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*Series on Representation and Organization Building*

## **Organizing in the Informal Economy: A Case Study of the Minibus Taxi Industry in South Africa**

by

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InFocus Programme on Boosting Employment  
through Small Enterprise Development  
Job Creation and Enterprise Department



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## Foreword

The ILO's longstanding concern with the realization of freedom of association and its commitment to all workers, whether in the formal or informal economy, are well exemplified by the Decent Work agenda and the ILO Declaration on Fundamental Principles and Rights at Work (1998). In addition, ILO Recommendation No. 189 on Job Creation in Small and Medium-Sized Enterprises (1998) advocates adequate representation of these enterprises and their workers – including those in the informal economy – and calls on organizations of employers and workers to extend membership therein. In 2002, the Conclusions adopted by the International Labour Conference at its general discussion on decent work and the informal economy recommend future ILO work and activities be aimed, *inter alia*, at removing obstacles to the formation of organizations of workers and employers in the informal economy and assisting them to organize.

For the ILO, the right to organize is an enabling right in that it paves the way for the exercise of a range of other rights at work. However, the right to freedom of association is often denied – *de jure* or *de facto* – to those in the informal economy. The present report is part of an international research project jointly initiated by the ILO InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) and the InFocus Programme on Promoting the Declaration (IFP/DECL), to probe how the exercise of collective rights in the informal economy can generate positive social and economic outcomes. Countries under review are Bolivia, Colombia, Pakistan, Peru and South Africa. The intention of this project is to foster policy dialogue activity at the national level with a wide range of stakeholders.

ILO research counterparts in South Africa were the Community Agency for Social Enquiry (CASE) jointly with the Southern African Labour Research Institute (SALRI). Representational processes in South Africa's informal economy are assessed using a case study methodology. Within this framework, four sectoral studies (on clothing, construction, street trading and transport) have been conducted. This report investigates the transport industry and is published under the series on "Representation and Organization Building" by IFP/SEED.

Two national organizations – the Southern African Transport and Allied Workers' Union (SATAWU) and the South African National Taxi Council (SANTACO) – and their strategies to reach out to, organize and cater to informal workers and owners in the minibus taxi industry are analysed. This report seeks to deepen the understanding of the achievements and failures of these organizations in terms of representing and empowering informal economy actors. Such an understanding is crucial to shaping and implementing policies that constructively bridge the formal-informal rights gap.

This report has been written by Jane Barrett, research officer at SATAWU. IFP/SEED supported this research and jointly with IFP/Declaration coordinated its implementation. Giovanna Rossignotti (IFP/SEED) and Manuela Tomei (IFP/Declaration) designed the analytical framework for the research and guided this study to its completion.

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## Acronyms and Abbreviations

BCEA	Basic Conditions of Employment Act of 1997
CASE	Community Agency for Social Enquiry
CCMA	Commission for Conciliation, Mediation and Arbitration
CEC	Central Executive Committee
COSATU	Congress of South African Trade Unions
DTI	Department of Trade and Industry
DOL	Department of Labour
DOT	Department of Transport
ECC	Employment Conditions Commission
EMS	Electronic management system
FEDUSA	Federation of Unions of South Africa
HSRC	Human Science Research Council
LRA	Labour Relations Act of 1995
ILO	International Labour Organization
ITF	International Transport Workers' Federation
NACTU	National Council of Trade Unions
NTA	National Taxi Alliance
NATDO	National Taxi Drivers' Organization
NEDLAC	National Economic Development and Labour Council
NLTTA	National Land Transport Transition Act
NPI	National Productivity Institute
NTC	National Taxi Commission
NTDU	National Taxi Drivers' Union
NTPS	National Transport Policy Study
NTTT	National Taxi Task Team
REC	Regional Executive Committee
SABTA	South African Black Taxi Association
SACO	South African Commuters' Organisation
SALDTA	South African Long Distance Taxi Association
SALRI	Southern African Labour Research Institute
SANTACO	South African National Taxi Council
SATAWU	South African Transport and Allied Workers' Union
SATDU	South African Taxi Drivers' Union
T&GWU	Transport and General Workers' Union
TETA	Transport Education and Training Authority
WATA	Wits African Taxi Association





## Executive Summary

“What contributions can be made with regard to meeting the representational needs of workers, employers and others conducting business?”

— *Decent work and the informal economy*, Report VI, International Labour Conference, 90<sup>th</sup> Session, 2002. ILO, Geneva, p. 120.

The ability of informal economic actors to exercise the right to freedom of association (establish or join organizations of their own choosing without fear of reprisal or intimidation) is critical to shaping regulatory frameworks and institutional environments that ultimately help informal workers and economic units move into the formal economy. Lack of voice at work is marginalizing informal economic actors in the labour market and in society at large. This report examines representational processes in South Africa’s minibus taxi industry.

Deservedly known as volatile and conflictual, especially in Pretoria, the minibus (*kombi*) taxi industry is interesting for several reasons. The industry is part of the informal economy in the sense that the vast majority of operators do not register as tax payers and do not register their employees or comply with labour legislation. A large employer, it has mushroomed in the past 20 years to become the most commonly used form of public transport, especially for poor Black communities. Kombi taxis account for 65 per cent of all public transport daily commuter trips. Approximately 127,000 minibus taxis operate on fixed commuter corridors, charging a fixed local rate. Kombis, the majority of which are not owner-driven, officially carry a driver and 15 passengers. The total number of employees country-wide is around 185,000, including drivers, queue marshals, car washers and fare collectors. Of these, 2 per cent are women. An additional 150,000 jobs are indirectly associated with this sector, mainly in motor manufacturing, fuel, spare parts and maintenance.

Over the past two decades South Africa’s minibus taxi industry has continued to grow at a rapid rate, despite (or perhaps because of) the ambivalence of government policy in this domain. By 1990 the industry was already showing signs of over-saturation in some areas and sparked intense (and often violent) battles between associations of owners, fighting for commuters routes. It is against that background that recent moves to recapitalize, formalize and reduce the size of the industry have come into being.

Following the recommendations of the National Taxi Task Team (NTTT) set up in the mid-1990s to devise ways to ensure industry sustainability and competitiveness, the government has embarked on a taxi recapitalization programme, aimed at introducing new, safer and bigger vehicles. Simultaneously, the Taxi Chamber established within the newly created Transport Education and Training Authority (TETA) has been tasked to identify and meet the training needs in the industry.

Parallel processes have been pursued since 1998 to work towards the formalization of employment, characterized by highly exploitative labour practices, with most workers being employed on a casual, temporary or ad hoc basis. In theory, all employees in the industry are covered by the Labour Relations Act of 1995. They have the right to join and be represented by trade unions, including their rights according to the Basic Conditions of Employment Act of 1997 and Sectoral Determination for the Road Passenger Transport Industry. In practice,

however, their rights according to the foregoing legislation, as well as the Workman's Compensation Act and the Unemployment Insurance Fund Act, are rarely recognized by owners.

Another result stemming from the NTTT recommendations has been the creation of a single national body representing taxi owners in 2001 – the South African National Taxi Council (SANTACO). It is important to note that SANTACO is distinct from any previous national taxi-owner body, in that it is explicitly a business association – and not an organization focusing primarily on access to routes. The SANTACO constitution states that, as an employer organization, it should register as such with the Department of Labour. The future implication here is that SANTACO will take on the role of collective bargaining partner with labour. Similarly, the standard constitution that SANTACO has drafted as a guideline (for all local taxi-owner associations) defines the local bodies as employer associations. This will become crucial in future, when a collective bargaining relationship eventually emerges between organized owners and organized labour. The absence of a constituted employer organization is often a barrier to the establishment of a bargaining council.

Employers in the taxi industry acknowledge the need for a more structured relationship with organized labour: “We take labour issues very seriously. We want to see conditions improve through collective bargaining. Better conditions and better returns for owners go hand in hand”.<sup>1</sup>

The year 2000 marked the end of a long process of building the unity of transport, security and cleaning workers, which culminated in the establishment of the South African Transport and Allied Workers' Union (SATAWU). Out of a total membership of 100,000, SATAWU claims a kombi taxi membership of 10,000 workers (mostly drivers), of which 2,500 are paid-up members. The sustainability and effectiveness of SATAWU organizing strategy in the kombi industry has still to be tested. However, some core elements of such a strategy have proven crucial to successfully mobilizing and organizing taxi workers.

Undeniably, the kombi industry is experiencing sweeping changes in a process of economic and organizational formalization that is likely to transform labour practices. By documenting these processes as they are happening, this report provides useful lessons for other sectors in South Africa and for other countries.

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<sup>1</sup>A SANTACO representative interviewed for the present report.

## 1. Introduction

In 2001 the International Labour Organization (ILO), through two of its technical programmes,<sup>2</sup> launched an international research project aimed at gaining insights into the organizational strategies of informal economic actors in the study countries of Bolivia, Colombia, Pakistan, Peru and South Africa. The purpose of this research is to acquire deeper insights into the nature of membership-based organizations in the informal economy, their strengths and weaknesses, with a view to understanding the incentives and rules that shaped their creation and function, and the constraints that hamper their potential as effective “voice” institutions. Such an understanding is critical to devise regulatory and institutional environments conducive to poverty reduction and decent work.

The Community Agency for Social Enquiry (CASE) in partnership with the Southern African Labour Research Institute (SALRI)<sup>3</sup> was commissioned to conduct the South African component of this research. Four sectors have been selected for study: clothing, construction, street trading and transport. This report covers the transport sector, by focusing on the minibus taxi industry.<sup>4</sup>

### 1.1 Defining features of the minibus taxi industry

South Africa’s minibus taxi industry has had a rocky and strife-ridden history, characterized by violent confrontations between competing owners and shaped by exclusion from the formal economy.

The *kombi* taxi industry<sup>5</sup> in South Africa is an interesting case study on strategies for organizing in the informal economy for a number of reasons. First, it is a large employer that has grown very rapidly over a period of less than 20 years. Second, the kombi taxi is the most commonly used form of public transport and plays a critical role in the lives of the majority of commuters, particularly in poor Black communities. Third, and perhaps most importantly, the industry is currently undergoing a process of economic and organizational formalization that is likely to transform labour practices. Documenting these processes as they are happening may provide useful lessons for other sectors in South Africa and other countries.

In 2002, the following features defined the minibus taxi industry in South Africa:

- It is part of the informal economy in the sense that the vast majority of operators do not register as tax payers and do not register their employees or adhere to any minimum standards of employment. The majority of operators do however have licences to operate through provincial registration processes, and the majority of drivers are licensed by Public Driving Permits.

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<sup>2</sup> The InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) and the InFocus Programme on Promoting the Declaration [on Fundamental Principles and Rights at Work] (IFP/Declaration).

<sup>3</sup> CASE is a non-governmental organization specialized in applied social research, with extensive experience in the areas of labour and gender. SALRI provides a range of applied research services to the labour movement with which it has direct links.

<sup>4</sup> An electronic version of the report is available on <http://www.ilo.org/seed>

<sup>5</sup> Minibus taxis are popularly known in South Africa as *kombis*.

- It is made up of approximately 127,000 minibus taxis or *kombis* operating on fixed commuter corridors (long and short distance) and charging fares fixed by local taxi associations. The fare system distinguishes the sector from the meter-fare taxi sector, in which passengers are transported on routes and distances as per request, and fares are based on the distance metering of a given journey. Meter-fare taxis are sedans carrying a maximum of four passengers. Most kombi taxis officially carry 16 people: the driver and 15 passengers.
- Kombi taxis account for 65 per cent of all public transport commuter trips. Buses account for 21 per cent and trains for 14 per cent. The meter-fare taxi sector is not reflected in the statistics as meter-fare taxis carry occasional passengers and not daily commuters.
- The majority of kombi taxis are not owner-driven. Most owners own more than one kombi but less than ten.
- It is estimated that the ratio of taxis to employees in the sector is 1:1.5. The total number of people directly employed in the sector is around 185,000. Apart from drivers, there are queue marshals, car washers and in some areas fare collectors who travel in the kombis.
- It is not known what proportion of employees in the sector are women, but it is estimated at no more than 2 per cent. Similarly, the racial breakdown of employees is not known. It is estimated that less than 0.2 per cent are White, 5 per cent Coloured and Indian, and the remaining 94.8 per cent African.<sup>6</sup>
- It is estimated that at least 150,000 additional jobs are indirectly associated with the sector, mainly in motor manufacturing, provision of supplies (including fuel and spare parts) and maintenance. These linked categories of employment are relevant because they are the areas of employment predicted to expand with the government's taxi recapitalization programme (see Section 3.2 of this report). Apart from some jobs in the vehicle maintenance sector, the majority of these associated jobs are in the formal economy.

## 1.2 Aim of the research

The overall objective of the research is to map organizational strategies – of worker organizations and, if appropriate, of employer organizations alike – in South Africa's informal economy, with the view to examining how these strategies contribute to:

- build strong and sustainable organization at the local and national level;
- ensure the inclusion of poor women and cater to their needs accordingly;
- empower informal economic actors to have a recognized “voice” and influence policy decisions affecting them;
- reduce the vulnerability of informal economic actors by easing their access to facilities, services, assets and public institutions.

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<sup>6</sup> Apartheid divided communities according to four major racial categories: African, Coloured, Indian and White. All Black people – African, Indian and Coloured according to South African terminology – were discriminated against under apartheid.

An additional objective of the research is to encourage dialogue and partnership between research and other institutions with an interest in improving working conditions in the informal economy.

### **1.3 Focus of this study**

#### ***Organizing strategies in the minibus taxi industry***

By focusing on the organizing strategies adopted by membership-based organizations in the kombi taxi industry, this report aims to shed light on:

- reasons behind the creation of these organizations, their type and legal status;
- their structures, activities and achievements;
- their capacity to deal with management issues and resolve conflicts among members;
- their accountability to members, legitimacy vis-à-vis public authorities and interaction with other stakeholders;
- factors impeding or fostering organizational processes and representation in the informal economy;
- gender-specific issues within organizational processes in the informal economy.

#### ***Selecting the organizations***

The identification of the organizations to be profiled was done, as far as possible, within the criteria set by the ILO – a minimum existence of three years, financial and political independence, membership of not less than 500, and legal organizations (excluding those that pursue criminal objectives). In addition, organizations that did not meet all criteria but nevertheless provided interesting lessons for organizing strategies could be included.

To date, the organization of informal economy actors (workers and employers) in South Africa's taxi industry is fairly limited. A minority of taxi workers is organized by two national trade unions, the South African Transport and Allied Workers' Union (SATAWU) and the National Taxi Drivers' Organization (NATDO). They claim a combined membership of 35,000 (20 per cent of the workforce) but paid-up membership is considerably less. A new unified body representing around 90 per cent of owners across all nine provinces – the South African National Taxi Council (SANTACO) – was established in September 2001. Over the past years the industry has undergone a significant process of formalization. The development of SANTACO as a strong employer organization has been important – it has allowed the industry to build a relationship with government authorities and to deal with the many problems it faces. SATAWU has also been heavily involved in industry restructuring efforts.

