

# INFORMAL PASSENGER TRANSPORT BEYOND COVID-19

A TRADE UNION GUIDE TO  
WORKER-LED FORMALISATION



OUR  
PUBLIC  
TRANSPORT

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## INTRODUCTION

### CONTEXT

Covid-19 has already had a profound economic and health impact on the lives of millions of informal transport workers, and the crisis shows little sign of abating.

Without income protection schemes or social safety nets, informal workers in the global South have been particularly adversely affected.

As with all crises, it is the most vulnerable in the workforce who have been hit the hardest. Women workers in particular have been disproportionately affected due to their over-representation in the most precarious and exposed jobs, while young workers, who rely heavily on the informal economy for jobs, face an uncertain future.

Informal transport workers have been forced to confront the impossible dilemma of working in dangerous conditions or losing their income, while the industry itself faces bankruptcy as a result of a drastic decrease in demand. At the same time, the pandemic has demonstrated the critical role played by informal transport workers in providing the majority of urban transport services in many of the world's cities.



Matatu worker in Nairobi

### CHALLENGES AND OPPORTUNITIES

In the short term, informal transport workers and unions face the challenge of protecting both health and livelihoods.

In the medium and longer term, we face the challenge of making sure that the reform and formalisation of our industry, the pressing need for which has been made painfully clear by the crisis, includes and is guided by those who know it best: us, informal transport workers.

While these challenges are considerable, they also offer unions the opportunity to mobilise informal transport workers in a campaign to:

- ensure a just transition for informal workers through **worker-led formalisation**
- develop **quality public transport** systems that provide affordable services for passengers and decent work for transport workers
- build a **'gender equal new normal'**, where women transport workers' rights are protected and gender equality in the transport industry is achieved

While governments and international organisations are talking about 'building back better' after Covid-19, it is clear that in many cases this simply means a return to the tried and failed policies of privatisation, austerity and ignoring worker voices and interests.

For women workers it means a return to over-representation in precarious employment, under-representation in leadership and decision-making positions, unacceptable exposure to violence at work and home, and sanitation indignity.

We know that there can be no going back to the 'old normal'. This is why this guide aims to support unions in both responding to the immediate challenges posed by the pandemic and embarking on new campaigns to positively shape urban transport in the interests of workers, passengers and communities beyond the crisis.

## WHAT HAS BEEN THE IMPACT OF COVID-19 ON INFORMAL TRANSPORT WORKERS?

The Covid-19 pandemic has had a devastating impact on many millions of informal transport workers throughout the world. In many countries, public transport was effectively shut down and workers were left with little or no income. The International Labour Organization (ILO) estimates that the first month of the crisis resulted in a 60 percent decline in the earnings of informal workers globally. In Africa and Latin America, where the economic impact of lockdown and containment measures was particularly acute, the ILO estimated an 81 percent decline in earnings<sup>1</sup>.

“ YOU REALIZE THAT IN THE INFORMAL ECONOMY IN KENYA – AND IN MANY PARTS OF EAST AFRICA – THEY LIVE HAND TO MOUTH... AND THE RESTRICTED MOVEMENTS MEAN NO LIVELIHOODS AT ALL – LIVELIHOOD HAS BEEN DESTROYED, BECAUSE THEY HAVE NOTHING TO EAT BY THE END OF THE DAY.”

**Dan Mihadi, general secretary, Transport and Allied Workers' Union, Kenya**

In countries where transport services have resumed, vehicle crews are particularly exposed to infection, due to the public-facing nature of their work. Such risks are often compounded by inadequate health and safety standards and limited access to personal protective equipment (PPE).

The majority of informal transport workers do not have access to income protection schemes, so they are left with the impossible dilemma of working in dangerous conditions or losing their incomes entirely. As noted by the ILO:

“ TO DIE FROM HUNGER OR FROM THE VIRUS” IS THE ALL-TOO-REAL DILEMMA FACED BY MANY INFORMAL ECONOMY WORKERS.’

**ILO. 2020. Brief: COVID-19 crisis and the informal economy, p1**

As with all crises, it is the most vulnerable in the workforce who are hit hardest and, as the most precarious and exposed workers, women have been particularly adversely affected by the pandemic. They also shoulder the additional burdens of unpaid care responsibilities, often including the need to provide food for their families, even when they do not have an income.

“ INFORMAL WORKERS ARE MORE SCARED OF DYING OF HUNGER THAN THEY ARE OF CATCHING THE DISEASE. WOMEN HAVE THE ADDITIONAL JOB OF BRINGING FOOD TO THE TABLE AND THEY EAT LAST, AFTER THEIR HUSBAND AND CHILDREN. WHEN FOOD IS SCARCE, MAYBE THEY DON'T EAT AT ALL.”

**Geeta, women's advocate, NETWON, Nepal**

Young workers (15-24 years old) are also particularly vulnerable, given their reliance on the informal economy for employment. It is reported that 84.4 percent of young workers in developing countries are informally employed, rising to 94.9 percent in Africa<sup>2</sup>.

“ AS THE GOVERNMENT SUSPENDED THE OPERATION OF PUBLIC UTILITY JEEPNEYS IN THE PHILIPPINES, IT CAUSED THE LOSS OF INCOME TO YOUNG WORKERS IN THE PUBLIC TRANSPORT SECTOR. IT REALLY AFFECTED THE YOUNG WORKERS IN OUR SECTOR BECAUSE MOST OF THEM WERE RELYING ON DAILY INCOME FROM JEEPNEY TO PROVIDE THE NEEDS OF THEIR FAMILIES.”

**Giovanni, national youth coordinator, NCTU, Philippines**

1 ILO (2020d: 1-2)

2 ILO (2018: 25)

## WHAT HAS BEEN THE IMPACT OF COVID-19 ON THE INFORMAL TRANSPORT INDUSTRY?

The public transport industry faces significant reductions in passenger numbers to ensure social distancing, radically reducing fare income. Passenger demand has also dropped and is expected to remain below pre-Covid levels for the foreseeable future.

For the informal transport industry, which is completely dependent on passenger fares to function, the results of Covid-19 are catastrophic, with many operators already on the verge of bankruptcy. Yet it is informal transport workers rather than vehicle owners themselves who are being hit hardest:

COVID-19 HAS EXACERBATED THE VULNERABILITY OF TRANSPORT SECTOR WORKERS, PARTICULARLY MINIBUS DRIVERS AND CONDUCTORS IN THE PARATRANSIT SYSTEM. IN GENERAL, OWNERS OF INFORMAL MINIBUSES DO NOT ABSORB DEMAND RISKS, NOR DO THEY HAVE SIGNIFICANT FIXED COSTS. ON THE OTHER HAND, MINIBUS DRIVERS AND CONDUCTORS OFTEN ABSORB

THE RISKS OF PLUMMETING TRANSPORT DEMAND.’

World Bank/Africa Transport Policy Programme (SSATP). 2020. Urban Mobility and Covid-19 in Africa, p4

In South Africa, owners have forced the government to reverse safe-distancing requirements so that they can continue to turn a profit on their vehicles. Rather than only being allowed to carry passengers at 50 percent occupancy, as was the case at the beginning of the Covid-19 crisis, minibuses are now able to run at 100 percent occupancy, while long distance taxis can run at 70 percent.<sup>3</sup>

This reversal of safety restrictions is putting the lives of transport workers and passengers at risk. It shows that, once again, it is workers who shoulder the burden of risk – both in terms of their livelihoods and their health – in the informal transport industry.

The irony of the current situation is that, while in many places the informal transport industry teeters on the edge of bankruptcy and its workers face the prospect of joblessness, the vital role of the industry and its workers in keeping cities moving and providing services to other critical workers has rarely been made so clear.



