



OP-ED | Center for the American Worker

The Biden Administration's Regulatory Machine Wants to Stifle the Freedom of the American worker

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TOPLINE POINTS

- ★ The Biden administration's Department of Labor, led by Secretary Marty Walsh, recently unveiled a proposal that would make it more difficult for employers to classify individuals known as "gig workers" as independent contractors.
- ★ This proposed rule would reverse a Trump administration regulation under the Fair Labor Standards Act that protected independent contractors' economic independence.
- ★ The Biden administration's mandated reclassification would significantly increase the cost of doing business for both small businesses and large companies.

As Seen in [The Washington Examiner](#)

In 2020, California voters repudiated regulators' efforts to stifle the gig economy, overturning much of Assembly Bill 5, a bill that sought to force independent contractors into full-time employee status. Instead of learning from such failed policies, the Biden administration is looking to impose a similar regulatory regime on the entire country.

The Biden administration's Department of Labor, led by Secretary Marty Walsh, recently unveiled a proposal that would make it more difficult for employers to classify individuals known as "gig workers" as independent contractors. Their justification for this rule is that it would allow gig workers to access typical employee benefits such as minimum wage, overtime, and Social Security.

This proposed rule would reverse a Trump administration regulation under the Fair Labor Standards Act that protected independent contractors' economic independence. ★

It should come as no surprise the Biden administration is taking this approach, since liberal policymakers across the country have been trying to crack down on the gig



economy for years. In California, the aforementioned AB 5 severely threatened independent contractors and companies that relied upon them — to the point that Uber and Lyft thought about leaving the state.

A public backlash forced California legislators to walk back some of this damaging policy, and the citizens of California solidified its demise when they voted that year to override the regulation and permit ride-booking app drivers to openly participate in free-market commercial activity that supported their families and generated positive economic effects for their communities.

Proponents of regulating the gig economy claim rules protecting independent contractors are only in place to help big business, but they fail to recognize that these independent contractors account for a myriad of professionals, such as writers, consultants, and even truckers.

Independent truckers, especially, have become essential to the American supply chain. With so many people having goods delivered to their homes, they are performing an indispensable service to communities across the country. And just as they have developed their own operations and customer bases, they are now being forced to find ways to jump through the unnecessary regulatory hoops created for them by elected officials and bureaucrats.

One such hoop was highlighted in a recent lawsuit the California Trucking Association filed against the state. In the suit, the trucking organization argues the state's ABC test, or the criteria that establish whether a worker is an employee or independent contractor, places an onerous burden on small trucking professionals.

The Biden administration's proposed rule would expand this burden to every single trucking company in the U.S., all while our country continues to struggle with a sluggish supply chain.

California's example of government overreach — which will soon be the status quo in the nation if the Biden administration has its way — does not consider the desires of its constituents. Studies show that 87% of gig workers are happier working independently than at traditional jobs—and many have higher pay and job security.

For many, gig jobs serve as supplemental income to other employment, which may already provide them with certain conventional employee benefits. In a post-pandemic world, these gig workers also appreciate these roles' flexibility, allowing them to use their time cost-effectively.



This is a classic situation where the government is presenting a solution in search of a problem, and it ought to remind us of the cautionary adage from former President Ronald Reagan: *“I am from the government, and I am here to help.”*

Frankly, American workers are not helpless. They are perfectly capable of choosing their own lifestyles and can evaluate their labor choices along with the compensation and benefits each provides. We currently have an economy where, for the entirety of 2022, the number of job openings has nearly outnumbered unemployed workers 2-to-1. If these “gigs” were so horrible, these individuals would seek other employment.

Moreover, the Biden administration’s mandated reclassification would significantly increase the cost of doing business for both small businesses and large companies like Uber, Doordash, and others that provide unique economic opportunities for gig workers. This heavy-handed regulatory approach will discourage entrepreneurial innovation and result in added costs that will be passed along to the consumer.

As usual, the best way to address the blossoming gig economy is to leave the free market alone and allow workers to choose the best paths for themselves. Extensive government regulations stifle innovation and reduce economic opportunity for our fellow Americans. The freedom and independence that the gig economy provides the American worker have been a game-changer for numerous families, and the Biden administration’s attempt to destroy it is an unwarranted attack on their livelihoods.