Initially, the aim was to include NATDO, as well as SATAWU and SANTACO in this study. However, at time of writing it was not possible to ascertain whether NATDO was still operating.<sup>7</sup>

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<sup>7</sup> Its office in central Johannesburg was closed and its listed telephone number was recorded by Telkom as “no longer existing”. Members and officials of SATAWU in Johannesburg had not come across NATDO for some months. Representatives of the Departments of Labour and of Transport as well as SANTACO officials confirmed this.

## ***Geographical focus***

In accordance with the terms of reference set for this research, organizations in two urban centres were selected to enable comparison. Pretoria and Johannesburg were identified as the appropriate sites for this study. Both cities are located in the province of Gauteng, the most populous and industrialized province of South Africa. While the distance between these two locations is relatively small (80 km), the ownership and organizational dynamics of the industry in the two cities are distinct. Historically the industry in the Pretoria area has been subjected to significantly greater restrictions and clampdowns by the authorities.<sup>8</sup> The relatively hard stance of the authorities in Pretoria has resulted in organizing strategies by workers that have been primarily aimed at legitimizing the operations of the industry. Workers have tended to put the survival of the industry first and improvements in working conditions second. In contrast, workers in the Johannesburg area have prioritized working conditions. Parts of Pretoria and surrounding areas have witnessed some of the worst taxi conflicts and violence in the country. Some might argue that it is because, since the early 1990s, the police and other authorities in the Pretoria area have had significant material interests in the industry that there have been higher degrees of both clampdowns and violence. (This particular dynamic will be explored further in Section 2.1 of this report).

## **1.4 Methodology**

### ***Research team***

Research was coordinated and implemented by Jane Barrett, the SATAWU policy and research officer who has been working in the trade union movement's transport sector for the past 20 years.<sup>9</sup> Tanya Goldman, responsible for CASE coordination of the South African component of the ILO research project, provided assistance and guidance throughout the process.

The study is researched and written with a union perspective. Effort has been made to counter any specific organizational bias by interviewing a range of informants and stakeholders, including leadership of all the organizations profiled.

### ***Sources of information***

The researcher began by reviewing literature on the subject and referring to press clippings on the industry collected over the period 2000–2001. Minutes of meetings with various government departments over the same period were also collected and reviewed, as were internal memos and minutes of SATAWU.

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<sup>8</sup> There is no obvious explanation except possibly that, during the years of apartheid, the City Council of Pretoria was consistently controlled by the Nationalist Party, whereas the more liberal Progressive Federal Party had considerable influence on the Johannesburg City Council. This may explain the origins of the heavy-handedness of authorities. It may also have been the case that the bus industry in Pretoria formed a stronger lobby than it did in Johannesburg, and that this lobby influenced the authorities. A study of the exact roots of the relatively tough stance of the Pretoria authorities lies outside the scope of this study.

<sup>9</sup> This includes a four-year period in the headquarters of the International Transport Workers' Federation (ITF), where she worked on inland transport matters, including issues relating to organizing in the taxi sector internationally. In addition, this researcher has an in-depth knowledge of organization in the sector.

### *Interviews with key informants*

Annex 1 gives the list of individuals and organizations contributing information collected for the present study. Interviews were conducted with national and local leadership of the South African Transport and Allied Workers' Union (SATAWU), the national employers' association (SANTACO), and the national commuter organization (SACO). Government officials from the provincial Department of Transport (DOT) and the national Department of Labour (DOL) were interviewed. Annex 2 provides the leadership interview guidelines developed by CASE (in consultation with SALRI and the ILO) to guide the process.

### *Focus group discussions*

A focus group discussion was conducted with seven SATAWU members working in the taxi industry in Johannesburg. The group consisted of four drivers (two of whom were women), two queue marshals (both men), and an administrative worker (a woman). Annex 3 contains the focus groups guidelines developed by CASE (in consultation with SALRI and the ILO) to facilitate this informational process.

No focus group discussion was conducted with workers in Pretoria as, after interviewing the organizer for the area and analyzing the considerable detail provided, it was felt that a focus group would not add significant value to the research. Concomitant time constraints were also a factor in this decision.

## **1.5 Structure of this report**

This report has six key parts. Part 1 highlights the defining features of the minibus taxi industry in South Africa and presents the research objectives and methodology used. Part 2 provides an overview of the minibus taxi industry with emphasis on its history and current economics. Part 3 describes the process of formalization that the industry has undergone since the mid-1990s and its main features. The establishment of a single unified taxi-owner body – the South African National Taxi Council (SANTACO) – is examined in Part 4. Part 5 sheds light on prevailing working conditions and explores workers' needs in the industry. It also contains a detailed analysis of the strategy adopted by the South African Transport and Allied Worker's Union (SATAWU) to cater for these workers. Part 6 concludes this analysis with some critical issues for the labour movement and employer associations to explore further if they wish to extend outreach and boost collective representation in South Africa's kombi taxi industry.

## **2. Contextualizing the minibus taxi industry in South Africa**

### **2.1 History of the industry**

The kombi taxi in South Africa has a history that is closely linked to the history of apartheid. A feature of apartheid and the institutionalized racism it introduced in the early 1960s, was that Black, and particularly African, people had very limited legal access to business opportunities. In the taxi industry it was virtually impossible for an African person to acquire a permit to operate. The few who did operate used sedan cars, as the only vehicles recognized for taxi purposes. They catered for a very small African market. Public transport was totally dominated by the state-owned rail sector and the subsidized bus industry (part publicly and part privately owned).

From the early 1960s onwards, urban African people were increasingly relocated (very often through forced removals) to reside in areas far from the commercial and industrial centres of all South Africa's cities. These relocations were part and parcel of the policy of apartheid, designed to keep racially defined groups separate. Apartheid spatial planning impacted directly on the public transport provided by buses and trains. Public transport became increasingly expensive for commuters (and also for the State to provide the subsidies required). Increasingly buses and trains operated at peak times only, and routes became less and less flexible. The growth of the kombi taxi industry in the late 1970s was in large part a response to this. Initially the State acted to protect the existing public transport systems, and prevented entrepreneurs from operating kombi taxis by refusing to issue road carrier permits to them.

In the late 1970s prospective minibus taxi operators found a loophole in the Road Transportation Act of 1977 which allowed them to apply for a road carrier permit and operate legally if they left one seat of a ten-seater empty. This was because any vehicle carrying ten passengers or more for reward was defined in legislation as a bus and was therefore subject to particular controls. But permits remained almost impossible to acquire, as the National Transport Commission (NTC) and the ten local road transport boards, responsible for issuing permits, were hostile. The NTC was under considerable pressure from the bus industry not to issue permits. However, the demand for minibus taxi transport was growing and drivers increasingly operated without permits (illegally). They were subjected to fines, and often to forfeiture of their vehicles, with enforcement coming largely from the South African Railways Police Force (now defunct). In addition, local authorities exercised control over the growth of the industry by restricting access to taxi ranks. Permission had to be granted by the traffic departments of local authorities for kombi taxis to park in designated areas for loading and off-loading purposes in the cities. Refusal to grant such permission could impede the kombi taxi industry, by making operations illegal and operators subject to prosecution. While many continued to operate without permission, such operations were subject to constant harassment, including the confiscation of vehicles.

As related by the taxi driver in Box 2.1, the tension between the law, administrative practice and reality continued. Government was becoming increasingly ambivalent about how to react to the growing kombi taxi industry.



## Box 2.1: Impact of government policies in the 1980s

### Taxi drivers and taxi owners in Pretoria

“I was a taxi driver in Pretoria. The main grievance that we had in the mid- to late 1980s was the continuous closure of the taxi ranks by traffic authorities, on behalf of the council. The council said that they had not approved the areas claimed by the taxi operators as ranks, while the operators and drivers argued that there was nowhere else to go.

I believe that the action of the council was racially motivated. It was a time of political conflict and unrest, and the council was getting nervous about the numbers of Black people brought into the city by the taxi industry.

They kept closing the taxi ranks. Eventually in 1988, those of us who were not long out of school decided to apply what we'd learnt as student activists. We organized a work stoppage and a blockade of the ranks. The stoppage had the blessing of the owners. Police were brought in and drivers, including myself, were arrested. We were released on warnings, and then the senior traffic officials called the drivers and the owners to negotiations.

No taxi service was operated while the negotiations proceeded. The committee of drivers and owners met with business representatives to explain the non-operation of services. The ranks were eventually re-opened and services were resumed with certain conditions agreed. This was five days after the start of the action. The conditions included an agreed limit on the number of taxis to be ranked at any one time.”

Source: Interview: J. Sindane, SATAWU, 2 October 2001.

In 1983, the Welgemoed Commission was established to study the industry. It recommended that minibus taxis be made illegal by closing the one loophole that existed and granting no more permits. While the Commission's report and resultant draft legislation was being publicly debated, the results of a separate government-sponsored National Transport Policy Study (NTPS) were published.<sup>10</sup> The NTPS recommended that 16-seater minibus taxis should be allowed to operate as taxis and that the local authorities set quotas and restrict new permits. Another government structure, the Competition Board, vehemently opposed the quota system, arguing instead for a totally unregulated industry. The idea of issuing a restricted number of permits was finally implemented in 1989, for three years. Despite the ambivalence of government policy (or perhaps because of it) the industry continued to grow at a rapid rate. In 1986, 16-seaters were legalized for taxi use. By the late 1980s the norm was for minibuses to carry 15 passengers. By 1989, around 50,000 minibus taxis were operating nationally and held the largest share of the commuter market. The period of policy confusion was a heyday for taxi owners who managed to enter the industry.<sup>11</sup>

## 2.2 Roots of the taxi wars

As noted above, government policy confusion during the formative years of the kombi taxi industry from 1977 to 1989 created a climate and legacy for the sector that proved very difficult to change. By 1990, the industry was already showing the signs of over-saturation in

<sup>10</sup> Republic of South Africa, 1986.

<sup>11</sup> In an interview (23 November 2001) the recently elected national leadership of SANTACO reported that “throughout the 70s and 80s there was pots of money to be made”.

some areas and sparked intense (and often violent) battles between associations of owners, fighting for commuter routes.

Given the limited number of permits and the difficulties in obtaining them, bribery and corruption became increasingly common between taxi owners and law enforcement officers. The worst offenders were (and remain today) traffic officers and other traffic department officials such as those accepting payment of fines. Prosecutors and other court officials have also been involved. Not surprisingly, associations emerged to represent the interests of owners, creating a powerful cocktail of conflict between taxi owners and the various tiers of government and law enforcement agencies. These owners' associations quickly became the defining feature of the industry. "Taxi wars" in various parts of the country have over the years resulted in the deaths of hundreds of owners, drivers and commuters.

No police statistics exist which record the number of deaths and assaults associated with these conflicts. Some estimates put the number of deaths nationally between 1994 and 2000 at between 1,500 and 3,000.<sup>12</sup> From the late 1980s onwards, certain areas became more severe taxi violence "hotspots" than others. The first serious conflicts were reported in the Northern Province in the vicinity of Pietersburg, followed by Soshanguve outside of Pretoria, and then the Eastern Cape (especially East London), Empangeni in KwaZulu-Natal, and Soweto. Drivers and passengers have always been the majority of murder victims, but many owners are also known to have been assassinated. Between 1996 and 2000, as many as 200 people were killed in taxi-related turf wars in Soshanguve.<sup>13</sup>

The violence in this area resulted in a provincial government Commission of Enquiry into the Causes and Extent of Taxi Violence in Gauteng.<sup>14</sup> The Commission's report<sup>15</sup> found that police in and around Soshanguve were not only providing weaponry and protection for hit squads but in some instances were directly involved in the shooting of drivers and passengers. Police were found to have a direct interest in the industry, privately owning around 10 per cent of the taxi fleet in the area. As a consequence of the Commission's findings and the ongoing violence, all minibus taxi operations in Soshanguve were closed by the authorities in early 2000.

In February 2000, as a result of separate incidents of violence in and around Soweto, seven men went on trial for murder or conspiring to murder ten people between April and May 1998. Evidence that was presented to court revealed that the accused – all members of the Wits African Taxi Association (WATA) – had knowingly plotted attacks on drivers working for owners belonging to a rival association, as well as on commuters using the services of the rival association. Their alleged intention was to destabilize the industry and to recapture a diminishing market in the chaos that would ensue.<sup>16</sup>

Despite the scale of violence and the widespread suspicion of organized attacks, the court case described above is one of the very few which brought to light the relationship between competition for routes and the "taxi wars". At the time of writing, intense and violent conflicts were raging in a number of "hotspots", including Soshanguve once again.

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<sup>12</sup> *Business Day*, 25 January 2000.

<sup>13</sup> *Mail and Guardian*, 4 February 2000.

<sup>14</sup> Its findings were reported to provincial Premier Shilowa in September 1999.

<sup>15</sup> Gauteng Provincial Government, 1999.

<sup>16</sup> *The Star*, 21 February 2000.

## 2.3 Employment

On the assumption of 1.5 employees for every operating vehicle, there are approximately 180,000 workers in the kombi taxi industry. Employment relations tend to be precarious and, for most workers, no formal contract of employment exists. There are no national minimum labour standards and no standard formula for wage payment.

Workers comprise drivers, queue marshals, vehicle washers and, in some areas, fare collectors. Responsibility for the employment of the different categories of worker is divided between the taxi owners, their associations and drivers.

### *Drivers*

Drivers constitute the majority of workers in the industry. The ratio of owner-drivers to wage-employed is not known, but there are considerably greater numbers of wage-employed than self-employed drivers. Wage-employed drivers are employed by individual owners and are paid in four different ways:

1. Some drivers receive no basic wage, but pay a fixed percentage of the week's takings to the owner, keeping the rest as income.
2. Under the 'wage/plus system', the driver receives a basic wage and pays a portion of the takings to the owner, keeping the rest as income.
3. A fairly uncommon system is where all the takings are handed to the owner and the driver receives a regular wage.
4. The driver may hand over all takings to the owner, *except* the takings of one designated day in the week.

Kombi taxi owners claim that up to 50 per cent of takings are stolen by drivers. They very often publicly justify the low wages paid to drivers by arguing that drivers pocket large sums of cash.<sup>17</sup> Drivers interviewed do not deny that some of the takings are pilfered, but they say that the scale is far smaller than the owners claim. They also argue that low wages force them to pilfer.<sup>18</sup> Such counter-claims and differences in interpretation are fuelled by the absence of reliable information on the real takings of the industry.

### *Queue marshals*

Queue marshals are employed by local associations and are paid a fixed wage. Administrative staff are likewise employed and paid by the local associations from dues collected from members of the association. Both categories of worker are recruited by SATAWU, but not by NATDO.

### *Vehicle washers*

Vehicle washers are employed on a casual basis by drivers – who are obliged by their vehicle owners to have the vehicle clean or face a penalty. SATAWU explicitly excluded vehicle washers from its submissions to the Department of Labour on minimum conditions of

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<sup>17</sup> Interview: SANTACO, 23 November 2001. According to the national leadership, "Drivers have always got money for endless meals – they are always eating! Where do they get money to support these things if not from the takings?"

