Ride-hailing Drivers Left Alone at the Wheel
Reflections from South Africa and Kenya

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From Washington DC to New Delhi and from London to Cape Town, platforms like Uber and Bolt are connecting drivers with customers for taxi rides. This is commonly referred to as ‘ride-hailing’ and has emerged as one of the main alternatives to public transport in the low- and middle-income regions or the Global South. Ride-hailing provides income-earning opportunities for workers who cannot find jobs elsewhere. Yet, this work is also fraught with risks. The current pandemic has shown that in commoditized and market-mediated employment relations, the risk is borne by labour who cannot work from home (Anwar, 2020). At the same time, ride-hailing companies such as Uber and Bolt misclassify drivers as self-employed, thus avoiding regulation (Kessler, 2018). Therefore, this chapter examines the livelihood impacts of the pandemic and lockdown on ride-hailing drivers in Kenya and South Africa, two of the biggest markets in Africa for these services.

The ride-hailing sector has grown tremendously in the last few years in Africa. An estimated 81 ride-hailing platforms now enable movement of people from one place to another. While estimates on the number of people working in this sector are hard to come by, the 2018 figures suggest 216,000 workers in the ride-hailing sector in just seven countries on the continent (Insight2impact, 2018). Alongside some of the big international companies (for example, Uber, Bolt, inDriver), several local platforms have emerged as well, for
example, Oga Taxi in Nigeria, Safe Boda in Kenya, and Yookoo Rides and Hailer in South Africa. Having said that, Uber and Bolt dominate the market with operations in most major economies of the continent: Uber currently operates in 24 cities across nine countries, while Bolt has operations in 64 cities across seven countries. These two companies (both foreign in origin) have become go-to platforms for drivers.

The growth of the ride-hailing sector is part of the wider trend in the gig economy across Africa which has emerged as an alternative to traditional employment (Anwar and Graham, 2020). While various gig economy sectors (including ride-hailing) are equated with precarious employment in the Global North (Rosenblat and Stark, 2016; Cant, 2019; Ravenelle, 2019), it is often received with overly positive connotations in the Global South (see Rockefeller Foundation, 2014; Kuek et al, 2015). African governments have also enthusiastically supported the new gig economy jobs (for example, Ajira Digital Programme in Kenya and South Africa in Digital Age are two key examples). There is now a growing scholarly interest in the ride-hailing sector in Africa (Carmody and Fortuin, 2019; Giddy, 2019; Pollio, 2019). This chapter not only contributes to this emerging literature but also presents one of the first accounts of the pandemic’s impact on gig workers in Africa to highlight the unstable nature of livelihoods associated with it.

The pandemic is affecting the livelihoods and wellbeing of millions of workers around the world, especially in the Global South. The International Labour Organization (ILO) estimates that around 1.6 billion jobs globally are at risk in the near future due to the pandemic (ILO, 2020). In the context of Africa, where 85.6 per cent of the employment is informal (the highest in the world) and welfare provisions are minimal, many will be pushed further into poverty. Our argument is that the pandemic and the subsequent lockdown will accelerate some of these trends (unemployment and poverty) with profound implications for workers in the Global South, particularly those in the informal sectors, including ride-hailing. The chapter draws on 26 in-depth interviews with Uber drivers in South Africa and Kenya conducted between April and June 2020, highlighting drivers’ loss of livelihoods
in the immediate aftermath of the lockdown and their deep discontent towards the ride-hailing companies and the state. There is a brief discussion of drivers’ mitigation strategies which show resilience and solidarities among workers in the gig economy. The conclusions outline the need for a better regulatory system that holds platform companies accountable and collective bargaining to improve the material conditions of workers in the Global South.

Lockdown effects in Kenya and South Africa.