Tempo driver in Kathmandu

## WHAT MEASURES HAVE BEEN PUT IN PLACE TO SUPPORT INFORMAL TRANSPORT WORKERS?

Given the devastating impact of Covid-19 on informal transport workers, immediate action is required on the part of both governments and employers.

### PUBLIC TRANSPORT WORKERS

Echoing calls from affiliate unions, including those of informal workers, the ITF has issued a **Global Charter of Demands calling for all public transport workers to be kept safe from Covid-19<sup>4</sup>**, regardless of their occupation and employment status and including informal workers and migrant workers.

The charter calls for public transport workers to immediately have:

- adequate and appropriate personal protective equipment
- working conditions that minimise transmission and facilitate social distancing
- access to health measures that protect the vulnerable and sick
- recognition of the key role of public transport workers
- regular information and reporting on workplace risks and workforce health
- trade union rights

### YOUNG WORKERS

Reflecting the ITF's global demands, ITF young workers have called for urgent intervention that is responsive to the needs of young transport workers. They have highlighted the acute economic impact of the pandemic on young people and have called for the **active participation of young workers in decision-making processes** concerning both Covid-19 and post Covid-19 intervention.<sup>5</sup>

4 ITF. 2020. Keep public transport workers safe from Covid-19 (Global Charter of Demands)

5 ITF. 2020. Young workers and Covid-19

### WOMEN WORKERS

The ITF has also highlighted the specific and additional impacts of Covid-19 on women transport workers, whose over-representation in the most precarious areas of the transport industry combined with their socially prescribed unequal care burden, means that the pandemic risks exacerbating existing gender inequalities. The ITF has issued a set of **nine key demands<sup>6</sup>** addressed to employers, governments and investors for women transport workers in the Covid-19 response and recovery:

1. **Women on all decision-making bodies**
2. **Income and social protection**
3. **Access to sanitation and appropriate PPE**
4. **Secure work**
5. **Care before profit**
6. **End violence and harassment against women**
7. **New technology to benefit women workers**
8. **Gender impact assessments**
9. **Gender-responsive economic stimulus**



### ACCESS TO SANITATION AND APPROPRIATE PPE

**#GenderEqualNewNormal**

6 ITF. 2020. Women Transport Workers' Rights and COVID-19

# KEEP PUBLIC TRANSPORT WORKERS SAFE FROM COVID-19

#WEAREITF #OURPUBLICTRANSPORT

 <p>masks &amp; gloves</p> <p>hand sanitiser</p> <p>protective wear</p> <h2>1.</h2> <p><b>Adequate and appropriate personal protective equipment</b></p>	 <p>free Covid-19 testing</p> <p>regular cleaning in vehicles</p> <p>cashless payments</p> <p>passenger and driver distancing regulations</p> <h2>2.</h2> <p><b>Working conditions that minimise transmission and facilitate social distancing</b></p>	 <p>EMPLOYMENT CONTRACT</p> <p>wage and job protections</p> <p>paid leave &amp; compensation</p> <p>healthcare coverage including mental health care</p> <h2>3.</h2> <p><b>Access to health measures that protect the vulnerable and sick</b></p>
 <p>key workers</p> <p>increased risk pay or income</p> <p>compensation for death or injury, sickness</p> <h2>4.</h2> <p><b>Recognition of the key role of public transport workers</b></p>	 <p>self isolation, infection &amp; death rates</p> <p>COVID-19 UPDATE</p> <p>whistle-blower immunity</p> <p>swift provision of information and adequate training</p> <h2>5.</h2> <p><b>Regular information and reporting on workplace risks and workforce health</b></p>	 <p>consultation and participation in all health and safety measures</p> <p>representation of all workers</p> <h2>6.</h2> <p><b>Trade union rights</b></p>

Public transport workers must be adequately protected to enable them to carry out their critical work. No worker should have to take excessive risk or die on the job. These demands must apply to public transport workers regardless of their job, employment status, gender, ethnicity and race or migration status.



## SANITATION

The spread of Covid-19 demands urgent and immediate action for **sanitation**. A safe and healthy working environment is a basic human right, including adequate rest, sanitation and personal security. But it is denied to millions of informal workers in the transport industry.

Women workers have particular health and safety concerns relating to their need to access appropriate, safe, secure and clean sanitation facilities. This lack of access for women needs to be addressed urgently, as it is also creating a barrier to employment in the sector.

To support unions in their struggle for access to adequate sanitation facilities during the Covid-19 pandemic, the ITF has produced guidance for trade union negotiators<sup>7</sup>, based on the principles established in the ITF's Transport Workers' Sanitation Charter: Toilet Rights are Human Rights! A toolkit to support unions implementing the charter will soon be available.

## GOVERNMENT/EMPLOYER ACTION

According to ITF affiliates in Africa, the implementation of protective measures against Covid-19 in public transport has varied from city to city.

While most cities have made the use of face masks mandatory in paratransit, other preventive measures range from limiting the maximum number of passengers per minibus or shared taxi to cleaning stations and vehicles and enforcing hand cleaning before boarding.

In some cities, unions and associations have been able to demand emergency financial support for informal transport workers. In Ghana, for example, the authorities in Kumasi are setting up funds through the national government in the form of stimulus packages to support trade and transport associations.

In many cities, such as Dakar (Senegal), Abidjan (Cote d'Ivoire), Addis Ababa (Ethiopia) and Lusaka (Zambia), authorities are providing financial compensation to support the formal bus sector or state-owned public transport companies. In Harare, Zimbabwe, there are calls for direct support while the pandemic persists, such as extensions for the validity of licenses

<sup>7</sup> ITF. 2020. Covid-19 and access to sanitation facilities for transport workers

and permits and a grace period for enforcement of fines for traffic offences.

While many governments are taking at least some measures to temporarily support informal transport workers, it is clear that few come close to meeting the ITF's demands. This failure to protect and support informal transport adequately will see thousands of workers fall sick without ready access to healthcare, and even more fall into poverty.

It is also clear that few – if any – cities have a clear strategy or measures for the recovery of urban transport after the crisis. Responses have mainly focused on short-term measures for safe transport, not on medium- and long-term opportunities for ensuring the recovery of public transport.

“ALTHOUGH THE ABILITY TO MAINTAIN ESSENTIAL TRANSPORT SERVICES THAT ENABLE MILLIONS OF PEOPLE TO REACH THEIR JOBS IS THREATENED, AND THE LIVELIHOOD OF THOUSANDS OF TRANSPORT WORKERS IS AT RISK, MOST GOVERNMENTS IN AFRICA HAVE YET TO MOBILIZE AND RESCUE THE SECTOR.”

**World Bank/SSATP. 2020. Urban Mobility and Covid-19 in Africa, p5**

The failure of governments to address both the short and longer-term challenges faced by the public transport industry is a key issue for unions. Where they have members in the informal transport economy or alliances with informal economy associations, trade unions are uniquely placed to create and facilitate platforms for negotiations with the authorities and, where appropriate, take an active role in transferring subsidies directly to the workforce.

**In some cities, unions and associations are rediscovering one of the most basic functions of the labour movement: mutual aid and cooperative support between workers in crisis. Historically, in many cases, this was the origin of the trade union movement.**

**Where the state is unable, or unwilling, to provide basic social protection to workers, workers themselves have to organise through self-help, such as savings and credit cooperatives (SACCOs), union-backed voluntary welfare funds or informal mutual aid groups.**





Emergency relief provided by NETWON in Nepal

## HOW HAVE UNIONS RESPONDED?

### EMERGENCY RELIEF

In many countries, all public transport was shut down and workers faced huge difficulties from food shortages. Governments failed to provide support, so unions and workers' associations mobilised to provide immediate emergency relief.