<sup>18</sup> Focus group, 9 October 2001.

employment. Maurice Bokaba, national taxi organizer for SATAWU, says that this was a conscious decision as it could have led to a short-term conflict of interest for drivers. “With recapitalization and everything that goes with it, like expansion and formalization of infrastructure such as taxi ranks, we will review the approach. We can see a situation in the future where it will become important to argue that vehicle washers be formally employed by associations at the ranks”.<sup>19</sup> In the meantime, the vehicle washers are “invisible” to owners. “What we ask for is for the vehicles to be clean, we don’t say the drivers should go out and employ casual workers. The drivers should clean the vehicles themselves, but they couldn’t be bothered, or it is beneath them or something”.<sup>20</sup>

There is no available gender breakdown for workers in the industry, but it is estimated that not more than 2 per cent of the total workforce are women. The highest proportion is employed in administration, followed by women drivers and vehicle washers. Women queue marshals are rare.

## **2.4 Existing labour law and collective bargaining**

The central pieces of labour legislation in South Africa are the Basic Conditions of Employment Act of 1997 (BCEA) and the Labour Relations Act of 1995 (LRA). The BCEA sets out minimum employment conditions for almost all employees. These do not include minimum wages. But the BCEA makes provision for Sectoral Determinations<sup>21</sup> (which include minimum wages) to be made by the Minister of Labour on advice from the Employment Conditions Commission (ECC).<sup>22</sup> The LRA stipulates how workers can exercise their rights, including being represented by trade unions. The LRA makes provision for the establishment of sector-based national bargaining councils, where bodies representing employees and employers are sufficiently representative.

In theory, employees in the taxi industry are covered by the BCEA. In addition, those employees employed by the minority of owners who own more than ten vehicles are also in theory covered by the Wage Determination 452 for the Road Transportation Trade in Certain Areas of July 1988. Those workers theoretically covered by the Sectoral Determination should likewise be subject to the Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 (amended in 1997) as well as the Unemployment Insurance Act No. 30 of 1996.

All employees in the industry are also covered by the LRA. This means they have the right to join and be represented by trade unions, the right to access the dispute-resolving mechanisms set up by the LRA and the right to take up cases against their employer via the Commission for Conciliation, Mediation and Arbitration (CCMA).<sup>23</sup> In practice, however, their rights according to the BCEA, the LRA, the Sectoral Determination for the passenger transport sector, as well as the Compensation for Injuries and Diseases Act and the Unemployment Insurance Act, are rarely recognized by owners. Increasingly, industry

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<sup>19</sup> Interview: Maurice Bokaba, 16 November 2001.

<sup>20</sup> Interview: SANTACO, 23 November 2001.

<sup>21</sup> A statutory instrument established in terms of the BCEA that allows the Minister of Labour to set minimum wages and working conditions for all workers not covered by bargaining councils in a given sector.

<sup>22</sup> This statutory body makes recommendations to the Minister for Labour on minimum employment conditions in sectors where national collective bargaining agreements do not exist.

<sup>23</sup> The Commission for Conciliation, Mediation and Arbitration is an institution set up in terms of the LRA to facilitate the resolution of labour disputes.

workers are becoming aware of their rights and are taking cases, especially dismissal cases, to the CCMA through SATAWU or NADTO. But there is no centralized bargaining forum for the industry. This will remain the case as long as only a minority of these workers is organized by trade unions.

The reasons for the absence of recognition and implementation of basic worker rights in the sector are many and are explored fully in Part 4 of this report.

## **2.5 Economics of the industry**

A total of 38 per cent of the population are public transport users. Of these 65 per cent use taxis, 21 per cent use buses and 14 per cent use commuter trains. The average kombi taxi trip is 16 km compared to 28 km for buses and 20 km for trains.<sup>24</sup>

Based on the number of kombi taxis registered by South Africa's nine provincial transport departments, and an estimate of the number of unregistered taxis, approximately 127,000 kombis are currently operating. Since early 2000, taxi owners have been required to register their taxis with their provincial DOT. Provincial registration is in addition to the process of applying for a registered permit to operate. A permit is route-based and is linked to an operator (driver), whereas registration is of the vehicle by its owner. Owners or drivers of unregistered taxis are fined by the authorities. Mpho Mashinini of the Gauteng Department of Transport estimates that there are still 16,000 unregistered taxis operating in Gauteng Province.<sup>25</sup>

Registration has been accompanied by a vigorous 'Be Legal' campaign lead by the national DOT and aimed at matching permits with legally owned vehicles. Vehicles that are hijacked, combined with the massive illegal importation<sup>26</sup> of second-hand vehicles, mean that the number of illegally owned kombi vehicles is high. South Africa is the only country in the sub-region that bans the import of kombi vehicles but they are illegally brought in by road after being legally imported into a neighbouring country.<sup>27</sup>

### ***Economic contribution***

Despite its size and economic importance, the total value of the kombi taxi industry, either in terms of contribution to GDP or in terms of turnover is not known, in part because most owners are not registered tax payers and their turnover is not recorded anywhere. Based on estimates of passenger numbers, turnover has been estimated at ZAR 11 million a day and ZAR 12.6 billion a year.<sup>28,29</sup> The research could not ascertain any estimates of profit margins.

Most government statistics on transport exclude the kombi taxi industry, presumably because of the informal nature of the industry (as noted earlier, owners do not register for tax purposes and employees are not registered for contributions to any social services and/or

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<sup>24</sup> Republic of South Africa, 1998.

<sup>25</sup> Interview: Mpho Mashinini, 3 October 2001.

<sup>26</sup> An estimated 15,000 second-hand illegal imports have been brought into the country every year for the past six or seven years. These imports are illegal because they do not comply with safety regulations, having been bought and used in their country of manufacture as family vehicles.

<sup>27</sup> *Mail and Guardian*, 4 February 2000.

<sup>28</sup> *The Star*, 5 April 2001.

<sup>29</sup> US\$ 1 = ZAR 11.79 at current exchange rates.

benefits). While financial turnover is enormous, the State receives virtually nothing in taxes from owners and employees in the industry.

The exact racial breakdown of taxi ownership is also not known but is estimated at 90 per cent Black-owned, making the industry one of the biggest concentrations of Black-owned capital in the country.

### ***Over-subscribed market***

The kombi taxi industry in South Africa and its “fixed routes for fixed fares” system reflected a worldwide demand during the late 1970s and 1980s for public transport that was smaller and more flexible than buses or trains. For example, Kenya initiated the *matatu*; the Philippines and Istanbul the *jeepnee*; Hong Kong, Cairo and Kuala Lumpur the minibus; Khartoum the *bakassi* (a converted truck); and Puerto Rico the *publico*.<sup>30</sup> A benchmark comparison against Hong Kong, Indonesia and Turkey<sup>31</sup> has shown that the average South African kombi taxi carries fewer passengers per day than its counterparts in other countries and travels considerably greater distances – reflecting a market that is over-subscribed and a legacy of apartheid civil planning, with substantial distances between workers’ townships and their workplaces.<sup>32</sup>

### ***Public and private transport usage***

Another transport feature specific to South Africa is that private vehicle ownership per capita is more than double the level of countries with similar incomes such as Mexico, Morocco and Turkey. The inadequacies of public transport generally have created an aspiration for private car ownership at very low-income levels. Assuming that past trends continue, private car ownership is expected to increase by 64 per cent from 1996 to 2020.<sup>33</sup> High levels of car ownership impact on the efficiency levels and growth potential of all modes of public transport. In turn, low levels of ridership tend to further reduce the financial viability and efficiency of public transport.

### ***High accident record***

Low numbers of passengers and longer distances result in lower profit margins, and reduced ability to maintain and/or replace the vehicle asset. The term “coffins on wheels” is often applied to kombis, the majority of which have far outlived their safe lifespan. In 2000 the average age of the vehicles was ten years, just a year short of the normal lifespan of a kombi taxi. About 90 per cent of kombi taxis were nearing the end of their lifespan in 2000.<sup>34</sup>

Road accidents cost the South African economy ZAR 12 billion per annum, with over 10,000 road fatalities every year. This fatality rate is better than Korea or Turkey, but is ten times higher than that of the United Kingdom. A total of 15 per cent of all South African road deaths involve kombi taxis.<sup>35</sup>

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<sup>30</sup> ITF, 1995-2000.

<sup>31</sup> While the South African kombi taxi carries a daily average of 89 passengers and drives 211 km, its counterpart in other countries carries a daily average of 330 passengers and drives 150 – 250 km.

<sup>32</sup> Republic of South Africa, 1998.

<sup>33</sup> Ibid.

<sup>34</sup> Karen Pierce, government official quoted in *The Star*, 28 January 2001.

<sup>35</sup> Republic of South Africa, 1998.

Accidents involving kombi taxis doubled between 1984 and 1994. In 1994, there were 60,000 reported accidents involving kombi taxis. In the same period the number of fatalities in the industry tripled to 1,000 in 1994, and the number of major injuries also tripled to 6,000. A third of all kombi taxi accidents are attributable to burst tyres, and 17 per cent of all kombi taxis involved in accidents are overloaded.<sup>36</sup>

Law enforcers have been fighting a losing battle against non-roadworthy vehicles. In a blitz on kombi taxis by the Gauteng traffic police in March 2001, 85 per cent were found to be non-roadworthy.

It is not known how many fatalities and injuries involve drivers, and how many involve passengers. Owners rarely report accidents involving their employees to the Department of Labour, despite the fact that occupational safety legislation requires this.

Speed and rapid passenger turnover are reflected in the terms drivers use to describe their vehicles. For example, the dominant vehicle model in the industry is popularly nicknamed for a famous South African runner. A Johannesburg driver calls her kombi alternately "*Lahla Mlenzi*" (throw a leg) or "*Bambalala siyajika*" (hold tight, we're turning).<sup>37</sup>

Safety concerns for both workers and passengers in the industry have been an important incentive to the formalization process described below. SATAWU hopes that formalization will not only bring safer vehicles onto the road but will also give workers and passengers greater access to redress in the event of accidents.

The demand for kombi taxi transport continues to exist but the hazards for commuters include accidents related to inadequate maintenance of vehicles and also to violent internal conflicts within the industry. Part 3 examines the moves to recapitalize, formalize and reduce the size of the industry in an effort to make it more viable and improve working conditions and safety.

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<sup>36</sup> Republic of South Africa, 1998.

<sup>37</sup> Focus group, 8 October 2001.

### **3. Creating an enabling environment for making the industry viable and improving working conditions**

The economics and history of the industry described in the previous chapter have been a major motivating factor in recent moves to recapitalize, formalize, and reduce the size of the minibus industry and are discussed in detail below.

#### **3.1 Consultation to transform the industry**

In November 1994, soon after South Africa's first democratic election, the then Minister for Transport established a National Taxi Task Team (NTTT or "N Triple T" as it became known). Its mandate was to investigate all problems and issues in the industry and formulate solutions to ensure industry sustainability and competitiveness. Initially, the NTTT was comprised of nine provincial representatives of owners in the taxi industry, nine government representatives, and nine specialist advisors. Some time later, organized labour was asked to participate and invitations were sent to the three trade union federations – the Congress of South Africa Trade Unions (COSATU), the National Council of Trade Unions (NACTU) and the Federation of Unions of South Africa (FEDUSA). COSATU referred the invitation to its affiliate – the Transport and General Workers' Union (T&GWU) now SATAWU, which in turn took up the three seats it was offered. No other trade union joined the NTTT.

The NTTT conducted 36 public hearings throughout the country between August 1995 and January 1996. Two national plenary meetings were held during this period. A final 300-page report, including recommendations, was submitted to the Transport Minister in August 1996. The main issues raised by stakeholders in the industry, as well as by members of the public in the hearings, related to:

- permits and the role of the Local Road Transport Boards who were perceived as un-cooperative and obstructive;
- subsidies for public transport, with the taxi industry complaining bitterly about the levels of subsidy allocated to the bus and train sectors;
- financial problems (including the high costs of replacement of vehicles and the difficulties faced by commuters in meeting any increases in fares);
- law enforcement;
- ongoing violent conflict;
- safety;
- training;
- the fragmentation of owners' associations;
- poor conditions of employment; and
- problems with transport infrastructure, such as roads and taxi ranks.

The NTTT concluded that the self-regulation the industry had largely relied on had failed, citing a surplus of permits (many of them false or duplicated); a highly fragmented industry structure with no single national association to represent its needs and an acute shortage of skills (ranging from business and negotiation skills through to customer relations and even driving). Vehicle maintenance was haphazard and there was a lack of knowledge about aspects of safe practice (e.g. most vehicles were operating at tyre pressures that were too low).



In the NTTTT view, employment practices were highly exploitative, with most workers being employed on a casual, temporary or ad hoc basis. Written contracts of employment were virtually unheard of. Applicable labour legislation, including the Basic Conditions of Employment Act, the Unemployment Insurance Fund Act, the Compensation for Occupational Injuries and Diseases Act, and the Labour Relations Act were completely ignored by the industry. The NTTTT pronounced labour practices in the industry as unconstitutional, given that the national constitution spells out the right of workers to fair labour practices as well as the right to organize and bargain collectively.

The NTTTT recommendations to the Minister focused on three key areas:

1. Regulation and control, including regulation of access to the industry through the permit system, of minimum labour standards, of safety, and of revenue taxation.
2. Institutional structures of the industry, with a special emphasis on the need for a unified government-recognized national association of owners/employers, and for training and capacity building in the industry.
3. Economic assistance to the industry.

Since 1995, these key recommendations have been pursued by the national DOT in conjunction with the DOL and the Department of Trade and Industry (DTI), as described below.

### **3.2 Taxi recapitalization**

The most significant step relates to the third recommendation of the NTTTT and aims to introduce new, safer and larger vehicles into the system. The new vehicles (18- and 35-seaters) will be purpose-built with appropriate chassis designs. They will be fitted with electronic fare collection systems that will record takings for the benefit of the owner as well as the Receiver of Revenue. An incentive is to be offered to owners to purchase the new vehicles. A “scrapping allowance” will be given to any owner who wants to replace his/her old vehicle with a new one. The exact amount of the scrapping allowance is still under discussion, with SANTACO arguing that it should be considerably higher than the ZAR 30,000 that has been publicly floated as a figure.

An owner handing in an old vehicle in order to access the scrapping allowance will not be obliged to purchase a new one. The scrapping allowance is therefore not only an incentive to purchase a new, safer vehicle which is linked to a range of controls, but is also an incentive to reduce the total number of vehicles in the industry. An owner will only be eligible for the scrapping allowance and purchase of a new vehicle if he/she has a permit to operate, is recorded as a registered owner with the appropriate provincial DOT and is a member of a recognized taxi association.

The scrapping allowance will be administered by the Department of Trade and Industry. It is expected that the funding will come from the budget of the DTI, but no clear budget allocation has been set aside for the allowance.

The new vehicles will be manufactured and assembled by a company (or two companies) appointed by government to do so.

