

Uber, the "Metropocalypse," and Economic Inequality in D.C.

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Public transit infrastructure in Washington, D.C. is crumbling. Metro and bus services have been cut. Fares have gone up. And, safety remains a problem. After 40 years of deferred maintenance, poor management, and the lack of decent, long-term funding, the Metro system needs $1.4 billion worth of repairs, and it must close a $290 million budget gap just to continue basic operations. Some call this the "metropocalypse."

Private taxi services haven't been much better. It's often hard to get a cab, especially for people of color or people who live outside of the wealthy, White areas of the city. Racial prejudice among the mostly immigrant taxi drivers means that Black residents are regularly refused service.

In light of these transit problems, Uber might seem like an obvious win for D.C. Ridesharing services are cheap for riders, require no significant public investment, and limit some of the discrimination that has made getting a taxi so difficult for so

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many people. Our research shows otherwise. Indeed, Uber could undermine the very thing city officials are working hard to address: economic inequality.

In 2016 we conducted 22 in-person interviews with local policymakers, business leaders, transit planners, lobbyists, and labor advocates as well as 40 in-person interviews with Uber drivers in the D.C. metro area. Our project found a close relationship between Uber and the city government, one that actually decreases economic opportunity.



A poster promoting a new Uber office in D.C.'s 7th Ward

Uber's relationship with D.C. city officials is cozy and widespread. Together they have created promotional videos, held ribbon-cutting ceremonies, and collaborated on transit plans. As an Uber lobbyist put it, city officials have "adopted our view of the world." The city's regulation of UberX—the low-cost, digital ride-hailing service—is the clearest example. The legislation, according to Uber, is "one of the best models for us" because it "basically allows us to set out the standards." To make this happen, Uber spent $300,000 lobbying the City Council, its CEO testified at city hall, and it coordinated 5,000 emails to Council Members within a 24-hour period arguing against a legislative edit the company did not like. As one City Council employee explained, in the three months leading up to the passage of the act, he had "either a meeting, at least one phone call, or at least one email probably every day" with Uber representatives.

D.C.'s bare bones regulation of Uber includes background checks, general vehicle requirements, a mandate regarding insurance, and a requirement that the Taxi Commission collect 1% of all gross receipts for Uber rides. In an unusual step, the legislation also prohibits journalists, researchers, and policymakers from using the federal Freedom of Information Act to access basic information about how many

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vehicles are on the road during a given week or how many registered Uber drivers live in the city. Uber claims 1.9 million riders and 42,000 drivers in the D.C. region, but this policy makes it impossible for us to verify the claim.

Last year, Mayor Muriel Bower expanded the city's ties to Uber by announcing a formal partnership with Uber Movement, a service that offers access to certain, anonymized data about congestion and travel patterns. Uber describes its data on 2 billion trips worldwide as a treasure trove for cities and frames itself as a key resource for local governments concerned about transit development. However, the data that Uber Movement offers falls well short of what many planners actually need or want. A recent report by the National Association of Transportation City Officials lists seven types of data that cities need in order to improve the transportation process. Uber has only been willing to share one.

The growing relationship between D.C. and Uber raises four concerns. First, Uber does not promote decent jobs. As we have shown, drivers labor under poor working conditions with high risks and no financial stability. Other research suggests that these jobs may even increase inequality.

Second, Uber is not accessible for everyone or everywhere. Our research found that drivers avoid poor neighborhoods, and, if they have to drop off a passenger in one such area, many turn off the Uber app to avoid picking up new passengers there. As one driver explained, " I don't pick up in southeast D.C. or [Prince George's] County because I don't know the area. It has nothing to do with racism, demographics, or anything like that." In Arlington, where he lives, or neighborhoods with many bars and restaurants that he knows, he feels more "comfortable with finding people."

Other drivers explained that they concentrate in wealthier neighborhoods because Uber provides them with opportunities to earn more in those areas of the city. Uber maintains that these surges reflect demand, which may well be the case, but this algorithmic pricing nonetheless makes transportation equity elusive, and poorer residents—including many people of color—have less access to Uber. Disability activists have found similar limitations and argue that Uber does not meet federal standards for disabled riders.

Third, Uber can undermine working-class riders' access to public transportation. New research shows that Uber shifts riders to private cars and away from public transit systems. This pattern can lead transit companies to reduce services, which are critical to working-class residents. It can also lead to cuts to unionized transit

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jobs, which provide opportunities for upward mobility.

Finally, the D.C. Uber story is not exceptional. In 2016, Uber and Lyft hired 478 state lobbyists—more than Amazon, Walmart and Microsoft combined—to challenge local government regulations in 41 states.

Last year D.C. had the highest rate of income inequality of all U.S. states. The average income for the top five percent of city households is $531,000, but for the bottom 20 percent, the average is only $9,900. That's a significant divide of both class and race. D.C. leaders want to create an urban future not defined by inequality. Local policymakers have taken steps to mitigate economic and racial inequalities. They have adopted a $15 minimum wage, passed a paid family leave act, and approved a requirement for workers to have paid sick days. Next step? They should take a close look at how Uber's problematic jobs, limited service, and emphasis on corporate profits rather than a public good fit into their vision of a just and equitable city.

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