In **Nepal**, for example, The **Nepal Transport Labour Association (NETWON)** mobilised its network of branches to distribute food to its members throughout the country, distributed PPE and negotiated with employers to provide free Covid testing in some workplaces. One NETWON branch near the border with India helped stranded Indian migrant workers with food.

In **Kenya**, the **Public Transport Operators Union (PUTON)** assisted drivers with cash loans and hospital fees drawn from its welfare fund, in which members had been regularly making contributions.

The National Union of Seafarers Sri Lanka (NUSS) distributed ration kits to over 100 app-based auto rickshaw and taxi drivers.

### CAMPAIGNING

Many unions have also been taking to the streets to demand aid for informal workers.

The **SNTT** transport union in **Colombia** led a major mobilisation through the streets of Bogotá demanding that the more than 4,000 informal buses (*busetas* and *colectivos*) be allowed to continue operations. The union strongly suspected that the authorities were taking advantage of the pandemic to finally remove the buses from the city and establish a monopoly for the **Transmilenio** Bus Rapid Transit system.

The **National Confederation of Transport Unions (NCTU)** in the **Philippines** demanded a basic income from government for the duration of the lockdown, when over a million informal drivers and operators of jeepneys, buses, taxis and tricycles faced hardship.

In Dakar, **Senegal**, informal transport workers went on strike in protest against government measures to reduce the number of passengers in vehicles. They demanded a reduction in both fuel prices and target payments to the owners [see p11].

In **India**, where all taxi services, including app-based cabs, were suspended, the **Indian Federation of App-based Transport Workers (IFAT)** successfully lobbied the government for a moratorium on loan repayments from app cab drivers working for Ola and Uber.

In a gesture of solidarity, the **AIRF & NFIR Indian Railway Workers' Unions** provided IFAT drivers with ration kits and cash transfers to support them during this period.

# RESPONSE OF INTERNATIONAL FINANCE INSTITUTIONS

## INCREASED LENDING

While rich countries are spending unprecedented amounts of money on measures to protect worker incomes and support their economies, many countries in the global South are constrained by their relative lack of financial resources.

Institutions like the World Bank and IMF have increased financing available to countries facing Covid-19.

In March 2020 the World Bank Group announced a USD14 billion package of fast-track financing to help countries and companies respond to the crisis, along with USD160 billion to be committed over the next 15 months. The IMF has increased its lending and loosened restrictions on its country borrowing limit.

While money is urgently needed, it cannot be forgotten that many of the factors that have made countries so vulnerable to the pandemic, including woefully underfunded health systems and a general lack of social protection, are at least partially the result of neoliberal policy reforms forced on countries over the last several decades by the World Bank and the IMF themselves, as well as the crippling debts owed by poor countries to international creditors.

The World Bank has also historically been an opponent of public investment in urban transport and an advocate of informal transport provision – despite its associated poor and dangerous working conditions – until it switched its allegiance to privatised infrastructure projects like BRT in the early 2000s.

## 'BUILDING BACK BETTER'?

Like many others, the World Bank claims to be 'building back better' after the pandemic.

Yet rather than supporting public sector responses to the crisis, most of the World Bank's emergency response package is being allocated to the private sector and around 50 percent of beneficiary companies 'are either majority owned by multinational companies or are themselves international conglomerates'<sup>8</sup>.

Analysis of IMF and World Bank lending during the Covid-19 crisis demonstrates a continued commitment to tried and failed policies of austerity and privatisation, both of which have historically undermined workers' livelihoods and gender equality.

Along with the other global unions, the ITF has called for a radical overhaul of IFI lending and urged the IMF and the World Bank to 'support recovery through public investment for quality jobs, not more harmful austerity'.

“ THE EMERGENCY SUPPORT FROM THE INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS) HAS BEEN IMPORTANT IN ADDRESSING HEALTH NEEDS, MASSIVE JOB LOSS, AND RISING POVERTY. HOWEVER, IT IS ALARMING THAT FOR THE MEDIUM TERM, THE INTERNATIONAL MONETARY FUND (IMF) IS ADVISING THE SAME AUSTERITY POLICIES THAT CREATED MANY OF THE VULNERABILITIES EXACERBATED BY THE PANDEMIC.”

**ITUC. 2020. Statement by Global Unions to the Annual Meetings of the IMF and World Bank**

# RESPONDING TO THE CRISIS AND BEYOND: WHAT ARE THE CHALLENGES AND OPPORTUNITIES?

## COVID-19 EXPOSES A BROKEN SYSTEM

‘THE COVID-19 CRISIS HAS ONCE AGAIN LAID BARE THE VULNERABILITIES OF THE MILLIONS WHO EARN A LIVELIHOOD IN THE INFORMAL ECONOMY, AND SERVES AS A REMINDER OF THE CRUCIAL NEED TO MAKE THE TRANSITION FROM THE INFORMAL TO THE FORMAL ECONOMY A PRIORITY AREA IN NATIONAL POLICIES.’

**ILO. 2020. Brief: COVID-19 Crisis and the Informal Economy, p8**

The Covid-19 crisis has shone a light on the extreme vulnerability and precariousness of workers in the informal economy and the huge numbers of people dependent on informal work for their livelihoods. It has also compounded existing patterns of exploitation and exacerbated existing economic and gender inequalities.

The problems associated with informal passenger transport are well-known: over-supply and poor maintenance of vehicles, chronic traffic congestion, pollution, poor services for passengers, and violence and corruption. Informal transport workers work long hours for low pay and face appalling working conditions, while women workers often find themselves in the lowest paid and most precarious jobs of all, such as cleaning and food vending.

The industry is driven by the so-called **target system**, where vehicle crews, including motorcycle taxi riders, have to pay owners a fixed daily or weekly hire fee (the target) to operate the vehicle. In many cities, the vehicle owners have powerful interests, including in government, the police and the military. The target system results in extremely long working hours, aggressive driving, high accident rates, poor and very precarious livelihoods for the workforce, and a low quality service to passengers.

The industry is also a major source of carbon emissions. The threat of climate change is therefore increasing pressure on governments to take radical action to remove hundreds of thousands of old, badly maintained and polluting vehicles from the streets.

Despite the problems associated with the informal transport industry, in cities where formal employment is scarce informal transport services provide much-needed jobs for millions of workers across the global South, and cheap and flexible transport for the millions more passengers who rely on the services.

## PRIVATE CAR OWNERSHIP

Private cars are a fundamental cause of congestion and environmental degradation. Informal transport systems (such as minibuses and taxis) are frequently blamed by the authorities and the media, but the major underlying problem for passenger transport is the dramatic rise in private car ownership. The pandemic is fuelling the trend towards cars as public transport capacity is reduced by safe distancing and passenger fear of infection.

‘PASSENGER NUMBERS ARE IN FREEFALL, AND SOME OPERATORS HAVE HAD TO SUSPEND FARE PAYMENTS AS A WAY TO LIMIT INTERACTIONS BETWEEN STAFF AND PASSENGERS. TRANSIT AGENCIES THAT WERE ALREADY UNDERFUNDED ARE SEEING THEIR REVENUE PLUMMET. EVEN AFTER THE LOCKDOWNS COME TO AN END, HEALTH CONCERNS COULD CAUSE PEOPLE TO FAVOUR PRIVATE CARS OVER PUBLIC TRANSPORT.’