A separate tender process is underway for the design, production and fitting of the compulsory electronic management system (EMS). The EMS devices will be designed to work with a passenger debit card system, making cash fares obsolete. Passengers will purchase a debit card at an outlet prior to boarding, and will “swipe” the card on entering the taxi. The EMS device will also record information such as fuel consumption and stops and starts. It will also be linked to a weight gauge and will cut the engine in the event of vehicle overloading.<sup>38</sup>

At time of writing, the new vehicles were not yet in production, as government had not completed the selection process, following a call for tenders. However, it was expected that the winning bidder will be announced in 2002 and that production of the new vehicles will start shortly thereafter. Initially it was expected that the vehicle manufacturer would also produce and fit the EMS. One reason for the long delay in starting production is the second tender process needed for the EMS.

The expected net effects of the taxi recapitalization are:

- payment of income tax by owners;
- small reduction in number of operators and/or vehicles;
- safer vehicles on the road;
- the registration of employees; and
- improved data collection on industry statistics.

No accurate projection of possible job losses as a result of a reduced number of operators is available. A field study conducted by the National Productivity Institute (NPI) under the auspices of the national DOT, was abandoned in early 2000 as a result of alleged threats against the research team from taxi owners. In February 2001 the national DOT informed SATAWU that it would revive the study as the industry had stabilized sufficiently. At time of writing, the study had not progressed.

The timeframe for full implementation of taxi recapitalization is four years from the beginning of 2002. In accordance with the timeframe set by the National Land Transport Transition Act (NLTTA) No. 22 of 2000, the 16-seater vehicles will be phased out by 2006. Mpho Mashinini of the Gauteng Provincial Department of Transport considers that this phase-in period provides ample time to deal with possible negative reactions. Dissemination of information to owners and workers in the industry has been good and this will pave the way for implementation. Asked if the taxi recapitalization process and the introduction of far more expensive vehicles will put taxi ownership out of the reach of many, Mashinini argues:

“Access will be more difficult, but that will be a good thing as the industry is flooded. We are not however looking at situation down the line where only a small number of people are owners.”<sup>39</sup>

Taxi recapitalization has been actively supported by SATAWU, but not by NATDO. NATDO has opposed it because of possible job losses if large numbers of owners opt to shift from 16-to 35-seater vehicles. There has also been some speculation in the press that NATDO

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<sup>38</sup> This information draws on the outcome of various meetings between SATAWU and the Department of Trade and Industry and the Department of Transport over 2000-2001.

<sup>39</sup> Interview: Mpho Mashinini, 3 October 2001.

was being paid to oppose the recapitalization process by a motor manufacturer. The latter has over 80 per cent of the market but was not selected in the bidding process. Both the manufacturer and NATDO have vehemently denied these suggestions.<sup>40</sup>

SATAWU has supported the process on the assumption that most owners will opt for the 18-seater vehicles and also that jobs will be created in a number of directly associated activities, such as the supply of fuel and parts, and vehicle maintenance. SATAWU also expects that formalization of the industry as a whole will impact positively on the potential for collective bargaining and also improve enforcement of labour legislation. SATAWU is nevertheless seriously concerned about what the future holds. In the words of Maurice Bokaba, national taxi organizer:

“We have taken a gamble in supporting the taxi recapitalization process. The odds of a positive outcome are high, but we are not able to give any guarantees.”<sup>41</sup>

At time of writing, SATAWU was continuing to put pressure on the national DOT and DOL to revive the NPI study. SATAWU is arguing for a social plan to be developed on the basis of the outcome. A social plan could cater for the possible loss of driver jobs, and enable the recently established Taxi Chamber of the Transport Training Authority to start planning and providing training accordingly.

SANTACO, the national employer/owners’ body supports taxi recapitalization. Its leadership is convinced that the majority of taxi owners will opt for the 18-seater vehicles. They anticipate that some long-distance operators as well as contract businesses (those contracted by employers to transport their workers on a daily basis) will opt for the 35-seater vehicles. SANTACO is particularly attracted to the new EMS-fitted vehicles:

“EMS is a control mechanism that will reveal our real turnover for the first time. And drivers will miss the benefits attached to little or no monitoring of the fares income! This is the root of the NATDO objection - not job losses.”<sup>42</sup>

Despite its overall support, SANTACO is nevertheless concerned about the scrapping allowance because its exact amount is yet to be determined. The bigger the scrapping allowance, the smaller the balance of the purchase price to be paid off by the operator. It is also concerned about those operators who work locally within townships: many of these will not be in a position to benefit from the recapitalization programme, as their profit margins are too small to put them in a position to afford the vehicle installments. This concern for certain categories of operator has not however detracted from its overall support of taxi recapitalization.

SANTACO anticipates that revenue for most operators will be supplemented by advertising revenue (advertisements painted on vehicles) and by revenue from side-businesses such as telephone services. Though it has not made any official representations to the government yet, SANTACO is also in favour of an ongoing subsidy for the industry. “There is not a level playing field at the moment. Buses and trains are subsidized, we are not.”<sup>43</sup>

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<sup>40</sup> *Mail and Guardian*, 4 February 2000.

<sup>41</sup> Interview: Maurice Bokaba, 16 November 2001.

<sup>42</sup> Interview: SANTACO, 23 November 2001.

<sup>43</sup> Interview: SANTACO, 23 November 2001.

### 3.3 Formalizing employment and introducing statutory minimum conditions

Parallel processes have also been pursued since 1998 to work towards the formalization of employment in the industry. SATAWU has consistently made representation to the Department of Labour around the question of minimum employment standards. Because of its slow progress in securing collective bargaining rights at the level of individual associations, SATAWU views the introduction of minimum standards as a stepping-stone to consolidating membership and moving towards the establishment of local, provincial and/or national bargaining fora.

The BCEA of 1997 prescribes that conditions in an industry may be investigated and then determined. The Minister of Labour has the right to request the Employment Conditions Commission (ECC) to investigate employment conditions in a given industry and to make recommendations. In most instances the DOL conducts the investigation and passes the information on to the ECC to make recommendations. The ECC does, however, have the right to conduct further investigations.

In September 1999, the Minister of Labour published a government notice inviting public comment on employment conditions in the taxi industry. There were three specified terms of reference for the investigation:

- conditions of employment, including a minimum wage;
- the definition of small, medium and large enterprises in the industry; and
- the regulation of pension, provident fund and other benefits.

The DOL, after publishing its notice of intent, decided to embark on an informal “information-sharing” process for a full year before setting up formal public hearings. Box 3.1 presents the views of a DOL official on this process. For the duration of the year 2000 officials of the DOL met with employers and employees at a national, provincial and local level to discuss the concept of introducing minimum employment conditions.

#### **Box 3.1: The informal information-sharing process – “An eye opener”**

“We realized that the industry is not so impenetrable and violent as many like to suggest.

Furthermore, many of the employers whom we met were very surprised to discover that they are covered both by the Basic Conditions of Employment Act and by the Labour Relations Act.

We explained that the introduction of minimum standards was simply an extension of rights and obligations that employees and employers already had in law. They were shocked rather than angry. We had to deal with their fears and their suspicions, but we managed.

We advised them that they would need training to deal with the changing situation. Some said they would give up employing drivers and drive their own kombis, but that is a highly unlikely scenario.”

Source: Interview with David Chabalala, National Department of Labour, Pretoria, 10 October 2001.

Early in 2001, the DOL circulated a discussion document based on the outcome of the informal sessions conducted throughout 2000. The DOL subsequently set up a series of

formal hearings on employment conditions in the industry in every province. Dates of hearings were widely publicized. Separate hearings were conducted for employers and employees. At each hearing a national DOL official explained the purpose of the process, usually with a provincial official present. It was then left to those attending the hearing to make their submissions.

At the employer hearings, DOL officials were at times confronted with “emotions and resistance” from employers. However, detailed submissions supporting minimum conditions were submitted by employers in every province except KwaZulu-Natal. Hearings in that province had to be cancelled twice as a result of internal conflict amongst employers in the industry.

At the employee hearings, up to 50 taxi workers (usually SATAWU members) were present. A speech by a union official outlining the union’s position would be followed by taxi workers voicing a wide range of grievances from underpayment to harassment by traffic officials. The only labour organization to make submissions to the DOL was SATAWU.

The DOL efforts were in conjunction with the Department of Transport at national and provincial levels. The latter largely shared the view that “workers in the industry are highly exploited and at the mercy of individuals ... the tradition of exploitation has to be broken.”<sup>44</sup> Provincial DOTs were tasked with establishing provincial “labour relations fora” with representation from the provincial taxi councils as well as trade unions. SATAWU and NATDO were invited to participate, although only the former accepted the invitation. The labour relations fora have been instrumental in running workshops for employers on the issue of minimum standards. According to SANTACO officials “the introduction of minimum standards will need to proceed slowly, but our members are now prepared.... We want workers to be organized and we want them to have better conditions, because better conditions for the workers means better returns for us as owners in the long run.”<sup>45</sup> SANTACO in its founding resolutions has formally committed itself to ensuring that all relevant labour legislation is adhered to.

Once the consultation process was concluded, the DOL compiled a report based on the submissions made by all stakeholders in the public hearings and submitted it to the Employment Conditions Commission. At time of writing, the ECC had not yet submitted its recommendations to the Minister, who will then publish a Sectoral Determination for the industry. Such a Sectoral Determination will make provision for minimum legal requirements such as wages, hours of work, overtime payments, deductions, annual leave, sick leave, and lunch breaks. It is envisaged that the determination will be published in late 2002. The minimum conditions set out in this Sectoral Determination will be legally enforceable. It is unlikely that there will be an exclusion of “small employers” as is the case with a number of other Sectoral Determinations, as the taxi industry is made up almost exclusively of small employers.<sup>46</sup>

Presumably the Sectoral Determination will cover all employed drivers, queue marshals and administrative staff. Vehicle washers, who are currently employed on a casual basis by drivers, are likely to be excluded. SANTACO perceives them as being paid from income that should accrue to owners but is being diverted by drivers “too lazy or proud to

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<sup>44</sup> Interview: Mpho Mashinini, 3 October 2001.

<sup>45</sup> Interview: SANTACO, 23 November 2001.

<sup>46</sup> Interview: David Chabalala, 10 October 2001.

wash their own vehicles”.<sup>47</sup> SATAWU has not argued for their inclusion because of the casual and occasional status (and extremely high turnover) of vehicle washers. In SATAWU’s view, as formalization of the industry unfolds and jobs become more clearly defined, there will be scope for resolving their employment status (and conditions). This could be a long road.

The implementation of the Sectoral Determination might face several constraints, especially if its introduction occurs before the taxi recapitalization process has taken place. First, because employers may well argue that they cannot implement the minimum standards until they have received the scrapping allowance and until cashless EMS fares are introduced in the new vehicles. The ECC and DOL will need to be sensitive to these problems in timing implementation.<sup>48</sup> Second, the enforcement of the Sectoral Determination will put additional pressure on the already over-stretched and under-resourced labour inspectorate. This is a point of issue for SATAWU. However, SATAWU is also of the view that labour law enforcement will become substantially easier as soon as the industry becomes more formalized. Registration of employees combined with a formal wage contract will, for example, make collection of trade union subscriptions via stop-orders<sup>49</sup> or direct debit feasible. In turn, this will help to stabilize union membership and facilitate the taking up of complaints against the industry – both directly with the local kombi taxi associations and the national body, SANTACO, as well as through the Department of Labour. SATAWU accepts that the introduction of minimum conditions will lead to a flood of complaints against employers, which the union will have to take up: “While it will undoubtedly stretch our own limited resources, this is all part and parcel of building a strong union for taxi workers. We will have to rise to the challenge”.<sup>50</sup>

### **3.4 Training**

SANTACO national leadership complains that skills training is virtually non-existent in the industry. They point out that from the 1960s to the late 1980s the acquisition of a permit to carry fare-paying passengers was tied to a stringent driver’s test that included a test of route knowledge. However, “nowadays a driver just goes for a medical and has to do a fingerprint, and then he stands in the sun until the permit is issued over the counter. All that is going to change with taxi recapitalization.”<sup>51</sup>

The new 18- and 35-seaters will require drivers to hold a Code 10 licence whereas the size of the current vehicles in the industry requires a Code 8 licence (the same as for a sedan driver using a private vehicle for personal use). The recently established Transport Education and Training Authority (TETA) has set up a Taxi Chamber to set standards for training in the industry. The Chamber counts on a fully representative Management Committee, comprising SATAWU (representing the employees), Provincial Taxi Councils – PROTACO (representing the employers), provincial DOTs, the national DOT and the DOL.<sup>52</sup> The Chamber has started to assess precise training needs for the industry. Literacy skills, language/communication, conflict resolution (including labour legislation and regulation), and driver skills (basic and advanced), have been identified as priority training issues. Retraining in the light of taxi recapitalization will also be a priority. As the TETA currently receives no levies from taxi

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<sup>47</sup> Interview: SANTACO, 23 November 2001.

<sup>48</sup> Interview: David Chabalala, 10 October 2001.

<sup>49</sup> Method of collecting union subscriptions by deduction from wages at source.

<sup>50</sup> Interview: Maurice Bokaba, 16 November 2001.

<sup>51</sup> Interview: SANTACO, 23 November 2001.

<sup>52</sup> For more information, see TETA Website at <http://www.teta26.co.za>

owners (as is the case with employers in other transport sectors), the Taxi Chamber has recently facilitated more than ZAR 4 million in funding from the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments for education and training projects in these provinces.

As the SANTACO leadership stated, “Some drivers have been in the industry for very many years and they deserve a change in job, say to administration. We also have many graduates who are totally mismatched in the driving job and need to be provided with alternative training and employment opportunities.”<sup>53</sup> The graduates-as-drivers situation reflects the high unemployment rate in South Africa and the inability of the economy to absorb large numbers of young people.

Part 4 focuses specifically on the national organization of taxi employers – the South African National Taxi Council (SANTACO), set up in terms of one of the recommendations formulated by the National Taxi Task Team.

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<sup>53</sup> Interview: SANTACO, 23 November 2001.

## 4. Organizing kombi taxi owners

Local associations of kombi taxi owners grew up largely as a means of collectively accessing operating routes through the acquisition of permits, legally or illegally. Associations play a critical role in the present system of permit allocation that relies primarily on concocting a believable argument for allocating the permit – rather than on any integrated forward planning of meeting transport needs. (“You just have to motivate well and have a good consultant and you can be sure of getting a permit.”)<sup>54</sup>

Each local association has an administrative infrastructure, usually including an office, even if it is located in a container next to a taxi rank, or in an owner’s home. A would-be operator applies to become a member of the association and pays an initial membership fee, plus a separate amount to cover the cost of getting a permit to operate. Thereafter the operator pays a weekly fee to the association to cover the costs of running the office and paying the queue marshals. A portion of the monthly fee covers a monthly stipend paid to executive members of the association, who perform their duties in addition to running their taxi business. A cut of both the initial joining fee and the monthly fee is paid as an affiliation fee to higher structures (city, regional and/or national associations). The sums involved are large. A Gauteng driver explained that to become an owner and member of her employer association, it would cost her ZAR 15,000<sup>55</sup> for the initial joining fee, ZAR 4,000 for the permit to operate and ZAR 50 a week thereafter – a capital of over ZAR 19,000 even before she had paid for a vehicle.<sup>56</sup> The financial barriers to entry in the industry are therefore high.

