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Minneapolis rideshare drivers fight for justice as Lyft and Uber refuse minimum wage

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Eid Ali, leader of the Minnesota Uber and Lyft Drivers Association, celebrates after the Minneapolis City Council voted to pass a bill increasing wages for rideshare drivers on March 14. Photo: Aaron Nesheim | Sahan Journal

Rideshare magnates Uber and Lyft announced on the afternoon of March 15 that both corporations would suspend all service in Minneapolis, Minnesota, as of May 1. Outside of the strange unity between supposed rideshare market rivals, the two companies issued a joint statement that announced the suspension of service and attacked the Minneapolis city government with one united voice of capitalist rage.

The suspension will put 10,000 workers out of a job. What was Minneapolis's great crime? The Midwest city had the unmitigated nerve to enact a minimum wage of $15 an hour for rideshare drivers. The minimum wage legislation actually had to overcome a veto from Jacob Frey, the city's faux-progressive mayor. The City Council overrode Frey's callous veto with a vote of 10-3.

As a side note, Frey seems to be on a bit of a streak recently when it comes to vetoing progressive legislation. Just last month, the City Council was forced to override another Frey veto, this time on legislation demanding a ceasefire in Gaza and an end to all U.S. military aid to the Zionist regime. Frey claims to support a ceasefire but still vetoed the resolution and forced an override vote — some progressive.

In response to the City Council's approval of the $15 rideshare driver minimum wage legislation, Lyft and Uber immediately condemned the new law as "deeply troubling." The two multi-billion corporations also asserted that the new minimum wage would make rideshare unaffordable for customers.

Lyft, Uber lie

This is a classic capitalist red herring. They insist that any increase in working conditions will bring about the immediate and catastrophic collapse of the entire rideshare industry. But it isn't true. The idea that wage increases will lead to unaffordable goods and services costs is based on total mythology.

Labor is only one of the costs for producing a good or service. Lyft and Uber spend far more on licensing, insurance, and advertising than they ever would or could on drivers. Yes, the cost to provide a rideshare service in Minneapolis will increase under a new minimum wage law, but so would the purchasing power and morale of 10,000 rideshare drivers.

Lyft and Uber's pleas of poverty are even more ridiculous when juxtaposed to Minneapolis area rideshare drivers' current working conditions. The Minneapolis Star Tribune investigated the economics of the rideshare magnates' claims. The investigation found that Minneapolis drivers only take home 25% to 60% of their fares as is, compared to 70% to 80% when they first started.

These workers drive the customers, maintain the cars, and provide their equipment … yet the capitalists keep at the minimum 40% of the drivers' profits. Many drivers barely make a wage from their work after paying for maintenance and insurance on their vehicles. Meanwhile, Lyft and Uber make out like bandits.

In 2023 alone, Lyft made [$4.4 billion] in revenue, up 7.5% from 2022. Uber had an even stronger 2023, with a revenue of [$9.9 billion], a 15% increase from 2022. The drivers suffer, and the capitalist bosses roll around in the dough.

It's about maximizing profits

Uber and Lyft's attempts to defeat the minimum wage law aren't about sustainable business, and they aren't about protecting the consumer. The cynical decision to withdraw from Minneapolis is simply about keeping the Minneapolis drivers at poverty wages while maximizing profits for rideshare shareholders as much as possible.

That is the cold calculus of the capitalist class: Pay as little as possible to make as much as possible, no matter the cost in life or limb to the worker. This has always been their sole calculus. It will always be their sole calculus. This is how they maintain their system of greed.

Meanwhile, over 10,000 workers will have to seek new ways to feed their families if the billionaire rideshare magnates follow through with their threat. This brutal development is just another chapter in a long list of reasons why we can no longer afford to live without socialism.

If we want to end the reign of terror by greedy corporations like Uber and Lyft, then we have to end the capitalist system. Workers will find justice when workers control the system.

In the meantime, we must support all workers who struggle for a better life and find themselves in the sights of the capitalist class.

Stand with the Minneapolis rideshare drivers! Make Lyft and Uber pay their fare share!