**World Bank. Earth Day 2020. Could COVID-19 Be the Tipping Point for Transport Emissions? April 22, 2020**

An obvious solution is to restrict private car ownership or ban private cars from city centres but few governments or city authorities are prepared to take the political risk of alienating the expanding car-owning middle classes.

This is a threat for all public transport workers, not just those in the informal economy, as well as a step backwards in the reduction of congestion and emissions.

## AN OPPORTUNITY FOR WORKER-LED FORMALISATION

The pandemic emergency provides an important opportunity for unions and associations representing informal transport workers to campaign for and negotiate practical reforms that can improve the quality, efficiency and environmental sustainability of the industry alongside the livelihoods and working conditions of the workforce.

In effect, there is an opportunity for **worker-led formalisation** of urban passenger transport aimed at creating quality public transport for both passengers and workers and building a **'gender equal new normal'** in the transport industry itself.

The crisis has led many city leaders who formerly argued for minimum government involvement to now embrace state intervention. There is increasing recognition that public transport can no longer be exclusively financed by passenger fares and will require direct public investment.

Governments and unions therefore find themselves in agreement in recognising the need for a radical transformation of the informal transport industry and the formalisation of labour within it. The challenge for unions now is to ensure that this transformation and formalisation process is shaped by informal transport workers themselves. This reflects the rallying call of informal workers worldwide: 'Nothing for us without us!'

## THE WORLD BANK

The World Bank continues to wield considerable influence over urban transport policy throughout the global South, through advice to governments and loan conditions. However, past experience shows that measures protecting informal workers are of secondary importance at best in projects supported by the World Bank, and its recommended privatisation of public transport services rarely benefits low-income workers and users.

Nevertheless, it is a large institution with internal policy contradictions and is frequently inconsistent. Some recent statements and reports in the context of Covid-19 provide

arguments that can be useful for unions when negotiating with national governments.

A World Bank report in August 2020, for example, recognised that:

“RAPID AND COMPREHENSIVE SUPPORT TO THE PUBLIC TRANSPORT SECTOR IN AFRICAN CITIES IS CRITICAL TO AVERT MASSIVE JOB LOSSES, PREVENT THE DISRUPTION OF PUBLIC SERVICES WHICH CAN AGGRAVATE THE SOCIAL EXCLUSION OF VULNERABLE POPULATIONS; AND AVOID FURTHER HAMPERING THE EFFICIENCY OF CITIES. A QUICK RESPONSE TARGETING THE INFORMAL SECTOR IS NEEDED TO AVOID MASSIVE LAYOFFS AND A POTENTIALLY DRASTIC REDUCTION IN PUBLIC TRANSPORT SUPPLY.”

### World Bank/SSATP. Urban Mobility and Covid-19 in Africa, August 2020

The same report called for 'immediate financial support to public transport companies, with a focus on informal operators, including but not limited to subsidies to individual informal operators through associations or unions under specific conditions, tax or license payment waivers targeting formal and informal operators and subsidies to informal transport operators to compensate for losses incurred as a result of restrictions (i.e. limited load capacity)'.

In the medium term, it recommends that governments 'consolidate, formalize and structure the informal sector to increase resilience', including setting up basic social safety nets to protect workers and 'corporatizing informal operators to professionalize transport operations and boost resilience'.<sup>9</sup>

## GOVERNMENTS ARE ADOPTING 'SHOCK THERAPY'

In some cases it appears that city authorities and governments are taking advantage of Covid emergency measures to impose major permanent reforms of informal transport operations. They are using the 'shock' of Covid to push through changes that will have a dramatic impact on jobs and livelihoods without proper negotiation or consultation with workers.

9 World Bank/SSATP (2020: 8)

Governments are also using state of emergency legislation to clamp down on the right to protest during the pandemic. For example, the South African government imposed a national state of disaster in March 2020 and has banned the right to meet, demonstrate and physically picket.<sup>10</sup>

Governments who have introduced wholesale bans on informal bus or motorcycle taxi operations may be tempted to make some new regulations permanent. In Kampala, Uganda, for example, the authorities proposed a complete permanent ban on boda-boda motorcycle taxis in the city centre. With pressure from Amalgamated Transport and General Workers Union (ATGWU) and its boda boda associations the authorities agreed to revisit this position and other reforms in order to get workers' involvement.

There is little recognition that there needs to be a 'just transition' towards the formalisation and environmental sustainability of public transport. National and city governments continue to push through draconian laws and regulations from above, without consultation.

Where views of representatives of the informal industry are sought by the authorities, these are nearly always groups claiming to represent vehicle owners or employers. Workers and democratically elected unions or associations are rarely represented.

Some of the reforms being considered or introduced will deepen inequality, locking in new transport systems that will not benefit the majority of workers or passengers.



Boda boda drivers in Kampala

10 NALEDI (2020: 6)

## WHAT REFORMS ARE BEING PROPOSED?

Policies designed to reform public transport obviously differ from city to city, depending on local circumstances and political considerations, but there are some major common policies, encouraged by lending institutions.

### NEW TRANSPORT INSTITUTIONS

In many cities, planning and regulation of passenger transport is divided between numerous authorities and agencies – such as district, city-wide and county governments, different national ministries (roads, transport, local government), mayors and presidential offices, licensing authorities and law-enforcement agencies.

There is clearly a need for reform and the coordination of urban passenger transport policy towards an integrated, efficient and sustainable public service.

In most cases, lenders like the World Bank demand the establishment of a single, city-wide agency with responsibility for urban passenger transport before they agree to fund development programmes.

This can, however, create new problems, particularly the lack of democratic accountability and rivalries between the new agencies and elected bodies.

While trade unions may have recognition and negotiation agreements with the government, there is no guarantee that this is extended to the new agencies.

The new institutions also have an in-built bias towards neoliberal policy, expanding the role of the private sector.

“THE NEED TO INTEGRATE POLICIES... CALLS FOR THE DEVELOPMENT OF INSTITUTIONS THAT MINIMIZE JURISDICTIONAL AND FUNCTIONAL IMPEDIMENTS TO POLICY INTEGRATION AND ALLOW FOR EXTENSION OF THE ROLE OF THE PRIVATE SECTOR WITHIN AN INTEGRATED STRATEGY.”

**World Bank. 2002. Cities on the Move: World Bank Urban Transport Strategy Review**

### FLEET RENEWAL

Urban passenger transport in most cities of the global South is dominated by large fleets of old, fuel-inefficient and polluting vehicles, mostly second-hand and imported from rich countries. Cities are under pressure to replace these with modern, more efficient vehicles. The World Bank claims that in Cairo, Egypt, for example, the programme to renew the city’s ageing taxi fleet translated into savings of 350,000 US tons (317,515 metric tonnes) of greenhouse gases between 2012 and 2018. But it is recognised that to have a major impact across many cities:

“THE GLOBAL COMMUNITY MUST JOINTLY SUPPORT EFFORTS TO IMPLEMENT SENSIBLE EMISSION STANDARDS, AND RESTRICT THE SALE OF OUTDATED, POLLUTING AND UNSAFE USED VEHICLES FROM DEVELOPED TO DEVELOPING COUNTRIES.”

**World Bank. Earth Day 2020: Could COVID-19 Be the Tipping Point for Transport Emissions? April 22, 2020**

Governments are encouraged to replace public transport fleets with **electric-powered vehicles (e-mobility)**.

“E-MOBILITY IS, AT ITS CORE, A DISRUPTIVE TRANSITION. THAT IS A GOOD THING. TRANSPORT’S SHARE OF GLOBAL EMISSIONS CONTINUES TO RISE AND “BUSINESS AS USUAL” WILL NOT ACHIEVE THE RESULTS NEEDED FOR MEETING PARIS AGREEMENT TARGETS.”