The first national organization of owners was established in 1979 as the South African Black Taxi Association (SABTA), comprising hundreds of affiliated local taxi associations. A separate association for long-distance taxi operators was established in the early 1980s, the South African Long Distance Taxi Association (SALDTA), and other, rival national organizations also emerged later.<sup>57</sup> A detailed history of these organizations falls outside of the scope of this study, but it is important to note that, prior to the establishment of SANTACO, all these organizations focused primarily on securing and retaining routes. They did not see themselves either as business organizations or as employer organizations, which is how SANTACO now defines itself.

### 4.1 The South African National Taxi Council (SANTACO)

#### *Background*

As explained earlier in Part 3, a national organization of taxi owners was one of the key NTTT recommendations – and in September 2001 the South African National Taxi Council (SANTACO) was founded, following the establishment of provincial taxi councils and a National Conference Preparatory Committee (NCPC). The NCPC was comprised of representatives of the two existing national taxi bodies (the South African Taxi Council and the National Taxi Alliance), as well as government representatives. A 10-member executive was elected at the founding conference and a national office has since been established in

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<sup>54</sup> Interview: SATABCO, 23 November 2001.

<sup>55</sup> The average monthly Minimum Living Level (MLL) for a household of 4.5 persons in South Africa is about ZAR 1,535.73 for March 2001. The MLL is an index issued by the Bureau for Market Research (University of South Africa). It denotes the minimum financial requirements necessary for a family to maintain their health, have acceptable standards of hygiene and sufficient clothing for their needs.

<sup>56</sup> Focus group, 9 October 2001.

<sup>57</sup> McCaul, 1990, pp. 73-88.



Pretoria. After the conference, a group claiming to represent the National Taxi Alliance (NTA) disowned SANTACO in the press, although SANTACO dismisses this as “a question of sour grapes” by some individuals not elected to the new body. According to SANTACO leadership, the local associations previously under NTA are still on board in the new body, via the provincial taxi councils that are affiliated to SANTACO.<sup>58</sup>

### ***Objectives and scope***

SANTACO is distinct from any previous national taxi-owner body, in that it is explicitly a business association – and not an organization focusing primarily on access to routes. SANTACO anticipates playing a role in negotiating on service, maintenance, and supply deals on behalf of its members. SANTACO will facilitate the establishment of legally constituted co-operatives (i.e. registered in terms of Section 21 of the Companies Act) linked directly to its affiliated associations. To date, two such co-operatives have been established (in North West Province and in Limpopo). SANTACO also sees itself as playing a critical mediating role in the event of conflicts over routes between local taxi associations. The newly elected national leadership of SANTACO iterates that its focus on developing the sector as a viable industry distinguishes it from all its predecessors, whose emphasis tended to be on the short-term protection of routes.

### ***Legal status and its implications***

The constitution refers to SANTACO as an employer organization and states that it should register as such with the Department of Labour. The implication of this is that SANTACO will in future take on the role of collective bargaining partner with labour.<sup>59</sup> Similarly, the standard constitution that SANTACO has drafted as a guideline (for all local taxi associations) defines the local bodies as employer associations. This will become crucial in future, when a collective bargaining relationship eventually emerges between organized owners and organized labour. The absence of a constituted employer organization is often a barrier to the establishment of a bargaining council. Employers acknowledge the need for a more structured relationship with organized labour:

“We take labour issues very seriously. We are aware that workers in the industry are being organized. We want workers to be organized and we want to see conditions improve through collective bargaining. Better conditions and better returns for owners go hand in hand.”<sup>60</sup>

### ***Employers’ perceptions***

How do taxi owners perceive their current situation as organized employers vis-à-vis labour? Interestingly, a SATAWU organizer commented, “They now enjoy the status of being a boss. That doesn’t mean that they are friendly to the idea of a union. A lot of them respond by employing family members, because they think that that will keep the union out. But they won’t succeed. I started in the industry working for my father, but that didn’t disguise the overall exploitation.”<sup>61</sup>

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<sup>58</sup> Interview: SANTACO, 23 November 2001.

<sup>59</sup> In this connection, it should be noted SATAWU insisted that the constitution of SANTACO should define the body as an *employers’* association as well as a business association.

<sup>60</sup> Interview: SANTACO, 23 November 2001.

<sup>61</sup> Interview: Joel Sindane, Organizer, SATAWU, 2 October 2001.

## ***Structure***

SANTACO has national and provincial structures, with elected leadership at both levels. Local associations affiliate provincially and retain a degree of autonomy. They set their own membership fees and membership elects its own leadership.

Given that SANTACO is in its first year, it is difficult to assess the real strength of its internal structures. Constitutionally it is a democratic organization, with bottom-up representation. Ten national office bearers were elected at the national conference: a president, two deputy presidents, a secretary general and assistant, a treasurer, a public relations officer (also responsible for liaison with organized labour), a secretary for provincial affairs and a training officer. The National Executive Committee, comprising representatives from the provinces, sat for the first time in mid December 2001.

## ***Resources***

The constitution of SANTACO makes provision for the provincial taxi councils to pay an affiliation fee to the national body. At the time of this research the affiliation fee was not being collected.

## ***Activities***

Since its inception, the national elected leadership of SANTACO has prioritized stabilizing its regional structures as well as interacting with government on the implementation of taxi recapitalization. In particular, leadership has been interacting with government on the issue of the proposed EMS to be fitted to all vehicles. SANTACO considers it should participate in the selection of the EMS tendering company but the government does not; this long-standing, low-key dispute has contributed to the delay in the implementation of taxi recapitalization.

There is agreement within SANTACO, enshrined in its founding resolutions that the body should operate as an industry cartel or giant co-operative. SANTACO will negotiate wholesale deals for supplies including fuel, tyres and oil. It will also seek to buy stakes in up and downstream industries. Reduced input costs and additional profits from non-operational sources will boost the financial viability of the industry and allow owners to recapitalize in the future. The SANTACO leadership is optimistic about the anticipated “outward growth”, although they point out that access to capital for expansion may remain a problem. “That is why the co-operatives we are establishing for supplies and retail are so important. Co-operatives have already been registered in all nine provinces and are ready to play an expanded role.”<sup>62</sup>

## ***Workers’ perceptions***

Employees in the industry do not formally belong to the taxi-owner associations. However, many state that they belong to an association as a means of identifying the routes they operate and claiming a collective identity. This is particularly the case amongst non-unionized employees. According to SATAWU, a first step to be made when recruiting new members in the taxi industry is to get recruits to see themselves as employees in a contractual

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<sup>62</sup> Interview: SANTACO, 23 November 2001.

relationship with their employers, and therefore entitled to certain rights as workers. Many taxi workers are unaware that they have any rights.<sup>63</sup>

Employees also sometimes identify with their employer's taxi-owner association as a means of aspiring to claim a stake as future taxi owners. The reality of the financial barriers to entry makes it rare for a driver to become an owner. According to one source, some taxi owner associations collect dues from employee drivers.<sup>64</sup>

In Part 5, the present terms and conditions of work for employee drivers are discussed. How the South African Transport and Allied Workers' Union is planning to strengthen the voice and representational rights of these workers is described in detail, including its achievements to date and the focus of its organizing drives now and in the future.

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<sup>63</sup> Interview: Joel Sindane, SAWATU, 2 October 2001.

<sup>64</sup> Interview: Mpho Mashinini, Gauteng Department of Transport, 3 October 2001.

## **5. Strengthening workers' voice and representation**

### **5.1 Terms and conditions of employment in the kombi taxi industry**

The need to strengthen the voice and representational rights of workers in the industry is clear. Drivers work abnormally long hours, are often under stress, and work for low wages, with no sickness or social benefits. Harassment from traffic authorities and pressure from passengers are cited as stress-inducing problems, along with the absence of facilities such as parking and loading spaces.<sup>65</sup>

#### ***Low labour turnover***

A focus group participant commented that labour turnover in the industry is not particularly high, as workers tend to get “stuck” without alternative opportunities of earning an income. Industry employers have a different interpretation of the relatively low turnover, especially of drivers. “They leave the job in search of greener pastures but then they find there is nowhere else where they can earn so freely, so they come back to the industry.”<sup>66</sup>

Whatever the reasons for remaining in the industry, and irrespective of how long they remain, many workers continue to see the job as temporary, a “stepping stone” to something else. SATAWU anticipates that the transient employment relationship will change with formalization of the industry.

#### ***Work-related stress***

The combination of conditions in the industry puts taxi drivers under extreme pressure. Maximizing passenger turnover and driving at high speed are the order of the day. In Box 5.1, experienced taxi drivers describe the daily stresses they face at work.

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<sup>65</sup> Focus group, 8 October 2001.

<sup>66</sup> Interview: SANTACO, 23 November 2001.

### Box 5.1: Life at work in the kombi taxi industry, South Africa, 2002

Bonice Diphoko is a former taxi driver who now organizes Johannesburg taxi workers for SATAWU. He became a taxi driver in the Vaal area, west of Johannesburg after losing his job in the police force in the mid-80s. His first taxi employer accused him of being “too relaxed” and fired him. He was taken on by another employer and by 1989 was earning ZAR 189 a week, working seven days a week between the hours of 2am and 9pm. In 1992 he left the job for what he thought would be greener pastures in the Soweto taxi business. But the situation was worse there. Wages were lower and no rest period was allowed: “We were touting all day, but there were times outside of peak times when passengers just weren’t there – like when it was raining or cold”.

Diphoko maintains that the job of a taxi driver is more stressful than police work: “You have to be thinking of the owner, the passengers, and the traffic police all at the same time. The target system of payment makes you a slave. You are trapped because if you don’t take the vehicle for repairs you are vulnerable for fines or bribes. And if you do take the vehicle for repairs then it’s off the road and you’re not paid. Drivers are seen as rude people, but they’re not naturally rude. It’s due to the pressures. Passengers are yelling at you because they’re late for work and you’ve got the cops and employers on your neck”.<sup>67</sup>

Joel Sindane, Pretoria, SATAWU organizer, and former taxi driver, describes how stress accumulates: “It takes time, and you just take in the stress. But then it attacks and you start having real problems with the passengers. You can’t be polite any more. Many crack up and do crazy things like reversing from road blocks and driving at high speed”.<sup>68</sup>

Margaret Zungu, a woman who has been a driver for the past fifteen years, described the health consequences of work-related stress: “We live with pills for high blood pressure and kidney problems.... When it comes to sleep you become a donkey.... The owners don’t worry about the stress. And the doctors simply advise you to drink lots of water, but that doesn’t help. We never get any advice on things like exercise or diet”.<sup>69</sup>

The SATAWU approach is to address these stresses by challenging the working conditions that drive them. While a direct strategy to deal with the physical and mental health of workers in the industry has not yet been devised by SATAWU, the union has had a preliminary interaction with a Pretoria-based company offering training in stress management. The union sees the potential benefit of such training although it is firmly convinced that “the stress won’t go away until the conditions are changed”.<sup>70</sup>

An obstacle to addressing work-related stress in kombi drivers is that the national leadership of SANTACO argues that stress has become an “easy excuse for drivers who are really chasing their own targets – that is, to fill their own pockets”. They deny that owners expect drivers to meet targets. “That is an invention to meet the drivers’ own needs. There is plenty of down-time during the day, when little or no driving takes place ... there is no excuse to drive like maniacs and be rude to passengers. The problem is made worse by the modern macho culture of young men.”<sup>71</sup>

<sup>67</sup> Interview: Bonice Diphoko, 4 October 2001.

<sup>68</sup> Interview: Joel Sindane, 2 October 2001.

<sup>69</sup> Focus group discussion, 9 October 2001.

<sup>70</sup> Interview: Joel Sindane, 2 October 2001.

<sup>71</sup> Interview: SANTACO, 23 November 2001.

## ***Wages***

SATAWU organizers and workers estimated a driver's income in Pretoria or Johannesburg to be around ZAR 300 per week, but this can vary widely, even within the province of Gauteng. For example, some earn as little as ZAR 160, others up to ZAR 500 per week.<sup>72</sup> "It depends largely on how much the guy at the top is creaming off. The greedier the owner (or association head), the more likely it is that the driver will steal."<sup>73</sup>

If workers' vehicles break down, their weekly pay is reduced. This is not a rare event: "My vehicle is a total scrap. I don't even know how old it is. It leaks oil all the time." The daily collection of cash fares amounts to around ZAR 600, of which at least ZAR 300 goes to the owner and the remainder on fuel costs for the eleven or so trips between Johannesburg and Soweto a day. Most workers report that their employers are "very wealthy".<sup>74</sup>

Focus group participants said that most drivers under their association, including themselves, are in debt to loan sharks. Very few drivers ever manage to save the capital required to become an owner: "The only way to become an owner is to win the lotto or the horses." Driver Margaret Zungu says that her son, who is in his final year at university where he is studying engineering, is determined to raise a loan to buy her a taxi as soon as he is earning.

Queue marshals working for an association in Gauteng reported earning ZAR 250 per week. They collect their pay every Wednesday from the association's office, and are issued with a pay slip. No deductions for unemployment insurance are recorded and there are no benefits. Queue marshals receive three weeks' paid leave a year, in contrast to most drivers, who receive no pay during any time they take off as leave.<sup>75</sup>

## ***Hours of work***

According to focus group participants, average hours of work per day are 14 hours from 5am – 7pm. After the morning rush, drivers line up their taxis "ten by ten" (i.e. in queues of ten kombi taxis) at the city taxi rank allocated to their owners' association. The queue marshals release the taxis one by one, according to passenger demand.

## ***Crime***

As highlighted in Box 5.2, most drivers of long standing have experienced some form of serious crime or aggression, irrespective of their age or gender.

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<sup>72</sup> At time of writing, the minimum legal wage in the contract cleaning industry was ZAR 179 per week, while the minimum wage for a bus driver in the bus industry was ZAR 476 per week.

<sup>73</sup> According to focus group participant, 9 October 2001.

<sup>74</sup> Ibid.

<sup>75</sup> Ibid.

## **Box 5.2: An occupational hazard? Preventive measures against hijacking**

Beatrice Ntombi, a Gauteng driver, was the target of an attempted hijacking in October 2000. She fled her taxi with the key, leaving her passengers in the vehicle. She was lucky as a passer-by witnessed what was happening, stopped to help her and called the police. Some are not so fortunate: “The trick is not to look your assailant in the eye ... We have buried too many fellow drivers because of acts of violence.”

Some drivers search their passengers for firearms as a preventive measure. Margaret Zungu searches all her passengers if she is driving after dark. She does not discriminate between those with licensed firearms and those with unlicensed firearms: “If you’ve found a licensed firearm the situation is already unsafe, as other passengers will have seen the gun. The owner could be a target for gun theft and you’re then a hijack target. So the rule is, no guns in the vehicle after dark.”

Source: Focus group participant, 9 October 2001.

Some employer associations conduct official gun searches, but this is usually only over the December holiday season. Many drivers carry guns themselves, but others have realized that it is safer not to be armed. SATAWU has no formal position on the issue of firearms in the industry.

