

California Governor Says Gig Unions Are On The Way As He Signs ABC Test Into Law

Insights

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California Governor Gavin Newsom wasted little time by signing AB 5 into law earlier today, and his signing statement should cause quite a few eyebrows to be raised. It was no surprise that he signed the bill into effect; he said he would do as much in [an op-ed posted several weeks ago](#) in the Sacramento Bee. For those unaware, the new law will dramatically raise the bar for classifying a worker as an independent contractor in California by adopting the ABC test to just about all business arrangements ([read our full summary here](#)). But what was surprising was the contemporaneous statement he made while signing the bill into effect, signaling that the unionization of the gig workforce was the next step he'd like the state to pursue.

[In his signing statement](#), Newsom hailed the legislators' work in getting AB 5 passed, calling it "landmark legislation for workers and our economy." He noted that reducing worker misclassification will assist in providing worker protections such as minimum wage, paid sick days, and health insurance benefits to a great number of people. But he said AB 5 and the attack on misclassification is just the first step. "A next step," he said, "is creating pathways for more workers to form a union, collectively bargain to earn more, and have a stronger voice at work – all while preserving flexibility and innovation." Specifically, [Newsom states](#) that he intends to convene legislative leaders along with organized labor and the business community to "grant workers excluded from the National Labor Relations Act the right to organize and collectively bargain."

At this point, it's unclear what form such a proposal would take, but there's no doubt that any such attempt would not be well-received by the business community. While [some gig companies favor the development of drivers' associations](#) to help workers have more of a say in the decisions affecting their livelihoods, this was seen as part of a compromise to help stave off the full impact of AB 5. Now that the ABC test will soon be law of the land, it is unclear whether worker advocates will simply attempt to transform workers newly classified as employees into a unionized workforce, or if they will seek the radical step of developing a new form of union that could cover even those classified as independent contractors. We'll keep an eye on this development and update our readers as the next chapter in the ongoing gig economy battle unfolds.

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