Loss of livelihood

The pandemic-induced lockdown went into effect in Kenya on 25 March 2020 and in South Africa on 27 March 2020. Most economic activities closed down and only essential services were allowed to function, but under restricted working hours. Ride-hailing drivers we spoke to told us that they were allowed to work during the lockdown but were getting fewer fares. As a result, we found evidence of a sharp decline in their incomes. A driver, Dumele, in South Africa told us that he would previously have ended the week with around R7,000 (US $414). On 8 April he returned home after nine hours searching for fares on the roads of Johannesburg and said, “Today, I earned nothing”. In the week of 30 March to 6 April, Dumele worked for around 60 hours to earn ZAR 3,500 (US$207), while in the first week of February he was earning well over ZAR 5,500 (US$325) for the same number of hours. Similarly, a driver, Dennis, in Kenya told us that his weekly earnings dropped from KES 15,000 (US$140) before the pandemic to KES 5,000 (USD$46) after the lockdown.

Due to the loss of income, drivers had a really hard time meeting their daily expenses. Ownership of cars remains low in Africa and drivers often rent cars from owners on a weekly basis (for example, Graham and Anwar, 2018), to whom they could now no longer afford to pay weekly rent and so they lost access to these cars. As a result, drivers experienced high levels of stress due to hunger, threats of eviction and being made homeless. Drivers who were unable to pay rent for housing
were (illegally) threatened with evictions by their landlords. One driver, Mohammad, in South Africa was able to use his security deposit to pay for his rent in April and May, but his landlord tried to force him out of his flat later. He told us, “there is no way for my wife and five children to be out of this house. Where must I go to? I cannot end up on the street”.

Lack of regular income also meant drivers had to change their food consumption habits. Bulk buying was one of the options available. In Nairobi, some drivers would go without breakfast and sometimes even lunch. For drivers with families and young children, this is a disturbing trend and may contribute to an unhealthy lifestyle. There is already evidence that though life-expectancy has improved in Africa over the last two decades, people’s health often remains poor (Wiysonge, 2018).

**Mitigation strategies**

Livelihoods derived from the gig economy are unstable and precarious because workers rarely have bargaining power or control over work activities (see Carmody and Fortuin, 2019; Anwar and Graham, 2020). After the lockdown, drivers have had to find alternative ways to earn a living. Ride-hailing drivers’ livelihood strategies and mitigation tactics (just like other informal workers in Africa) are built to diversify their income sources and find support in their interpersonal networks in the form of borrowing from friends or informal lending activities, such as stokvels or chamas (see Callebert, 2017, Hutchison, 2020). A driver in Kenya has kept two cows whose milk he sells. Some drivers were branching out to try online work such as marketing and teaching. Others resorted to selling agricultural goods on the roadside, while a few depended on family members, for example partners or wives who run corner shops.

Drivers’ interpersonal networks run deep in the community and members often help each other in difficult times. Dumele’s landlord, from whom he also rents his car, waived the car rental fee during April and May and gave him one meal a day. He also sold some of his livestock for R2,400 (US$125) to help him cover some of his daily expenses for
the car (for example, fuel, data, airtime, hand sanitizer). One driver from South Africa relied on donations from a friend that owned a tuckshop (also known as Spaza shop) and twice sent him groceries for his family. A local shop owner sold him basic supplies (flour, sugar, pasta and rice) on credit.

In several cases, drivers simply stopped working. Tsietsi, in South Africa, stopped driving around as it is not economical. He said the weekly rental costs for the car, paying for fuel and buying airtime and data to support the ride-hailing app—which can come to around R5,000 (US$260) a week—far outweigh the potential income from fares during the lockdown. In early April and mid-May, when we interviewed him several times, he was earning less than R200 (US$12) a day.

