

Savings and convenience to riders and drivers versus risk of harm to riders and d...

[Business](#), [Customers](#)



This paper is about the classification of Uber drivers and their status as the working force. It will be seen that classifying Uber drivers as employees rather than independent contractors represents the principles of Utilitarian theory. To begin with, the case will be presented. A definition of Utilitarian theory will be explained. Then, the details of the case will be related to the utilitarianism and the groups which are harmed or which benefit will be described as such.

Chronology of events of case

Uber driver is a mobile application founded in 2009

It exists in 57 countries

California Labor Commission ordered Uber to pay Barbara Ann Berwick for her expenses while driving for Uber

Uber filed the appeal

Principal sides involved

Barbara Ann Berwick

Management of Uber

California Labor Commission

Those most responsible

Uber

The drivers

Results

California Labor Commission believes that Uber drivers should be treated as employees, not as independent contractors

Uber will lose much profit if they recognize their contractors as employees

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Those affected by results

Uber

The independent contractors

The state

Utilitarianism promotes consequences that bring the greatest benefit and the least harm overall. Uber generates profit by hiring independent contractors instead of having regular employees who have rights such as social a security, health insurance etc. The policy of Uber promotes more overall harm than benefit. The groups who benefit from this policy are Uber and the customers.

Uber benefits because they don't have regular employees and they make huge savings because they don't have to pay them as much as they would have to were they employees. Uber defends itself by saying that the contractors can manage their own work schedule and that they have freedom of choice.

The customers benefit because they pay less than they would have to pay if the drivers were hired as employees. Uber would have to raise the prices because they would have to spend much more money on their employees.

The customers would have to pay more for employees because the costs of the company would be raised.

The groups who are harmed are the independent contractors and the state.

The contractors would be taken care of better if they were recognized as employees. They are harmed because they don't have healthcare and social care as well as many other rights.

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The state would benefit from bigger taxes. The state is harmed because it is in its interest to have as many citizens as possible who are employed. The state also loses the taxes which should be paid by Uber.

Overall benefit is that Uber has provided work for people who want to be drivers in their own time. Some of these people were unemployed, while others needed additional income. Uber benefited from this by generating profit, drivers got the job they could manage on their own and the customers could use the application easily in order to get their ride. Overall harm is that it is better to be an employee instead of being independent contractors because it brings more security. The state is worried about the status of the independent contractors. Overall benefit is greater than overall harm because the drivers do get jobs and they get paid while choosing their own working hours. The customers have choice when choosing their means of transportation and Uber has made their offer very simple.