**International Association of Public Transport (UITP)/World Bank. Electric Mobility & Development, December 2018**

The UITP and the World Bank argue that the introduction of electric vehicles also presents new opportunities for the wider reform of public transport. It calls for governments to ensure that the strategic shift towards electric should have ‘public transport at its heart’, and ‘engage broadly, proactively, and continuously with different stakeholders’.

Few would argue against the need for cleaner and more efficient vehicles, but the capital investment required for such forms of fleet renewal is beyond the reach of most small

owners – particularly owner-drivers – in informal passenger transport. In fact, research has shown that they are barely able to afford the maintenance or renewal of old second-hand vehicles, let alone expensive new ones.

High levels of capital investment required in unsubsidised transport reform programmes favour powerful, well-resourced actors at the expense of small vehicle owners, whether these are individuals or worker cooperatives. In some cases, well-resourced actors may be transnational bus companies, while in others they may be powerful domestic players. Yet the outcome is the same: the exclusion of small owners and workers from meaningfully participating in the reformed transport system. For example, in a study of the implementation of BRT systems in three Latin American cities, academics found that the majority of incumbent vehicle operators were displaced by new BRT companies, rather than being incorporated into them<sup>11</sup>.

It is clear that without substantial compensation schemes or availability of cheap loans to purchase new vehicles, a ban on second-hand imports or compulsory scrapping of old vehicles would force the collapse of the informal transport industry, and the loss of many thousands of jobs.

Due to this, where governments attempt to push through fleet modernisation programmes without adequate regard to the consequences for the workforce, they are inevitably met with resistance. For example, in the Philippines, transport unions have mobilised against government plans to replace traditional diesel jeepney minibuses with electric vehicles. While the unions agree that there is a need to upgrade the jeepney fleet, they argue that small jeepney operators are unable to buy new vehicles. They have called on the government to protect drivers' livelihoods and provide low-interest loans to worker collectives and cooperatives so they are able to invest in vehicle upgrades.

## GOING CASHLESS

The Covid-19 pandemic has accelerated moves to introduce cashless payment in passenger transport. Apart from the need to reduce the potential spread of the disease through physical transactions with cash, cashless payment also has the potential to provide a platform for contact tracing among passengers.

It also has potentially significant benefits and risks for workers – particularly vehicle crews.

Cashless payment provides important benefits for personal security. Vehicle crews, taxi drivers and motorcycle taxi riders carrying large amounts of cash are extremely vulnerable to robbery and violent attack.

Some unions are already campaigning for the introduction of cashless systems.

Following pressure from the **Transport Workers Union of Kenya (TAWU)**, the national transport authority agreed to introduce a mandatory cashless payment system. The union has built an alliance with cashless payments systems service providers to 'ensure that workers' demands, and concerns are reflected in the solution'. The cashless system is still in its inception stage but the union is hoping that it will help realise workers' demands towards the formalisation of jobs in the matatu (privately owned minibuses) sector.

TAWU also recognises that a shift to a cashless system has to go hand-in-hand with digital literacy training for the matatu workforce, so that 'workers can acquire the necessary skill and knowledge on how to handle cashless payments and the benefits thereof like financial inclusion and better wages'.

As part of a broad coalition with civil society organisations and the medical community, the **National Confederation of Transport Unions (NCTU)** in the **Philippines** demands that minimum health standards include the transition to a cashless payment scheme, which would 'minimise risks to passengers and transport employees, and allow efficient payments for contracted services'. In the interim, they demand that fare collection is made before passengers enter the vehicle.

11 Paget Seekins et al (2015: 434)



Cashless ticket payments in Nairobi

Cashless payment also opens new possibilities for the replacement of the target system with more formal employment contracts and regular wage payments. One of the reasons given by vehicle owners for the continuation of the target system is their inability to monitor or trust the honesty of crews to hand over the fares collected, justifying their practice to simply charge a target fee, and leave the responsibility (and the risk) to the workers. With secure cashless payments, it would be far harder for crews to cheat the system and more difficult for owners to avoid their responsibilities. It would also make it far easier to crack down on routine police bribery and extortion.

In addition, cashless payment opens the door to an urban transport system that fully integrates informal services with scheduled bus services, light rail, BRT and other modes, with coordinated ticketing and transfers enabling passengers to seamlessly switch from one mode to another. This is particularly important where informal vehicles provide feeder routes into a backbone of formal scheduled services.

At the same time, by taking cash completely out of drivers' hands and facilitating a direct revenue stream to vehicle owners, cashless payments may even further increase the amount of power owners have over drivers. Research into the potential for cashless payments in South Africa has highlighted that cashless payments would 'fundamentally impact on the relationship between paratransit drivers and vehicle owners' and diminish the ability of drivers 'to determine their level of effort and income'.<sup>12</sup>

Workers in Nairobi also complain that cashless payment systems make it easier for passengers to cheat the system, with the workers having to make up the lost fare revenue.

Taking cash out of both drivers' and passengers' hands may also have a negative impact on those who rely on small payments from drivers and passengers. Bus crews, taxi drivers and motorcycle-taxi riders are at the centre of a complex economy, employing thousands more people in a wide range of occupations



– maintaining vehicles, providing services to passengers and crews, managing terminals and stages, and much more.

Most of these workers depend on an informal web of very small transactions: for example, tips from conductors and passengers, multiple small payments for goods and services and essential bribes to officials.

Given women's overrepresentation in these jobs, they are likely to be hardest hit by a transition to cashless.

Even where cashless payments using mobile banking are already common, such as the M-Pesa system in East Africa, it is hard to imagine how the entire informal transport economy could run without cash.

This is why the introduction of new technologies into the transport industry must be done in consultation with transport workers and their unions. In **Nairobi**, for example, women informal transport workers from the **Public Transport Operators Union** are organising to negotiate the protection of women's employment alongside the introduction of cashless payments. The ITF report *The Impact of the Future of Work for Women in Public Transport* provides recommendations for unions when confronting automation and digitisation in public transport more generally.

## FORMALISATION OF OPERATIONS

The operations of most informal passenger transport services are based on arrangements and rules that have evolved organically over many years, often without effective regulation by the state (despite frequent attempts).

In East Africa, the organisation of operations is primarily provided by leaders in the terminals, bus stops, taxi or motorcycle taxi ranks (stages). These leaders may be democratically elected by the workers themselves, self-appointed, or imposed by criminal gangs.

Stages may be (democratically or otherwise) affiliated to district, city-wide or national associations or unions, which provide some coordination and (where possible) representation with the authorities. Rivalry between these associations can be fierce and sometimes violent.

Stage leaders determine the routes, set the fares, enrol or reject drivers and riders, and keep order and discipline on the stage.

They collect fees and contributions to welfare funds, which can involve considerable amounts of money. In some cities, this money proved essential for the survival of workers during the Covid-19 lockdown.

City authorities have taken the opportunity to attempt reorganisation during the Covid-19 crisis,

In **Kampala, Uganda**, for example, the authorities announced that minibus taxis would only be allowed to restart operations after the lockdown when they abide by new registration rules and payment of fees and agree to be assigned to specific routes and stages by the transport authority.

**The Amalgamated Transport & General Workers Union (ATGWU)** and its affiliated association of taxi workers are not opposed to public transport reform in Kampala but were opposed to the lack of consultation with the workers and the union. They also objected to fees imposed before resuming operations from the lockdown, when the workers had no income. As the result of protest, the reforms were shelved, or at least delayed until consultations were underway.