### ***Responsibility for traffic fines***

It is standard practice that drivers are held responsible for traffic fines. Typical offences are the absence of a fire extinguisher, non-functioning horn or handbrake or worn tyres. According to one worker, drivers are forced to choose between paying fines and/or bribes or losing their job: “The owner doesn’t care and doesn’t pay the fines. The [fine] tickets are made out in your name and so if you don’t pay you get arrested for contempt [of court]. Some drivers finish by owing up to ZAR 10,000 and are condemned to a long-term jail sentence. If you refuse to drive the vehicle because it’s non-roadworthy or got something missing, you’re told the job is finished. That’s where the bribery of traffic officers starts. Either that or you pay the tickets”.<sup>76</sup>

SATAWU expects this exploitation to change when the National Road Traffic Act No. 93 of 1996 is amended to make the owner responsible for all traffic offences related to the condition of the vehicle.<sup>77</sup>

### ***Queue marshals***

Queue marshals’ responsibilities include checking tyres and taking complaints of passengers. Their instructions from owners are no over-loading: strictly 15 passengers plus driver at peak times. However, at non-peak times (when they know that traffic officers are less vigilant), there is an unwritten code that allows queue marshals to load the taxis “four by four” or 16 passengers plus the driver.

Box 5.3 captures the voice of queue marshals during a focus group discussion on their work-related difficulties.

<sup>76</sup> Focus group participant, 9 October 2001.

<sup>77</sup> At the time of writing, relevant changes were at the level of pre-draft discussion within the Department of Transport.

### **Box 5.3: Hours and conditions of work for queue marshals in the kombi taxi industry**

*Participant 1*

“There are no hours of work. We start at 6am and just knock off when the people are finished. That can be any time.”

*Participant 2*

“Sometimes we are forced to overload as passengers are waiting so long, and drivers don’t want to work too late after dark because of hijackings.”

Queue marshals are also given standing instructions by their owners to confiscate the keys of a driver they suspect of drinking alcohol. Usually queue marshal report they are “nervous to do so” and prefer not to load the taxi at the rank. This leaves the driver free to drive off and load passengers en route.

Queue marshals are not issued with any protective clothing, despite working outdoors, and no toilet facilities are provided for them (or taxi drivers) apart from public toilets at some ranks.

Source: Focus group, 9 October 2001.

### ***Conditions for women kombi drivers***

Beatrice Ntombi and Margaret Duduzile Zungu both work for employers who are members of the Meadowlands-Dube taxi association. The association is one of the biggest in the country, with approximately 200 members employing over 1,000 workers. Ntombi’s employer owns three taxis and Zungu’s employer owns six. Ntombi’s employer owns no other business but Zungu’s employer owns a filling station in Soweto. Both women have worked as taxi drivers for the past fifteen years.

Margaret Zungu qualified for her driver’s licence in 1979. As a young, unmarried woman she had observed that older married women around her were best off when they had a skill and independent income. She also qualified as a typist and office receptionist, but in the days of apartheid was unable to find an administrative or clerical job as they were usually only offered to White women. Beatrice Ntombi was similarly motivated to obtain her drivers’ licence. Their personal histories in the industry and their reasons for becoming taxi drivers point to the limited access that Black women in South Africa have had to skills training and to acquiring professional qualifications.

The women workers interviewed in the course of this research are some of the very few in the taxi industry. Of a total of around 200 drivers employed under their employers’ association, only five are women. The association employs one woman queue marshal, and four women in administration in the association’s office. The women interviewed did not know many other women in the industry, except for one working for a long-distance association and two working for local urban associations.

Women interviewees insisted that they get no special treatment – good or bad – from their employers, from passengers, or from male colleagues: “If there is a fight amongst drivers, we fight the same.” Very occasionally a passenger refuses to board a woman driver’s taxi on account of her being a woman. Drunk male passengers may pass negative comments about “women drivers”, but more often passengers express the view that women are safer drivers than men.



Margaret Zungu has developed a clear strategy for dealing with passengers: “I talk and joke with them until they forget about any ill deeds. I won’t have a man in the front seat or behind me. If the passenger argues, I joke and say I won’t have a “he” next to me because he won’t propose to me, and anyway, he’ll pinch my money.” Neither interviewee had ever experienced any form of sexual harassment by a passenger.

The social costs of being a woman taxi driver are high, because of higher expectations of performance and because more care responsibilities are placed on women: “It’s a stressful job. You just feel like sleeping when you get home. You’re not in a position to solve family problems. And your husband leaves you!” Margaret Zungu cares for her 90 year old, blind, bedridden mother. She pays a carer to assist and her two adult children help when they can but she is still occasionally required to park her taxi in the city and rush back to Soweto to attend to her mother’s care.

The two women workers are motivated by their financial responsibilities and a need for financial independence: “You are thinking of your children. They need supper and schoolbooks. My son is now at university completing an engineering degree and my daughter is training as a paramedic. Their father stopped supporting the family many years ago. My son wants to buy me a taxi when he starts earning.”<sup>78</sup>

## **5.2 The South African Transport and Allied Workers’ Union (SATAWU)**

### ***Background***

The South African Transport and Allied Workers’ Union (SATAWU) was established in May 2000. The funding Congress was the apex of a long process of building the unity of transport, security and cleaning workers under the banner of the Congress of South African Trade Union (COSATU). One of the former organizations that merged into SATAWU – the Transport and General Workers’ Union (T&GWU) – had been organizing in the taxi sector since the early 1990s, when taxi workers in the Vaal area (west of Johannesburg) first joined. In 1998, T&GWU integrated the membership of the South African Taxi Drivers’ Union (SATDU), which had been operating independently in the sector since the mid-1990s and in 1999 that of the National Taxi Drivers’ Union (NTDU).

### ***Legal status and objectives***

SATAWU is a national trade union registered in terms of the Labour Relations Act of 1995. The emphasis is on gaining trade union recognition from employers – either individually or through employer associations, depending on the extent of collective organization of employers in a sector – thereby entrenching the right to bargain collectively; on defending workers against unfair dismissals; on representing workers who have individual grievances; and on representing workers in the setting of training standards and the delivery of skills training. Allied to these activities, SATAWU provides trade union education to its members.

### ***Membership***

With a total membership of 100,000, SATAWU is the seventh largest affiliate of COSATU. The majority of its members (95 per cent) are Black; 15 per cent are women,

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<sup>78</sup> Focus group, 9 October 2001.

mostly in the contract cleaning industry. The bulk of SATAWU membership is concentrated in the formal economy, with members in the taxi sector being the exception. The union now claims a kombi taxi membership of around 10,000 workers (mostly drivers) of which 2,500 are paid-up members.<sup>79</sup> While the majority of members are drivers, the other categories of workers, queue marshals in particular, play a critical role. Not only do they perform a strategic function in the industry in that they are responsible for the smooth running of operations in the taxi ranks, but they are also located in a fixed place, unlike their driver counterparts. This makes them more regularly accessible to full-time union officials as well as to taxi sector members.

### ***Finances***

The fact that SATAWU organizes across the transport industry as a whole, as well as in two other industries, means that it can rely on regular members' fees paid to the union by means of stop-order deductions agreed with their employers in terms of the LRA. The organizing activities among taxi workers are largely cross-funded from the subscriptions income of workers in other sectors. Paid-up taxi members currently pay their subscription by hand in cash. Individual members pay their monthly subscription of ZAR 10 to rank stewards who provide receipts and pay a lump sum to the SATAWU office when they have completed a numbered receipt book.

### ***Some achievements***

In 2000, SATAWU achieved a small measure of recognition and collective bargaining success in the Vaal Triangle area, where agreement was reached with one association of owners. The agreement made provision for regular meetings with representatives of the union, as well as for the institution of proper procedures for discipline. It also provided for a basic guaranteed wage (as opposed to the entire wage being based on trips). However, attempts at extending the agreement to other local associations have been unsuccessful, and indeed at the time of writing the Vaal Triangle agreement had fallen into disuse after repeated violations by the employers and the inability of the union to enforce the agreement on a local basis. Maurice Bokaba, national organizer for the taxi sector in SATAWU is of the view that progress in winning recognition from the taxi employers will only be made once there is agreement at the national level. Economic competition is too stiff at the local level for associations to enter into and abide by agreements with the union. Owners at the local level are highly concerned that trade union recognition could lead to escalating costs and would therefore push them into an extremely weak competitive position compared with other owners in their area.

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<sup>79</sup> It should be noted that another organization claiming to represent taxi workers exists in South Africa – the National Taxi Drivers' Organization (NATDO). NATDO was created from a separation of NTDU members who opposed the union absorption into the T&GWU in 1999. In November 2001 NATDO claimed a membership of 25,000 in the press. It is not a registered trade union and therefore cannot enjoy rights granted to unions under the LRA. Its non-union status, however, does not prevent an employer from negotiating with NATDO. According to a Gauteng DOT official, NATDO's organizational strongholds are the Lenasia association and the Faraday association (Johannesburg). It is not known to have members outside of Gauteng province. NATDO does not belong to any trade union federation or organize workers outside of the taxi industry. As mentioned earlier (see section 1.2), at time of writing, it was not possible to ascertain whether NATDO still existed or not. NATDO is thus not covered in the present study.

### 5.3 SATAWU organizing strategies for taxi workers

#### *Countering misperceptions and anti-union attitudes*

Many taxi drivers were formerly trade union members in one of the sectors of the formal economy. This is not always an advantage. The reasons for leaving formal employment are often due to dismissal or redundancy and the union is often criticized for “not having done enough” to protect their formal jobs. Many taxi workers are wary of further trade union involvement, a perception the union tries to counter in its organizing work.

“We convince them [the workers] that they have a responsibility to take the sector from informal to formal. That works. They can see the point, because they can compare their conditions with their previous conditions of work”.<sup>80</sup>

Former trade union members are also to be found among taxi owners. Some have used their redundancy packages to buy into the industry. Many such employers understand the role of trade unions. This makes some more resistant to worker organization, as they have a good understanding of the collective power of organized workers.<sup>81</sup>

#### *Relying on informed organizers*

SATAWU has recruited former taxi drivers to work as union organizers for the sector. Such an approach has been driven by the recognition that the industry is “scary to organize if you don’t know it, but it’s a walkover if you do. If you’ve been a driver or a marshal and you know the language of the work, then you’re okay... It’s tough out there. But if you’ve felt the pain then you know what to do. You need to practice a lot of patience and come down to mother earth in the way you talk to the workers”.<sup>82</sup>

The union has five dedicated taxi organizers who are employed on the same terms and conditions as other organizers two in Gauteng, and one each in the Western Cape, Mpumalanga and North West Province. In areas where the union has not employed a dedicated taxi organizer, recruitment activities are usually conducted by taxi workers themselves. “It is quite difficult to get our other organizers who are used to organizing in conventional workplaces like a bus depot or a trucking firm, or on the railways, to agree to go out and recruit and service taxi workers”.<sup>83</sup> Box 5.4 illustrates how members are recruited and organized into SATAWU in Johannesburg –an approach that is similar in other areas.

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<sup>80</sup> Interview: Joel Sindane, 2 October 2001.

<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

<sup>83</sup> Interview: Bokaba, 17 November 2001.

#### **Box 5.4: Recruiting and organizing in Johannesburg**

“I have a team of taxi workers called the Scorpions. They are my instruments for solving problems. We say, let’s face the problem first by investigating and tackling the problem at the shop floor. We don’t like to take cases to the Commission for Conciliation, Mediation and Arbitration (CCMA) because that takes too much time, and in any event a worker going to the CCMA has to take time off the job and then their wages are deducted.... We take up most cases directly with the employer.” Individual cases taken up against employers are most commonly related to warnings and dismissals. The 6-person team (4 men; 2 women) meets on a monthly basis to discuss routine issues but more frequently when an issue of urgency occurs. They give their time voluntarily to the union, sometimes losing pay if they take time off during their normal taxi working hours.

The team has recruited 1,003 members from the West Rand, the Johannesburg city centre and the East Rand in a period of five months. When recruiting members, the team offers workers representation by SATAWU in case of disciplinary action (especially dismissal), representation in cases of unfair treatment such as underpayment, as well as the possibility of negotiating wages and minimum working conditions in the future. The team is careful not to promise immediate improvements in remuneration and other working conditions. No financial or other benefits such as funeral benefits are offered to members. The team targets particular taxi ranks for recruitment. A taxi rank will be used by drivers from more than one association, but recruitment is association by association. Once a majority of workers have been recruited under a given association, elections are held for Rank Stewards, who represent workers to the owners in the association.

Source: Interview with Bonice Diphoko, 4 October 2001.

#### ***Joining hands with COSATU***

SATAWU recruitment drive targeting taxi workers fits into and is backed by the wider organizing stride of COSATU. At the time of writing, COSATU was conducting a three-month national recruitment campaign for informal and “vulnerable” workers in all sectors, including taxi workers. During the period August to October 2002 the campaign specifically targeted domestic workers, agricultural workers, workers in isolated areas (e.g. petrol attendants, shop workers, and clothing workers), home-based workers, hotel workers, and workers in the entertainment industry.

Special teams set up by the regional (provincial based) and local (industrial locality) structures of COSATU were tasked to lead the recruitment drives, with input from the lead union in the particular sector. Being the lead union in the taxi recruitment drive, SATAWU was to provide recruitment materials to the COSATU structures, as well as the names of union members and/or officials who will take the lead in each area. At time of writing, it was too early to assess how successful the COSATU strategy for assisting in recruiting taxi workers will be in the longer term.

#### ***Fighting for formal recognition of the union***

The approach adopted by SATAWU taxi organizers is to target the workers employed under a given owners’ association, and aim for majority membership. Once a majority is achieved, a letter is written to the executive of the association requesting a meeting to discuss recognition of the union and the deduction of stop-orders (check-offs) for subscriptions. The model recognition agreement proposes that a deduction of ZAR 10 per month be made by the

owner at source and paid over to the association, which in turn should pay the collected subscriptions over to the union.

Most recently SATAWU has recruited a majority of workers employed under the Pretoria-Tembisa Association. In late September 2001, the Association met with SATAWU, and agreement in principle was reached that the union will be recognized and that elected representatives will be allowed paid time off to conduct negotiations and to respond to grievances. A proposal for a formal recognition agreement was tabled by the union for perusal (see Annex 4). Subsequently rank stewards were elected at a general meeting. At time of writing, SATAWU was negotiating recognition with five different associations in different parts of the country.

A next target in the near future for SATAWU organizers in Pretoria will be the Mamelodi Taxi Association, as it is the largest in the area. Association leaders have threatened to suspend one of the drivers who is key in organizing workers under the Association. Eventually a tough approach might be adopted. As a SATAWU organizer put it: “if they don’t cooperate in recognizing the union we may have to use the Labour Relations Act and threaten to take them to the CCMA”.<sup>84</sup>

### ***Securing efficient and accountable internal structures***

As described above, workers in the industry are recruited association by association. They elect rank stewards who represent them on day-to-day problems and who liaise with union organizers.

