

Minibus taxi industry in SA

Decentralised labour conditions

With informalisation the minibus taxi industry is one of a kind. It defies labour laws to the disadvantage of workers and can be described as a decentralised labour process, writes **Siyabulela Fobosi**.

Marx stressed that, in order to understand capitalist society, the main focus must be on the process of production and specifically the relationship between capital and labour or between capitalists and wage-labourers. Further, he argued that, once labour power (or the capacity to labour) has been bought as a commodity by the capitalist, the labourer works under the control of the capitalist – or under managerial control – to whom his labour (or labour power transformed into concrete labour) belongs. Workers, thus, expend their labour power, which is the source of all wealth, in the process of fulfilling the greedy appetite of the capitalist. As such, ‘accumulation of wealth at one pole is,’ Marx argues, ‘at the same time accumulation of misery, agony of toil and brutality at the opposite pole, i.e., on the side of the working class’.

Critical to the labour process is, thus, management control where the function of management and the function of execution are separated, with workers involved in the execution of tasks. Management has control of the labour process, but it is not involved in the actual execution of productive work.

This is, however, not the case

with petty commodity production where a clearly-defined division of labour between capitalist, manager and wage-labourer does not exist. In petty commodity production (for example, the minibus taxi industry), the owner of the means of production regularly takes part in the actual production process. It is not simply a question of the owner also controlling (or managing) but, additionally, possibly engaging in productive labour as would a wage-labourer. Perhaps, here one can talk about a de-centralised labour process (where there is no clearly defined management control), as will be briefly explained.

Since democracy in 1994, there have been state efforts to formalise or regulate the taxi industry. This is premised on providing safe and affordable transport, well-trained drivers, reasonable (and not extraordinary) profits and acceptable employment relationships which protects employer and employee alike. The government has introduced labour laws that seek to regulate the industry, including general legislation such as the Basic Conditions of Employment Act (BCEA) and, more specifically, the ‘Sectoral Determination 11: Taxi Sector’ (SD).

For instance, drivers are expected to work 48 ordinary hours per week maximum, and are entitled to overtime pay, meal intervals and annual leave. But the prevailing literature on the taxi industry strongly suggests that taxi owners tend to bypass this and other legislation in an attempt to reduce labour costs. In this sense, the taxi industry continues to operate as ‘business as usual’ through everyday informal relations which run contrary to labour legislation.

The organisation of the labour process within the taxi industry, like any other industry, is about how work is organised, and who has control. As in any other ‘workplace’, central to the labour process in the minibus taxi industry (for both employer and employee) is working hours, overtime, meal intervals, daily and weekly rest periods, pay for work on Sundays, night work, work on public holidays, emergency work, annual leave, maternity leave, family responsibility leave, payment of remuneration and deductions and termination of employment. The labour process varies considerably, with significant variation between a taxi owner with a fleet of buses and an owner-operator with one taxi.



Minibus taxis are one of the means of public transport for most workers in SA.

Thus, as far as the labour process is concerned in the taxi industry, the owner/operator of the means of production (taxi) has a double function insofar as only one taxi is involved: the function of the capitalist/manager, that is, the organisation of the labour process, and the function of the labourer (collecting fares and driving taxis). But many taxi owners own a fleet of taxis, with workers such as drivers and marshals employed and involved in the execution of tasks.

The taxi owner has overall managerial control within the labour process, though employees are scattered and not located in one centralised socio-space. Still, the taxi owner directs the process, for instance by determining and organising the number of hours that the driver is expected to work daily and weekly, and procedures for handling tasks. Like elsewhere, the labour process is organised in such a way as to maximise profit for the taxi owner. As indicated, this may lead to conditions of work which do not comply with the provisions of the BCEA provisions.

Even though taxi drivers and other workers qualify as employees in terms of the Labour Relations Act (LRA), the impact of South African labour legislation has not yet

been felt by all in the taxi industry. All the available evidence though is highly suggestive of on-going informalisation of the owner-worker relation within the taxi industry, including exploitation of the workforce by the payment of wages below the minimum set by the SD, and general disregard for health and safety standards. In other words, taxi employers continue to bypass labour laws and regulations that seek to regulate the taxi industry and which lead to conditions of exploitation for workers.

There is a clear and extreme power difference existing between taxi owner and specifically drivers, and this leads to exploitation of the workforce. Of course, at the same time, taxi owners and drivers both have one thing in common. Solomon Mahlangu argues that 'they need each other for their survival'. They both benefit in this antagonistic relationship, though unequally, in terms of profit and wages. This tension is constant as there is a tug of war between owner and driver, with owners seeking to maximise revenue and profit, and drivers seeking to look after their households and even at times seeking to maximise income in the hope one day of buying their own minibus and becoming their own bosses.

This power difference within the taxi industry is also a constant. And this means that taxi drivers are exposed daily to bad working conditions which are not in line with the BCEA or the SD on wages. It can be seen, for example, in the quota system (where it still exists). A quota system means that, in the morning, a taxi owner sets a target for a taxi driver to be met by the evening, and taxi drivers desperately seek to reach the quota or target on risk of dismissal for not reaching the target. This causes drivers to overwork themselves and thus put their own lives, and those of commuters and fellow road users at risk.