**Discontent towards the state and the platform companies**

Drivers are misclassified by ride-hailing companies (for example, Uber) as ‘independent contractors’ and not employees. This means that they are excluded from welfare provisions and other social protection measures that normally are available for regular workers in both countries. Most informal workers (and the unemployed) in Africa are without adequate social security measures (that is, social assistance [cash grants] and social insurance [health and unemployment insurance]) (ILO, 2017). Hence, informal workers find it hard to cope after a shock. The South African government introduced the Temporary Employer/Employee Scheme which replaces some of the lost income due to COVID-19, but this is only for registered businesses and workers. The government also introduced a COVID-19 Social Relief of Distress grant to include individuals who are unemployed and do not receive any other form of social grant or Unemployment Insurance Fund (UIF) payment. Migrant workers, who form a substantial portion of the global gig economy, do not qualify for this because they do not have permanent residency or refugee status (Markham, 2018). Even South African citizens had problems applying because they could not provide documents, such as bank statements or proof of residential address. So far, the government has paid this grant to about 1.2 million claimants (South African Social Security
Agency (SASSA), 2020). The South African government also distributed food parcels but these only reached a handful of beneficiaries (Anciano et al, 2020). A driver in Cape Town had applied for food parcels when the lockdown began but was frustrated that he never received anything. He said, “Honestly, since my last food parcel application I lost faith with the government”. On the other hand, the Kenyan government introduced a raft of fiscal measures (for example, tax relief) and reportedly set aside KES 10 billion (US$92m) for cash transfer to the elderly, orphans, and other vulnerable members of the society. However, there was no support programme for informal workers or independent contractors such as ride-hailing drivers.

The drivers interviewed were particularly demoralized by the loss of livelihood and lack of alternatives for them. They expressed deep discontent towards the seeming absence and lack of commitment from the ride-hailing companies to help drivers. Drivers were particularly anxious about the risk of catching the coronavirus from passengers, yet ride-hailing companies are offering little. Despite Uber’s lacklustre efforts to offer mask and sanitizers to drivers, the respondents were of the opinion that it should provide basic financial support to survive. Some say that this would show that the company cares for its drivers. One driver in South Africa said, “We work for Uber. My source of income is Uber”. Another driver suggested the company should at least waive its 25 per cent commission from fares in places facing lockdowns.

Uber did release a financial assistance policy to support drivers during the pandemic, but with strict limitations. To be eligible, a person must have a confirmed case of COVID-19 or have been individually ordered by a doctor or public health official to self-quarantine. While this may be easier for drivers in parts of the world where testing is common (for example, Denmark), in Kenya the testing rate is around 3.45 per 1,000 people and in South Africa is about 27 tests per 1,000 people (Our World in Data, n.d.).
Conclusion

The pandemic affects the marginalized segments of our societies the most. People who are at most livelihood risk are informal workers (for example, ride-hailing drivers, delivery workers, waste collectors, street vendors), a majority of whom live in low- and middle-income countries. Ride-hailing drivers in Africa fall into this large swathe of informal workers struggling to make ends meet – for whom the pandemic and lockdowns are particularly hard to bear. They just cannot work from home. Because their already poorly paid jobs are not sufficiently formalized or lack social protection, they cannot survive for long without a daily source of income. In the face of these challenges, ride-hailing drivers in Africa are doing their best to adapt: borrowing from friends and family, appealing for support where possible and strategizing on possible ways to make ends meet. But under the conditions of lockdown and feeling abandoned by the ride-hailing companies and the state, their options are limited.

There have been numerous suggestions put forward to deal with the pandemic and support informal workers, through cash transfers (Strohm, 2020) and debt relief (United Nations Economic Commission for Africa (UNECA), 2020). While these measures can definitely help workers in the Global South, the pandemic has exposed broken employment relations and the brutal everyday reality of worker exploitation found within the wider informal economy sector. Therefore, there is an urgent need for radical overhauling of the commodification of work, informalization and casualization of labour that characterize the global gig economy. One of the key elements is that effective regulatory systems need to be put in place that can hold platform companies accountable. Platform companies have shirked their responsibilities to workers for too long. Challenges to Uber’s business model and operations in the US and the UK provide hope that this is possible and that the states can rein in the advances of capital over labour. At the same time, effective regulation will require much-needed collective representation of workers in the global gig economy (Webster, 2020). There is some evidence of new forms of worker organization and solidarity
emerging already (for example, Anwar and Graham, 2019; Tassinari and Maccarrone, 2019). At the time of the writing this chapter, the App Drivers and Couriers Union have been listed as a registered trade union in the UK after years of struggle by drivers and delivery workers. This will open up doors for collective bargaining in the ride-hailing sector. For workers in the Global South (including Africa), this could help build wider political responses and social movements at the ground level for similar but distinct collective organization and mobilization strategies in the gig economy.

References


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