Elsewhere, notably in West Africa, governments have effectively handed over control of operations to trade unions, who are given responsibility for the registration of drivers and vehicles, collection of fees and the policing of the industry. This can mean that union membership is effectively compulsory for drivers. It can also mean big business and a very large income for the union, which can lead to opportunities for corruption and major fights for control between factions.

In all cases, governments face a formidable challenge in attempting to reorganise and formalise the informal transport industry into regulated scheduled services.

As described above, the World Bank argues that governments should 'consolidate, formalize and structure the informal sector ... to professionalize transport operations'<sup>13</sup>.



Boda boda drivers in Kampala

This can be interpreted in different ways. The standard World Bank response is to advise the authorities to consolidate into the private sector by handing over the entire urban transport system to large, formal (preferably transnational) transport companies and by clearing informal operations off the streets. This is clearly impossible without generating mass unemployment of transport workers and causing major conflict.

But there are alternative solutions, including state ownership, cooperatives or other forms of social enterprise – such as trade union-based organisations.

### REGULATION OF MOTORCYCLE TAXIS

Over the last decade or so, there has been a huge expansion of unscheduled passenger transport – particularly motorcycle taxis. In some cities, there are now hundreds of thousands of people who make their living by operating a moto taxi or boda boda.

The industry is almost entirely unregulated, other than through self-organisation in the larger motorcycle taxi ranks by the riders themselves. It also has a very bad image

in the media, among politicians and in the general public (despite millions of commuters finding it the most convenient way to avoid traffic gridlock) and is blamed for accidents, criminality and increased congestion. In many cities the use of motorcycles to carry paying passengers is technically illegal but the law is universally ignored or unenforceable.

This presents a major problem for transport planners and regulators, who are trained and equipped to manage scheduled services, with clearly defined routes and stops, and have few policy guidelines in the regulation of a point-to-point mass transport service.

Some governments have sought to legalise and regulate the industry through **on-demand transport platform companies** such as Uber, Taxify and SafeBoda. These companies have recognised the huge market for motorcycle taxi services and have proliferated throughout big cities, particularly in the global South.

According to press reports, in May 2020 boda boda riders in Kampala were to be required to register under ride-hailing companies after the lockdown, forcing the industry to go digital. The Kampala City Council Authority (KCCA) was

reported to demand that riders ‘formalize their membership with registered digital companies like SafeBoda, Uber and Bolt, among others, in the next 21 days<sup>14</sup>’.

The KCCA plan assumes that, by forcing the drivers to adopt ride-hailing technology, it will enable the government to keep track of them, and that it is easier to work with corporations than with the workers themselves. Registration and training of riders can be outsourced to the private sector at no cost.

From the riders’ perspective, joining an on-demand platform can be more attractive than being an independent informal operator. For those who worry about job security or being ‘chased away’ in the face of potentially new government regulation, they feel somewhat more secure within a company recognised by the authorities. It can also free riders from the stage structures and the obligations and politics that accompany them, and riders have claimed that it provides greater protection from police harassment. According to riders interviewed in Kampala, they can also potentially earn more than their independent counterparts<sup>15</sup>.

Nevertheless, there is often tough competition and aggressive pricing policies between on-demand platforms, leading to cuts in fares and riders’ income, and riders are at the mercy of the app’s opaque algorithms. Companies such as Uber also have an extremely poor record of looking after their drivers (who they class as independent contractors rather than employees). And in many cities drivers have seen rates cut once dominant market positions are reached.

Recent research into the working conditions of Uber drivers conducted in the cities of Dar es Salaam (Tanzania), Johannesburg (South Africa) and Nairobi has also demonstrated that many problems found in the informal economy are reproduced in platform economy work. These include the majority of drivers not owning their own vehicles and therefore having to pay weekly targets to vehicle owners, generally low and precarious incomes, long working hours and police harassment.

While it is difficult to estimate the numbers of women working as drivers for platform companies, the numbers are increasing<sup>16</sup>. During Covid-19, women drivers in Nairobi have reported that platform companies favour men to drive and that women’s pay has reduced because of being unable to work at night due to the curfew.

Poor working conditions and the reproduction of gendered inequalities in platform economy work shows that the use of digital technologies offers no shortcut to decent work. As with all technological change, workers and their trade unions will have to fight to make sure that new technology in the transport industry is used to bring about positive changes for workers, rather than simply introducing new mechanisms of exploitation.

The ITF recognises that on-demand transport has a role to play as part of integrated public transport services but it demands that national and local governments regulate on-demand transport platforms to ensure that they are considered transport operators that employ drivers and pay taxes. Workers for on-demand companies must have the right to minimum hours, minimum pay rates, insurance and sick pay, and to appeal algorithmic decisions.

14 TechJaja (2020)  
15 GLI (2020b)

16 ITF. 2019. *Future of work for women in public transport*

## WHAT IS OUR STRATEGY?

### WORKER-LED FORMALISATION

Where public transport is dominated by the informal economy, national and city governments are encouraged by international agencies to invest in new institutions, infrastructure and regulation towards formalisation.

Many of the objectives are supported by the trade union movement and informal transport workers themselves. Very few people would disagree that current informal public transport services are unsustainable. There are problems of over-supply and traffic congestion, poor services for passengers, environmental damage, endemic police corruption, violence and organised crime, and horrific working conditions for the thousands who earn their livelihoods in the industry. In many cities, the combination of these factors presents a serious economic, social and environmental crisis.

The cornerstone of union strategy is to:

- ensure that the transition towards sustainable urban transport recognises the rights and livelihoods of workers in the informal transport industry
- ensure that the trade union movement is relevant and responsive to those workers
- demand that unions and allied workers' associations have the right to engage in collective bargaining with the relevant transport authorities.

In 2015, recognising that the informal economy presents a major challenge to workers' rights, the ILO agreed a set of recommendations – **Recommendation 204** – to governments for the transition towards formalisation.

These recommendations are highly relevant for the informal transport industry and provide a good starting point for a worker-led approach towards a passenger transport system that is good for the economy, the environment, local communities and employment.

At their core, the recommendations state that governments should:

6 TAKE URGENT AND APPROPRIATE MEASURES TO ENABLE THE TRANSITION OF WORKERS AND ECONOMIC UNITS FROM THE INFORMAL TO THE FORMAL ECONOMY, WHILE ENSURING THE PRESERVATION AND IMPROVEMENT OF EXISTING LIVELIHOODS ... AND RESPECTING WORKERS' FUNDAMENTAL RIGHTS, AND ENSURING OPPORTUNITIES FOR INCOME SECURITY, LIVELIHOODS AND ENTREPRENEURSHIP DURING THE TRANSITION'.

#### ILO, 2015, Recommendation No.204 Concerning the Transition from the Informal to the Formal Economy

More specifically, Recommendation 204 calls on governments to:

- respect the rights of all workers, whether informal or formally employed, to **freedom of association and the right to collective bargaining**
- consult with and promote **active participation** of representatives of membership-based informal workers' organisations in designing and implementing policies and programmes of relevance to the informal economy
- take immediate measures to address the **unsafe and unhealthy working conditions** in the informal economy
- extend **social protection**, decent working conditions and a minimum wage to all workers in the informal economy
- provide access to affordable quality childcare and other care services in order to promote **gender equality** in employment opportunities and the transition to the formal economy
- promote **anti-corruption** and good governance
- promote access to public **procurement procedures**, provide training and advice on participating in public tenders, and reserve quotas for those in the informal economy (particularly important to when encouraging informal workers organisations to bid for transport operating contracts, such as Bus Rapid Transit)

- provide regulated access to **public space** – essential for informal workers in transport terminals and service workers (mechanics, vendors etc)

Although ILO recommendations have no legal power, this framework provides powerful political and ethical arguments in negotiations with national and international authorities. Some national governments have started to address formalisation – for example, the Senegalese government has established a new position of minister of the transformation of the informal sector, which potentially provides a space for unions to negotiate.