It also often leads to taxi drivers sacrificing the quality time they are supposed to spend with their families because they want to retain their employment, or receive more commission if paid on a commission basis. Colleen McCaul notes that 'methods of payment vary' for workers: 'Some owners do not pay wages and expect a certain percentage of the daily takings or a specific amount per week, the driver being entitled to keep the rest'. The specific amount though of course is determined at the discretion of the owner, and it may be altered on short notice.

Long working hours are tied to the payment systems common in this industry: the quota system pegs the driver's wages to the daily target – when drivers meet the target, they pocket the rest; the percentage system puts the driver's wage as a portion of their daily takings – the common practice is between 20% and 30%.

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The quota system has however become useless, and drivers are paid for days worked on an 'earn as you work basis'. This then forces drivers to work every day

and (thus) have no time for family and social life. Currently, most taxi owners use the commission system to pay their employees/drivers. This means that taxi operators set (often weekly) targets for their employees and they pay them based on the percentage agreed on a commission basis.

As noted earlier, the BCEA and SD, stipulates clearly the basic conditions of employment for taxi industry workers. It mentions that drivers must work a maximum of 48 hours per week and drivers are also permitted 36 continuous

hours of rest, and three week's annual leave on full pay. However, taxi drivers often work between 16 and 18 hours a day. Research undertaken by Solomon Mahlangu, on the conditions of employment of Erasmus-Akasia Taxi Association (EATA) taxi drivers, clearly demonstrates such problems. The protection provided for taxi drivers and other workers in the minibus taxi industry under labour legislation is in large part *de jure* with no real force in practice. And given that taxi owners choose to ignore labour laws in the taxi



industry, taxi drivers are then excluded from employment-linked benefits such as the Unemployment Insurance Fund (UIF) and leave pay. They are also exposed to the constant anxiety of losing their jobs given that employment contracts are rarely drawn up and signed.

The case of the minibus taxi industry in East London demonstrates that the labour process within the minibus taxi industry is a much contested terrain. On the one hand, the Department of Labour (DoL) through formalisation tries to enforce the SD in the industry; on the other hand, owners avoid the SD to cut labour costs. In the similar way, taxi drivers in the industry often choose to avoid any attempts at labour formalisation for fear of losing their jobs under a process of rationalisation with an uncertain future. It is the case then that not just the owners but also the taxi drivers prefer informalisation though for different reasons. The drivers along with the owners therefore seem to be distancing themselves from attempts made by the DoL to make the SD a central part of the industry.

Interviews with taxi drivers during fieldwork in East London in 2013 revealed that drivers regularly work more than eight hours per day, and hours beyond what is legally permitted. There are many challenges to working in the taxi industry for drivers, including having to wake-up as early as four in the morning and working to nine in the evening. Because of this, taxi driving for many drivers is a job of last resort when all other opportunities, which are rarely many, fail. These long hours are linked to the percentage-system or commission basis of payment in the industry.

Taxi operators or employers in East London/Mdantsane indicate that most taxi drivers are paid on

a commission basis. Taxi operators from the taxi associations of Mdantsane East London Taxi Association (Melta), Mdantsane Uncedo Taxi Association (Muta), and East London Taxi Association (Elta) indicate that commission payment varies between 15% and 25%. However, they did not clearly indicate what happens in the event that a driver does not reach the target set.

Therefore, the labour process within the taxi industry is what I would call 'a decentralised labour process', with no clearly-demarcated employer-employee relationship based on firm managerial controls and where the employee has a significant degree of autonomy in the work design. In contrast to this, a centralised labour process would be where there is clear managerial control and well-defined parameters to the employer-employee relationship. This is not the case in the minibus taxi industry as control is dispersed across taxi owners and drivers and is in large part informalised.

This also impacts on the conditions of employment for taxi drivers. In the end, the work of taxi drivers in the minibus industry is considerably less structured and tightly controlled than that of workers within formalised public transport such as trains and buses. Taxi owners join taxi associations and employ drivers to drive their taxis. Taxi associations though have no control over how taxi owners, as members of their associations, operate their business. They therefore have no input into the employment relations entered into by their members. ^{LB}

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Letter

Escaping death by a whisker as three shot dead in taxi violence

Taxi violence between Vosloorus and Reiger Park taxi associations – along the Dunswart to Vooslorus route – left three people dead including the driver – a man in his late 20s.

The shooting happened in April 2014 near the Sunward Park Hospital after the taxi in which I was a passenger was trailed by a cream Toyota Cressida sedan with tinted windows.

The taxi had changed from the normal route to avoid the road wars that were going on.

When the taxi driver noticed that we were being followed he said: 'We are dying today.' He then reduced speed to allow the Cressida to overtake him but instead the car blocked the taxi and a man emerged with a gun and started shooting. Five shots were fired killing the driver and two passengers on the spot.

I was sitting at the front next to the driver and my dress was soaked with blood that gushed from the driver's head wounds.

When the police came to the scene after about 30 minutes they couldn't get any information from the passengers as everyone was shocked and terrified about what had happened.

Thuli, East Rand