Rank stewards in a given geographic area represent their constituents in two distinct internal structures of the union. They represent them in the cross-sectoral local shop stewards’ council, where shop stewards from across the entire transport industry, as well as the cleaning and security industries meet to share experiences. Bonice Diphiko argues that this multi-sectoral exposure at a local level is very important for taxi workers in SATAWU:

“They can see that while some of their problems are unique, the experience of exploitation through low wages, long working hours and high stress is not in itself unique. And it gives them the chance to see that there are some basic recruiting, organizing and representing tools that are common to all sectors”.<sup>85</sup>

The rank stewards also represent their constituents at a regional taxi sector council. This is a forum where the rank stewards across the region of the union meet to strategize and share their very specific experiences (SATAWU regional boundaries are close to those of the country’s provinces). The regional taxi sector council holds regular general meetings (about once a month) to report back on issues such as progress in negotiating recognition with particular owners’ associations, and also on progress in consultation with government on various issues, including taxi recapitalization and the introduction of minimum conditions.

The regional taxi sector council elects office bearers who represent taxi workers within the Regional Executive Committee (REC) of the union. The REC in turn elects representatives to the Central Executive Committee (CEC). These elections are not sector-based but there is a CEC seat each for every sector national chairperson in the union,

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<sup>84</sup> Interview: Joel Sindane, 2 October 2001.

<sup>85</sup> Interview: Bonice Diphiko, 4 October 2001.

including the taxi sector. This is the only guaranteed seat for a taxi representative. At time of writing, the only taxi worker representative on the SATAWU CEC was the national sector chairperson.

One of the five national office bearers of the union has the responsibility for overseeing the union's activities in the taxi industry.

In addition, there is a national taxi sector council, composed of representatives of the regional taxi sector councils. This structure does not meet very frequently due to a shortage of union resources for holding national meetings. This problem is not specific to the taxi sector. It also affects all other sectors in the union.

### ***Representing taxi workers to owner structures***

Just as the union is structured on local, regional/provincial and national lines, so too are the structures of representation among the owners. The specifics of negotiating a recognition agreement will be dealt with at the level of the individual association. The regional taxi sector council leadership within the union is given the task of representing taxi workers to the employers at a provincial/regional level. At this level the rank stewards will raise fairly general issues such as the principle of trade union recognition and the granting of organizational rights.

Representatives of the national taxi council in turn represent the interests of taxi workers to the national structure of SANTACO.

### ***Lobbying government for institutional change and legal protection***

While SATAWU has continued to actively recruit in the industry, much of its organizational efforts from 1999 onwards have been directed towards putting pressure on government for institutional change and legal protection for workers. These efforts include lobbying for a Sectoral Determination, and engaging in the taxi formalization and recapitalization processes as described previously. The union sees these measures as preconditions for successful representation of workers in the industry.

COSATU has also played a role in opening up discussion on recapitalization within the tripartite national economic forum, NEDLAC. Specifically, the issue of the importance of motor manufacturing and related job creation as a weighting factor in the selection of the company to manufacture the new vehicles has been highlighted by COSATU via NEDLAC.

### ***Improving relations with commuters***

The quality and reliability of transport has historically been a politically charged issue in South Africa because of apartheid geography and the neglect of Black communities' needs. Traditionally commuters have been exposed to uncomfortable and unsafe travel conditions, but have remained an almost "silent" force in South Africa until the South African Commuters Organisation (SACO) came into being. This organization, the initiative of a then daily bus commuter, Mr. Sangweni, emerged as a collective response to channel the most frequent

commuter grievances – dirty buses and the absence of substitute buses when one broke down.<sup>86</sup>

Until 2000, SACO operated as a non-profit independent lobbying organization with no signed up membership. Due to its legal status, however, the organization faced constant pressure by stakeholders with whom it interacted with (government, employers and the media), the latter challenging it with the question as to how many members it had. In response, SACO amended its constitution to cater for individual membership<sup>87</sup> and branch structures.<sup>88</sup> The organization has been compelling with financial constraints,<sup>89</sup> which has nonetheless not prevented it to come to be seen as a recognized “voice” for commuters.

The driving thrust underpinning the SACO organizational strand sees public transport as a right and not a privilege. The people SACO acts for tend to be workers with little or no other access to advocacy of their rights as commuters. Initially, the organization started to lobby for subsidies to be granted to the taxi industry and consistently made the point about the absence of intermodality in public transport provision (commuters were confined to bus, taxi, or train transport in isolation of other modes).<sup>90</sup> Progressively, however, the focus of SACO activities shifted to the education of commuters on their rights. It also took up the representation of individuals and groups in their grievances against public transport owners

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<sup>86</sup> Founded in 1989 by Mr. Sangweni as the Soweto Daily Passengers Committee, its focus was mainly on the conditions on buses owned by what was then the dominant bus company in the Soweto/Johannesburg area, Puttco. In 1990 the Soweto Committee extended its scope to deal with complaints of taxi and train commuters.

<sup>87</sup> At time of writing, total individual paid-up membership was around 3,000. Membership is ZAR 12 per annum, with two-thirds of this fee allocated to head office and one-third allocated to the branch.

<sup>88</sup> SACO has two physical offices – the head office based in central Johannesburg, and an office located in the Community Development Centre of Tokoza. At time of writing, SACO was putting into place a number of branch structures where individual membership warrants it. Branches have been launched in Tokoza township (east of Johannesburg) and in the Vaal area (west of Johannesburg). A provincial structure has been established in the Northern Province with two emergent branches, and SACO plans to launch new structures in KwaZulu-Natal and Mpumalanga provinces.

<sup>89</sup> The income from individual subscriptions does not cover the expenses of the two offices and the salary of Mr. Sangweni, who is the only full-time paid official. The organization has relied on a donation of office furniture from Metrorail (the commuter rail company) and on the vehicle manufacture AMC for its monthly rental for its head office. The National Department of Transport has a fund for building the capacity of civil society organizations (including trade unions) to engage with and advance the various policies of the department but SACO has to date been unsuccessful in accessing it. Mr. Sangweni believes that this is in part because SACO has not “kneeled down and clapped hands” to government on all issues.

<sup>90</sup> According to Mr. Sangweni, SACO should be given some credit for the current taxi recapitalization process. It was SACO that first proposed that some form of subsidization be offered in exchange for formal registration of taxis and regular vehicle fitness tests. It was also SACO that during the Taxi *Indaba* (conference) in 1993 put the case for vehicles with a greater passenger capacity. The “SACO position has always been that we as commuters don’t want vehicles that pretend we’re in Kyalami (Johannesburg’s race track)... We want safe and comfortable vehicles”. (Interview with Mr. Sangweni, 3 October 2001).

and companies.<sup>91</sup> In addition, SACO has harnessed the assistance of government and non-government organizations to provide passenger-related training.<sup>92</sup>

SACO advocates for the education of drivers as the key to better relations between passengers and the industry as a whole, stemming from the SACO perception that misbehaviour is prevalent among drivers (who cultivate a culture of aggression and rudeness, which is exacerbated by many of them openly carrying guns) and queue marshals (who generally make a habit of humiliating commuters). This perception does not necessarily find an echo in the union ranks, whose main complaint is that “it is scarce to find a positive passenger. They are always putting pressure on you as a driver because they are late for work or something. But drivers are not naturally rude”.<sup>93</sup>

SATAWU has a positive view of the emergence of SACO in that it considers that the organization of commuters is instrumental in solving many of the problems in commuter transport.<sup>94</sup> However, it also believes that more needs to be done in this area, including by the union itself. “We need a mechanism to explain things to passengers, like the fact that it’s no good presenting us with a 100 rand note for a 3 rand journey. We need to work with SACO but also to hold our own workshops with passengers to discuss problems”.<sup>95</sup>

In this regard, some new initiatives have been tested. For example, SATAWU Gauteng taxi organizer has encouraged taxi workers in Gauteng to regularly participate in a popular commuters’ talk show on Lesedi FM, the Sotho radio station. The talk show operates from 12.00 – 15.00 every day and listeners are encouraged to phone in with the complaints about commuter transport. If a taxi worker is not present to answer the questions and complaints, the talk show host fields the question directly. There is a possibility of the programme being extended to other language radio stations in the near future. The same organizer has also assisted in creating programmes produced by a Community Radio production company, World Worker Radio Productions. The programmes are sold to public and community radio stations, to reach both commuters and taxi workers.<sup>96</sup>

### *Areas of common interest*

SACO clearly faces difficulties in transforming itself into a nationally effective and sustainable voice for commuters, mainly because of a shortage of funds. While SATAWU in principle supports the organization of commuters as an important component of furthering the

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<sup>91</sup> The SACO office deals with many individual commuter complaints. Mr. Sangweni suggests that the toll-free commuter hotline of the Gauteng DOT is hardly used and that most commuters prefer to phone SACO directly. When a complaint is received, Mr. Sangweni or one of the volunteers who assist him, calls the relevant local taxi owners association. SACO knows not to try to argue with an individual taxi driver or queue marshal. If the registration number and/or registration sticker of the vehicle does not immediately reveal who the owner and/or association is, then SACO calls the provincial taxi registration office for details. Mr. Sangweni claims a “high degree of success with individual complaints”.

<sup>92</sup> For example, in Tokoza it has brought in the Gauteng Transport Department to provide road safety training for 200 commuters. The participants in the training were recruited by word of mouth on the basis of ‘everyone is welcome’. It is not apparent that this road safety training was designed to empower participants to exercise their rights as consumers. The organization is currently talking to St Johns Ambulance Association about the provision of first aid training. This is in response to the absence of ambulances in the event of serious road accident injuries in the townships.

<sup>93</sup> Interview: Bonice Diphoko, 4 October 2001.

<sup>94</sup> Barrett, J., 2001.

<sup>95</sup> Interview: Bonice Diphoko, 4 October 2001.

<sup>96</sup> Ibid.



interests of the transport sector and its workers, there has been no consistent effort on the part of the union to build a relationship with SACO. Many areas of common interest exist, though. These include vehicle safety and reliability, driver competence, facilities for taxi workers and commuters at taxi ranks, and so on. There is also the more indirect common interest in improved wages and working conditions. The union view is that such improvements will result in a more stable and skilled work force in the industry, and that commuters will benefit from this through better service.

SATAWU will have to make some strategic decisions as to whether to support SACO – including possibly assisting the organization in fund-raising – or whether to propose that COSATU local structures, made up of shop steward representatives from all sectors, should play a main role in mobilizing workers also as commuters.

Part 6 summarizes the factors that have facilitated the SATAWU organizing drive to date and the strategies it has adopted. The industry's current volatility makes it difficult to predict how much SATAWU will succeed in achieving sustained results.

## 6. Conclusions

The organization of taxi workers in South Africa is still in its early stages. At most only 20 per cent are presently unionized and none have won trade union rights. Attempts at negotiating recognition and minimum working conditions with individual owner associations have met with some success but so far have had only a limited impact.

Despite this, there are a number of indications that the successful organization of taxi workers may finally become a reality in the near future. These promising signs relate to both the economic, institutional and legal environment affecting the taxi industry and feature elements of the SATAWU strategy to reach out to and organize informal workers in the industry.

### *External environment*

Five main factors have facilitated the SATAWU organizing drive in the informal economy:

- The transformation of the South African political landscape in the post-apartheid period has created the space for organized labour to contribute to and influence government policy (for example, concerning the introduction of minimum statutory conditions of employment).
- The taxi recapitalization process as a part of a wider move to formalize the industry, including by regulation of access to the industry and compliance with labour standards, and safety and fiscal prescriptions.
- A legal framework that provides for basic worker rights, including the right to freedom of association for taxi employees even if, in practice, these are not adhered to by most employers in the industry.
- Owners are now organized at the local, regional and national level. Significantly, the establishment of a national employer body (SANTACO) defined as an employer association (as opposed to former owner organizations that primarily focused on access to routes) has opened new opportunities for collective bargaining in the sector.
- The prevalence of employees (as opposed to taxi-owners) among the workers operating in the industry makes them an appropriate target for unionization.

### *SATAWU organizing strategy*

SATAWU has adopted a broad approach to organizing that draws on a combination of conventional and innovative tools whose chief components are:

- *Heavy reliance on former taxi drivers to do the basic recruiting and organizing:* This has proved instrumental in penetrating the industry, contacting and communicating with taxi workers, and building a culture of confidence vis-à-vis the union.
- *Targeted and informed organizing focus:* Recruitment and organization take place per owner association and not at random. Also they take place where the work is and where workers are (in the streets).

- *The involvement of taxi workers in the activities of the organization:* This is critical to empower them to find appropriate solutions to their problems. The involvement of these workers in organizational meetings and initiatives with workers from other sectors also helps them develop their skills and contribute to building a solidarity culture among workers in the different sectors.
- *Accountable and transparent structures and mechanisms to represent taxi workers:* These include the election of rank stewards and lodging individual and collective workers' grievances with individual taxi owners. This area remains fairly weak and will require a major organizational focus, as the union was concentrating on promoting formalization as a prerequisite for improving conditions for taxi workers.
- *The use of media tools to improve the image of taxi workers and mobilize support:* The participation of taxi drivers in radio talk shows in Gauteng constitutes one step towards improving working conditions and efficiency in the industry by fostering communication between drivers and commuters.
- *Coordinated efforts with other national unions organizing in the informal economy:* As SATAWU strategy fits into the COSATU organizing drive, this paves the way for developing a more coherent approach to the informal economy. Such an approach has considerable merit and should be pursued, because it allows for building on strengths.
- *The establishment of alliances with key partners as a means of defending and advancing the interests of taxi members:* Cooperation with the South African Commuters' Organisation could prove important in this respect and should be given further consideration for the future.
- *An ongoing effort to liaise and interact with employer representatives:* SATAWU has tried to maximize opportunities to sensitize owners and raise awareness of worker rights by participating in various fora where owners are represented.
- *A sustained cooperation with government authorities:* SATAWU has provided strategic inputs to national policy formulation, especially regarding formalization, and has devoted a great deal of attention to consolidating fruitful relationships with various government departments – a time-consuming but necessary strategy for improving conditions for workers in the industry.

### ***The way ahead***

Formalization is still very much a work in progress, as is the implementation and enforcement of rights and protections in the industry. Taxi recapitalization is also some way off from implementation. Rivalry between owner associations continues to result in violent confrontations. While the industry is considerably more stable than two years ago, it is still very volatile. It is extremely difficult to predict whether the SATAWU organizing strategy will yield sustained and far-reaching results.

Nonetheless, the limited evidence gathered in this report merits two final considerations. First, the report shows that despite many obstacles to collective representation, organization and the establishment of bargaining relationships, informal taxi workers and owners in South Africa are indeed organizing. The challenge lies (here and everywhere else in the informal economy) in finding ways in which the right to organize can be best applied and sustained in the long term. If SATAWU is to retain and expand its membership in the taxi industry, it will need to devote time and resources to developing services that meet the

immediate economic and social needs of these workers (information on their legal rights, educational and advocacy projects, legal aid, provision of medical insurance, credit and loan schemes). These services should not be regarded as a substitute for collective bargaining nor a way to absolve the government from its responsibility, but rather as a complementary organizing tool.<sup>97</sup>

Second, this report also demonstrates that the goal of collective voice and representation in the informal economy is not an end in itself, but rather a means of fostering people's empowerment and development, ultimately helping them to enter the economic and social mainstream. The achievement of this goal depends on a number of actors. Taxi workers and owners are certainly major players – although not the only ones. The responsibility to provide an enabling environment and support representational rights for informal economic actors lies first and foremost with governments, but trade unions and employer organizations can – and should – play a critical role in the shaping of this environment and its efficient functioning.<sup>98</sup>

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<sup>97</sup> ILO, 1999, pp. 58-59.