Governments borrowing from IFIs like the World Bank to finance their urban transport reform projects are legally bound to engage with stakeholders affected by projects, as a result of the binding environmental and social safeguards adopted by many IFIs.<sup>17</sup>

The World Bank 2018 *Environmental and Social Framework* requires borrowers (governments) to actively engage with those affected by the project in both the design and implementation phase. The framework also contains provisions that require borrowers to address the economic displacement – the impact on livelihoods – brought about by project implementation.

While IFI safeguarding systems are lacking in many respects, especially concerning gender protection, they may offer unions another strategic argument to shape urban transport reform.



ATGWU organiser recruiting boda boda drivers

<sup>17</sup> See generally ITUC. 2019, *The labour standards of the multilateral development banks: A trade union guide*.

## WHAT IS OUR AGENDA?

### REALISING THE RIGHT TO COLLECTIVE BARGAINING

First and foremost, without the power of strong union organisation it will be impossible to successfully reform and formalise urban passenger transport to the benefit of transport workers and passengers.

This includes the inclusion of informal workers within the trade union movement as members and leaders, and changes to our constitutions, organising methods, services and internal organisation to become relevant and effective in the informal transport industry. ITF affiliates are proving that this is possible and becoming more powerful as a result<sup>18</sup>.

With this collective power, we can begin to realise our rights to collective bargaining.

This firstly requires recognition that collective bargaining is not just between employers and employees, but between workers and any organisation or institution that has power and influence over our livelihoods and working conditions, including governments and transport authorities. It includes both those who are informally employed and self-employed. It includes all those who are part of the transport industry, not just drivers and riders. It includes both women and men.

Collective bargaining requires the **identification** of the bargaining counterpart (the people we need to negotiate with to effect change), their **recognition** that we are the legitimate democratic representatives of the workforce, and an agreement on how, where and when collective bargaining can take place – a **negotiating platform**.

It is essential that unions are recognised to have negotiation rights as key stakeholders, not just vague references to consultation or information-sharing.

It also requires that our members be fully informed and involved in democratically determining demands and reaching

<sup>18</sup> See, for example, ITF 2017. *The Power of Informal Transport Workers*

agreements, supported where necessary by education and training programmes. Women and young transport workers must be represented on all decision-making bodies to make sure that their concerns are reflected in the policies, strategies and demands of our organisations.

Gaining recognition and agreement can be difficult, and may require sustained campaigning, lobbying, and where possible and necessary, industrial action. But it can be done, and there are signs that some authorities are increasingly aware that attempts to reform the transport system cannot be achieved against the opposition of the workforce, and that they need to find a platform for negotiations as much as we do.

## **UNDERSTANDING THE INFORMAL TRANSPORT ECONOMY**

It is evident that very few governments or transport authorities fully understand how the informal economy works in practice. Many regard it as unregulated and chaotic, dominated by criminality and corruption and essentially unreformable. They have little idea – or show little interest in – how many workers are involved, how they make a living or how they are organised. Yet it is impossible to reform the industry if planners and regulators do not know how it works in the first place.

The workers themselves have a deep and detailed knowledge of how their industry operates: the ‘market structure of paratransit’, as transport economists would describe it.

Trade unions and their allied workers’ associations in informal transport have an opportunity to give voice to their members, to explain and analyse how the informal transport economy works in practice on the streets – for example, who pays who to do what, who owns the vehicles, who organises the routes and who controls the terminals. Most importantly, workers’ organisations can draw on practical experience to identify what needs to change if the industry is to move towards economic and environmental sustainability through a process of formalisation.

In recent years, ITF affiliates in some African cities have begun to work alongside researchers

to build a detailed picture of their transport system through the eyes of the workers themselves, and to assess the potential impact of major infrastructure projects – particularly BRT – on the workforce. These initiatives, in Nairobi, Dakar and Kampala, have produced detailed analyses of the informal transport industry from a workers’ perspective.

The subsequent published reports have provided the unions with new tools in demanding negotiations with government on reform of the sector and have also provided the authorities and financial institutions with a new perspective on the potential role of unions and associations in the formalisation process.

## **REFORM FROM BELOW**

Until now, the strategy of governments, transport planners and financial institutions has concentrated on large-scale, capital-intensive infrastructure projects that would sweep aside informal services. Little or no attention has been given to the impact of these projects on the livelihoods or rights of the informal workforce.

In the global South, these have been dominated by BRT projects, which have largely failed. There are inherent structural reasons for these failures, such as the lack of government subsidy and reliance on market solutions; the opposition of the informal workforce whose livelihoods were threatened; and opposition from powerful forces (police, military, politicians etc) with interests in the traditional industry as vehicle owners, moneylenders and beneficiaries from bribery and extortion.

There is increasing awareness among transport planners and professionals that a top-down approach to urban transport reform will not work. Rather than imposing expensive new unviable infrastructure that saddles the government with debt, the strategy should build from below. By working with the informal workforce, it is possible to identify practical incremental steps towards a formalised transport system that is efficient, affordable and environmentally sustainable – yet labour intensive with decent working conditions.

Much of this will not require huge financial investment, but rather will be implemented through regulation and inclusive planning



Jeepney in the Philippines

negotiated with democratically accountable unions and allied associations.

The central feature of such reform must be to remove the target system and replace it with employment based on contracts and regular wages. This would remove competition on the streets and the dangerous and exploitative extreme working hours. It would reduce accidents and fatalities. It would open the way towards scheduled services and better reliability for passengers, rather than the current 'fill and run' system. With reduced working hours and better vehicles, it could also cut the numbers of vehicles and reduce emissions.

To remove the damaging target system and to reorientate the whole urban transport industry towards the goal of quality public transport for workers and passengers fundamentally requires **the reform of vehicle ownership**. In many cities, fleets of vehicles are owned by powerful interests that remain hidden behind a complex system of proxies and agents. Most so-called owners' associations are represented by intermediaries, small owners or would-be entrepreneurs seeking business opportunities. The real owners take little responsibility and no risk – their sole concern is the daily or weekly target payments collected on their behalf by the agents on the streets.

We need to explore **alternative models of ownership**. Depending on local circumstances, this could include workers' cooperatives, cooperatives of owner-drivers, or registered and regulated privately-owned companies. Or trade unions themselves.

Ultimately, of course, public transport should be publicly owned, as much of it used to be, including bus companies in the global South. The ITF's global demand for the sector is that **public transport services must be publicly owned and operated, with guaranteed democratic accountability**. In many countries, workers question state ownership, due to the levels of political corruption and public debt. But public ownership does not necessarily imply state ownership. Some unions are developing proposals for other forms of public ownership, like worker cooperatives, in the reform of informal passenger transport.

Public transport reform and formalisation also requires the **removal of corruption and extortion**, which is endemic throughout the informal transport industry. Informal (and many formal) transport union and association members throughout the world report routine police corruption and bribery on such a scale that it has a severe impact on livelihoods. Political corruption constantly undermines

efforts to build strong and democratic workers' organisations, with, for example, politicians paying large sums to leaders in exchange for votes.

At present, the informal transport workforce is overwhelmingly dominated by men, although there are some small signs of more women entering the industry. Any reform and formalisation process must include **action for gender equality**. This requires a complete dismantling of gender-based occupational segregation, where women are often restricted to the most precarious and low paid jobs in transport and excluded from training opportunities and better paid jobs such as drivers, mechanics or conductors. It requires an end to gender-based violence and harassment in the industry, where demands for sexual favours in return for employment are common.

