions as they’ve grown larger.

The most contentious labor issue in the on-demand economy is of course whether workers are independent contractors or employees, and many workers have pushed hard and brought lawsuits on this issue. Instacart, a grocery-delivery company, agreed to make its shoppers employees only after being sued, but it also realized that if it wanted a stable of loyal, dependable, well-trained shoppers, it was far better to have W-2 employees.

But some on-demand startups have taken the high road on this from the start. Three years ago, when two Harvard Business School graduates founded Hello Alfred, a company that provides personal services—buying groceries, picking up dry cleaning, hiring a plumber—they wanted to make sure they provided customers with tip-top service. To accomplish that, the two founders, Marcela Sapone and Jessica Beck, realized that they had to treat their workers well. That meant treating them as W-2 employees (not contractors), paying them well (starting pay is $18 an hour), and last but not least, listening to what their workers have to say. Some entrepreneurs criticized Sapone and Beck for not going the independent-contractor route—hiring workers as employees costs 20 percent to 30 percent more because it entails many extra employer costs, including paying for Social Security, Medicare, workers’ compensation, and unemployment insurance. But “when we explained it,” Beck says, “a lot of people [business school friends, fellow entrepreneurs, potential investors] saw exactly what we were doing and they got right behind the vision.”

Hello Alfred’s founders realized that they needed loyal, long-term workers its customers would get to know and trust. “Our retention is extremely high,” says Beck, now chief operating officer, noting that the company works hard to make employees, known as Alfreds, feel valued and heard.

“We do a ton of work with our Alfreds on how to make the tool better, how to make their jobs better,” she says. “Every week, Alfreds fill in a survey. Was there job satisfaction? What can we do better?”

Sapone, Hello Alfred’s CEO, adds, “We don’t have a suggestion box because we’re talking to our people all the time, every single day.”

Chris Mooney, a 31-year-old Navy veteran who began working for Hello Alfred in November, says the Alfreds meet twice a week with managers “to discuss problems, to disseminate information, to try to find ways to boost morale.”

“I never felt that I wasn’t listened to, that I didn’t have a voice,” he adds.

Similarly, Managed by Q, a startup that cleans and provides maintenance services to office buildings, also treats its workers as employees—it, too, says it needs loyal, well-trained workers to provide excellent service. Managed by Q pays a minimum of $12.50 an hour, well above the minimum wage, offers full health-care benefits and a 401(k) plan, and even gave 5 percent of the company’s equity to its workers. CEO Dan Teran said Managed by Q listens closely to its workers, noting that it doesn’t make decisions on employees’ benefits until it discusses them with its employees.

Not surprisingly, workers at high-road companies like Hello Alfred and Managed by Q aren’t clamoring for a union or more voice. Harvard’s Professor Sachs praises such companies, where workers are respected and listened to, but he says that’s not enough. “Workers need an independent collective voice, even when the employer is a high-road employer,” he said.

Brishen Rogers, a labor and employment law professor at Temple University, says that when on-demand workers have a voice, or a union, “it gives workers more power in the workplace and society, but it can also help companies understand what it is their workers want and hear workers’ ideas on how company operations and employee morale can be improved.”

Most digital on-demand companies are not even a decade old, and the many efforts by on-demand workers to organize are even more recent. Some experts say these efforts are still in an embryonic stage. Embryonic or not, for American labor, an important question is how successful these workers will be in gaining a bigger voice—and stake—in the fast-growing new economy.

Steven Greenhouse

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