“AFTER COVID-19, WE CANNOT GO BACK TO A 'NORMAL' WHICH FOR MANY WOMEN TRANSPORT WORKERS MEANS BEING OVERREPRESENTED IN PRECARIOUS EMPLOYMENT WITHOUT SOCIAL PROTECTIONS, UNDERREPRESENTED IN LEADERSHIP AND DECISION MAKING, FACING VIOLENCE AT WORK AND HOME, AND SANITATION INDIGNITY. THIS IS NOT NORMAL.

“INSTEAD, WE HAVE AN OPPORTUNITY TO ENSURE THAT AS WE EMERGE FROM THIS CRISIS, THAT THERE IS A '**GENDER EQUAL NEW NORMAL**' THAT GUARANTEES GOOD JOBS FOR ALL WORKERS.’

**ITF. 2020. Women Transport Workers' Rights and Covid-19**

While the pandemic has exposed the extreme vulnerability of informal transport workers to the lack of social protection, it has also highlighted the importance of **workers' welfare funds, cooperatives and savings and credit cooperative societies (SACCOs)**, not just as crucial safety nets for survival, but potentially as worker-controlled companies with the capability of owning vehicles and employing workers with contracts, regular wages and basic social protection.

Many welfare funds and SACCOs for transport workers are known to be very weak, poorly managed and lacking in real democratic accountability to their members. They are also vulnerable to manipulation by politicians and exploitation by cartels and powerful business interests.

Nevertheless, with support and investment, they may offer an important potential starting point for worker-led formalisation.



Matatu SACCO in Nairobi



## FURTHER RESOURCES

### VIDEOS

#### **ILO. 2020. THE IMPACT OF COVID-19 ON THE INFORMAL ECONOMY IN AFRICA**

<https://youtu.be/r3yoLomthrM>

COVID-19 has had a devastating effect on Africa, particularly in the informal economy where 325 million workers make their living. Lockdown measures have significantly impacted their lives, along with the many informal enterprises that are at risk of closure. [Length: 01:05]

#### **ILO. 2020. THE IMPACT OF COVID-19 ON THE INFORMAL ECONOMY**

[https://youtu.be/7m\\_OS-ncpyXY](https://youtu.be/7m_OS-ncpyXY)

Almost 1.6 billion informal economy workers are significantly impacted by COVID-19, leading to a 60 percent decline in their earnings. For those workers, stopping work or working remotely at home is not an option. Staying home means losing their jobs and, for many, it also means losing their livelihoods. [Length: 01:07]

#### **ILO. 2020. THE IMPACT OF COVID-19 ON INEQUALITIES IN THE WORLD OF WORK**

<https://youtu.be/lh2IL7JFsUo>

The COVID-19 pandemic is exacerbating already existing inequalities – from catching the virus, to staying alive, to coping with its dramatic economic consequences. Policy responses must ensure that support reaches the workers and enterprises who need it most. [length: 01:26]

#### **ITF. 2020. WOMEN TRANSPORT WORKERS' RIGHTS AND COVID-19: THE STORY OF AYLEEN, A MINIBUS CONDUCTOR IN NAIROBI**

[https://youtu.be/mRZU2NFb\\_5Y](https://youtu.be/mRZU2NFb_5Y)

The impact of Covid-19 on women in the informal transport industry, as told through the eyes of a minibus conductor in Nairobi. [length 5:33]

#### **ITF. 2018. WORKERS STORIES FROM THE BUSES OF NAIROBI AND BOGOTÁ**

<https://youtu.be/LmjDyJLz1mQ>

The introduction of (BRT) is one of the most common forms of urban transport formalisation. This video hears from Nairobi's matatu minibus workers about how the planned new BRT system will affect them, and how forming a union is giving them a voice, as well as from Colombian trade unionists who share cautionary lessons from Bogotá. [Length: 07:17]

### ITF RESOURCES

#### **ITF. 2020. KEEP PUBLIC TRANSPORT WORKERS SAFE FROM COVID-19 (GLOBAL CHARTER OF DEMANDS)**

<https://www.itfglobal.org/en/news/keep-public-transport-workers-safe-Covid-19>

#### **ITF. 2020. WOMEN TRANSPORT WORKERS' RIGHTS AND COVID-19.**

<https://www.itfglobal.org/en/news/women-transport-workers-rights-and-Covid-19>

#### **ITF. 2020. GLOBAL DEMANDS**

<https://www.itfglobal.org/en/focus/Covid-19/global-demands>

#### **ITF. 2020. YOUNG WORKERS AND COVID-19**

<https://www.itfglobal.org/en/news/young-transport-workers-and-Covid-19>

#### **ITF. 2020. PODCAST: COVID-19 IMPACT ON INFORMAL WORKERS**

<https://www.itfglobal.org/en/news/podcast-Covid-19-impact-informal-workers>

#### **ITF 2019. BUS RAPID TRANSIT (BRT) AND THE FORMALISATION OF INFORMAL PUBLIC TRANSPORT NEGOTIATING GUIDE**

<https://www.itfglobal.org/en/reports-publications/bus-rapid-transit-brt-and-formalisation-informal-public-transport-trade-union>

**ITF. 2019. ITF SANITATION CHARTER**

<https://www.itfglobal.org/en/reports-publications/itf-sanitation-charter>

**ITF. 2019. PEOPLE'S PUBLIC TRANSPORT POLICY DEMANDS**

<http://www.optpolicy.org/>

**ITF. 2019. THE IMPACT OF THE FUTURE OF WORK FOR WOMEN IN PUBLIC TRANSPORT**

<https://www.itfglobal.org/en/reports-publications/impact-future-work-women-in-public-transport>

**ITF. 2017. THE POWER OF INFORMAL TRANSPORT WORKERS**

<https://www.itfglobal.org/media/1691170/informal-transport-workers.pdf>

**ITF. 2016. ITF INFORMAL WORKERS' CHARTER**

<https://www.itfglobal.org/sites/default/files/node/resources/files/informal-transport-workers-charter.pdf>

**LABOUR IMPACT RESEARCH REPORTS**

These are reports of research conducted in three African cities which attempt to analyse the local informal transport economy, organisation and workforce, consider the potential impact of BRT projects, and explore workers' proposals for formalisation.

**GLI. 2019. NAIROBI BUS RAPID TRANSIT: LABOUR IMPACT ASSESSMENT RESEARCH REPORT**

<http://gli-manchester.net/wp-content/uploads/2019/04/Nairobi-Bus-Rapid-Transit-Report.pdf>

**GLI. 2020A. DAKAR BUS RAPID TRANSIT: LABOUR IMPACT ASSESSMENT RESEARCH REPORT**

**ENGLISH:** <http://gli-manchester.net/wp-content/uploads/2020/09/2020-Dakar-BRT-LIA-EN.pdf>

**FRENCH:** <http://gli-manchester.net/wp-content/uploads/2020/09/2020-Dakar-BRT-LIA-FR.pdf>

**GLI. 2020B. KAMPALA BUS RAPID TRANSIT: UNDERSTANDING KAMPALA'S PARATRANSIT MARKET STRUCTURE**

<http://gli-manchester.net/wp-content/uploads/2020/06/GLI-Kampala-Paratransit-Report-June-2020.pdf>

**OTHER USEFUL RESOURCES****ILO. 2015. RECOMMENDATION NO. 204 CONCERNING THE TRANSITION FROM THE INFORMAL TO THE FORMAL ECONOMY.**

[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:R204](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204).

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