<sup>98</sup> ILO, 2002.

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## **Annex 1: Individuals, organizations and institutions contacted in the study**

<b>Name</b>	<b>Organization/institution</b>	<b>Date of interview</b>
David Chabalala	National Department of Labour, Pretoria	10.10.01
Mpho Mashinini	Gauteng Department of Transport, Johannesburg	03.10.01
Mr. Sangweni	South Arican Commuters' Organization, Pretoria	03.10.01
Messrs Maufhe, Taaibosch & Peterson	South African National Taxi Council, Johannesburg	23.11.01
Joel Sindane	Organizer, SATAWU, Pretoria	02.10.01
Bonice Diphoko	Organizer, SATAWU, Johannesburg	04.10.01
Focus group of taxi workers	SATAWU, Johannesburg	09.10.01
Maurice Bokaba	National organizer, SATAWU taxi sector	16.11.01





## **Annex 2: Guidelines for leadership interviews**

### **Note to interviewers**

The aim of the interviews is to get an in-depth understanding of who is organized and how, how the organization really operates and what it really does – not just what the leadership people you interview think their organization should be doing or wish their organization was doing. This means that you need to get people to talk as concretely and honestly/self-critically as possible. We don't just want the official 'line'. So feel free to ask them how they know something or what makes them have a particular view. Obviously, you need to do this politely and in a way that builds trust.

When you ask people who they organize, you need to get as much clarity as possible about differences between workers in the informal economy. For example there may be workers who own their own informal operations (for example a street trading stall, a building sub-contracting outfit, a home-based operation, a taxi). These people may work alone. Or they may be helped by family members – a husband, a wife, children, sisters, brothers, aunts, uncles, cousins. Or they may have people who are not family members who work for them (for example a stall assistant, a labourer, a machinist or ironer, a *gaatjie*). The people who work for them may be 'employed' in a range of ways – regularly or irregularly; part-time or full-time; piecework, commission-based or hourly paid. We can refer to these different situations as differences in 'employment status'.

There are a couple of confusing situations to look out for. The first is that some organizations' members may see themselves as working for themselves – on their own or with others. But they may actually be dependent on a single customer (like a homemaker who sews clothing for one agent or company, or an owner-driver who provides transport for only one company) or a single supplier (like a street trader who relies on a CocaCola or pantyhose distributor). The second confusing situation is where some members do dependent work as described above as well as independent work. They may shift from one kind of work to the other in the course of a year (for example a clothing homemaker may sew for a company in peak season and independently for her neighbours in between), depending on the season, or even during the same day (a taxi driver may drive for an employer by day, and use the taxi or a self-owned vehicle to work for his/her own account at night). So some organizations may organize both independent and dependent workers.

Get interviewees to describe how the organization understands employment status and ask them what the employment status of their members is. Don't be too concerned about terms – use the terms they use. What is most important is to find out what the terms they use mean about who the workers and members are and what they do. For example, some organizations may only be organizing people who own their own informal operations, and may not be reaching or representing the people who work for them. They may not be doing this on purpose. They may not even be aware of it. It may just work that way because people who own their own operation are more likely to be able to take time off and have the skills and knowledge to participate in organization, or access to facilities like a telephone. On the other hand, it might be their conscious decision only to focus on this group.

These guidelines are as general as possible. But in some cases they apply specifically to leaders of worker organizations and are geared towards the taxi industry. They can be adapted to your sector, and for use with employer organizations.

### **Organizational leadership interview guidelines**

#### ***Introduction***

- What is your position in your organization?
- How long have you served in this position?
- How does someone become a member of your organization?

- What are the criteria for joining and remaining a member?

### **Organizational history**

- (For those previously organizing in the formal economy only...) Why did you start organizing in the informal economy? (For those set up to organize in the informal economy...) What factors or problems led to the creation of your organization?
- What is the organization's legal status (trade union, employer organization, NGO, not formally registered, other - specify)?
- What are the good and bad effects of having this legal status?
- Has this changed at all? Why? What good things came of any changes? Did the changes have any bad effects?
- On which levels do you organize (local/metro, provincial, national, international)?
- Which level did you start organizing on first? How did you progress? Why did you do it this way?
- What are the advantages of organizing on only this level/more than one level? What are the disadvantages?
- Is your legal status and level(s) of organization the same or different from other organizations in the industry?
- Why was the organization designed this way?
- What does your organization aim to achieve overall?

### **Membership profile**

- Who do you organize in the sector?
- Who don't you organize in the sector? Why don't you organize them? Are these people in another organization?
- Do you also organize workers/employers in the formal economy?
- Did you start organizing workers/employers in the formal economy or informal economy first? How did you progress? Why did you do it this way?

*[For the following questions, ask for as concrete information as is available. If there are problems with the figures you are given, explain these in your report. If specific figures aren't available, ask for estimates, ask how they were worked out, and explain this in your report.]*

- How many members do you have:
  - by race and sex; [race and sex, at least, should be cross-tabulated if possible]
  - by income level;
  - by job category: [for example, in the taxi industry: drivers, administrators, washers, queue marshals, *gaatjies*];
  - by employment status (see common definitions);
  - by membership status: signed up or paid up;
  - by province?
- What is total employment in the industry? And what is your source for this? *[You may have this information from your document review. But you may also want to cross-check different sources, and get an understanding of what leaders know and how leaders see the position of their organization relative to the industry as a whole.]*
  - by race and sex; [race and sex, at least, should be cross-tabulated if possible]
  - by job category: [for example, in the taxi industry: drivers, administrators, washers, queue marshals, *gaatjies*];
  - by employment status [describe how the organization understands employment status – don't worry about terms, worry about what they mean to your interviewee];
  - by province?

- How is your membership the same as that of other organizations in the industry? How is your membership different from that of other organizations in the industry?
- Has your membership in the informal part of the sector increased or decreased? Why?
- Has your membership in the formal part of the sector increased or decreased? Why?
- What are the problems with statistics for employment and organizational membership in the sector?

### ***Organizing strategies***

- What is the main thing your organization does for its members (representing interests – bargaining, policy; service – marketing, training, pension, health; single issue-driven)?
- What else does your organization do for its members?
- What strategies for organizing in the informal economy have worked? Why?
- What strategies for organizing in the informal economy have not worked? Why?
- How are organizing strategies in the informal economy the same or different from those in the formal economy?
- What makes it easier or more difficult to organize in specific areas?
- What things make it easy or difficult to keep members once you have recruited them?
- What kind of public policies would help you to recruit more members and keep those you have recruited? [*Press interviewees to be as concrete as possible, e.g. if they say laws, ask what do you want the law to say and how will this help you?.*]

### ***Organizational processes and capacity***

- Do members pay membership fees?
- How are they collected?
- What are your organization's main sources of funding?
- What percentage of your total budget comes from each of these sources?
- Who staffs your organization (employees and/or members who volunteer and/or outside volunteers)? How has this changed over last year? How has this changed over the last five years?
- How many people are there in each category?
- Does the organization rely on outside organizations (e.g. labour support organization, research institutions, legal firms) for support, planning, management, negotiation, or representation?
- Does your organization have offices (national, provincial, local)? How many and where? Are these permanent or temporary, rented or owned?
- What office equipment do you have? If you had to buy one new item of office equipment, what would it be?
- Does your organization have a constitution?
- What leadership structures does your organization have?
- How is your leadership chosen?
- How are decisions made in the organization?
- If decisions are made at structural meetings, ask: How many times has each structure met in the past year? What was attendance at the most recent meeting of each structure like?
- How do ordinary members participate in the organization?
- What is the main method you use to communicate with your members?

- Is your organization contactable by telephone at the office? Is somebody there all the time to answer the phone? How else can your organization be contacted?

### ***Representation and voice***

- How many people are on each of your main leadership structure(s) (national, provincial and/or local)? How many of these are women?
- If your organization includes workers/employers from the formal AND the informal economy, how many people on the leadership structure(s) operate in the informal economy?
- Are there any conflicts of interest between different groups of members (e.g. taxi members vs. public bus company drivers, between employers over routes, between long distance taxi companies and others, conflicts that are defined in terms of race or gender)
- What has happened in these conflicts?
- What has the organization done?
- What are the particular interests and needs of women workers/employers in the industry?
- What has the organization done to meet these needs or address these interests?
- How has this changed over the last year? How has this changed over the last five years?
- Does the organization bargain around wages and conditions of employment with informal worker/employer organizations in the industry? Or are there other collective agreements that apply to informal workers/employers in the industry?
- How long has this been the case?
- What happens in the bargaining process? *[Probe to develop an understanding of skills, practices and systems. Also, ask about changes in the past year and past five years (or longer) to catch changes from the apartheid institutional arrangements.]*
- Does the organization participate in policy-making fora where it interacts with government (local, provincial and/or national)?
- How and when did the organization get representation?
- What has happened in these negotiations/discussions? *[Probe to develop an understanding of skills, practices and systems relevant to members in the informal economy. Also, ask about changes in the past year and past five years.]*
- Are there policy-making or rule-setting bodies (local, provincial and/or national) from which the organization has been excluded? Why?
- Where should the organization be represented?
- What will it take to win representation?
- What relationship does the organization have with other worker/employer organizations in the industry?
- Does the organization belong to a national or international federation? Why? What are the advantages and disadvantages of these connections?
- Does the organization interact with other NGOs? What does this interaction involve?
- Does the organization have any contact with international agencies? What does this contact involve?

## **Annex 3: Guidelines for focus group discussions**

### **Introduction ( $\pm 20$ minutes)**

*[Introduce yourself and say where you're from.]*

We have asked you to come here today because we want to learn about how to organize workers in the [ $\ggg$ ] sector/like yourselves better.

Before we begin, I must explain that discussion in the group is informal and it is very important that everyone participates. There are no right or wrong answers. Even though I'm from [the union], I still want to know what is right about what we do and what we can do better. So relax and feel free to say what you really think. You are also free to disagree with one another.

We are taping the discussion, but that is just to help us remember your input. The discussion is confidential, so you don't need to worry about us using your name in our reports. Do you have any questions we need to clear up about how this discussion group works?

To start with it will be good for us to get to know something about each other. Please tell us your name, what work you do, and what is happening with your work while you are part of this discussion. *[Spend a bit of time on each participant, asking about their work history.]*

- How long have you been doing this work?
- What were you doing before?
- Were you a member of a worker or other organization before?

### **Opening discussion on joining the union ( $\pm 20$ minutes)**

Let's talk about how it was that you came to join the union. *[Make sure each person gets a turn to answer the first question so that everyone speaks, but be more flexible afterwards.]*

- How did you find out about the union?
- When did you join the union and what did you have to do?
- Was it easy or difficult to join?
- What do you have to do to stay a member of the union?
- When you joined, what did you hope the union would do for you?

### **Discussion about what the union does ( $\pm 30$ minutes)**

Now let's talk about what the union actually does.

- What happened after you joined the union? Has the union done what you expected?
- What are the main things the union does for you?
- What are things that the union doesn't do that you would like it to do?
- Are there things the union does that you think it shouldn't?
- Can you describe a typical member of the union? *[Probe for race, gender and give pen sketches of different types of informal workers according to job category and/or job status to see if there are certain categories of workers that are more likely to join, and others that are less likely to join. And how this relates to different organizing strategies.]*
- Why do they join? Why do others not join?

### **Discussion about how the union works ( $\pm 20$ minutes)**

Let's move on to talk about how decisions are made about what the union does.

- How does the union make decisions about what to do for its members and how to spend its money? *[Probe for workers' understanding of what the structures and decision-making processes are.]*

- Do you have any influence on what decisions are made?
- What can you do if you don't like the decisions that are made?
- How do you find out about what decisions have been made?
- What are the kinds of things that members disagree about in the union? [*Probe to understand if disagreements have anything to do with different interests of workers in the formal/informal economy or of different categories of workers or race and gender issues as appropriate.*]
- What has happened with these disagreements? Were they resolved? Are they still there?

**Discussion about organizing strategies ( $\pm 20$  minutes – depending on what has been covered)**

The last part of our discussion is to make sure we get all your suggestions about how best to organize workers like you.

- What are the things that make the union strong for workers like you?
- What are the things that the union needs to improve to organize workers like you better?
- Are there opportunities for organizing more people like you, or for serving members like you better that the union could take better advantage of?
- What are some of the things that could make it difficult for the union to organize people like you?

**Concluding comments ( $\pm 10$  minutes – depending on how much time you have left)**

Take a minute to think about this, and then we can talk about it. Thinking about all the things we have talked about today, what do you think the union should be doing to recruit the most workers or serve workers in [ $>>>$ ] sector better?

Thank you all for making the time to come here and for participating in the discussion.

## **Annex 4**

### **MODEL RECOGNITION AND PROCEDURAL AGREEMENT**

**Entered into between**

**SOUTH AFRICAN TRANSPORT AND ALLIED WOKERS UNION  
( “the union” or “SATAWU” )**

**and**

.....  
**( “the employer” “taxi association” )**

#### **1. The Parties**

The parties to this agreement are:

- 1.1 South African Transport and Allied Workers Union, a trade union registered in terms of the Labour Relation Act 1995 (“the Act”): and
- 1.2 .....  
the taxi employers of the taxi workers in the association

#### **2. Preamble**

- 2.1 The purpose of this agreement is to regulate the sound, fair and healthy relationship between the taxi associations and the union, to develop and foster fair consistent and equitable worker–management relationship.
- 2.2 The parties recognize the concept of freedom of association, and commit themselves to abide by the procedures set out in this agreement and the Labour Relation Act in a spirit of respect and mutual understanding and shall use their best endeavour to ensure that this agreement is fully understood by their respective constituencies.

#### **3. Recognition**

- 3.1 The association (“employer” recognizes that the union has substantial number of membership within the association. It therefore recognizes the union as the legal representative of taxi workers within the taxi association for the purpose set out in this agreement.

#### **4. Access**

- 4.1 The association (“employer”) shall on reasonable notice grant union officials rights of reasonable access to association premises/ranks to recruit or hold meetings with taxi employees and rank stewards.

4.2 Rank stewards may display notices and announcements concerning union activities at the taxi ranks or association notice board.

## **5. Union subscriptions/levies**

5.1 The association shall deduct union subscriptions from the wages/salaries of each union member for whom it holds written authority in a form of stop order form.

5.2 The aggregate amount collected at the end of each month shall be sent to the union head office not later than 15<sup>th</sup> day of the following month together with the list of members from whom deductions have been made with details of any changes to list compared with that of the previous month. The association shall be liable to the union for the daily interest on any subscriptions collected which are submitted after the 15<sup>th</sup> of the following month.

5.3 In the event of any change in the rate of union subscriptions, the union shall give the association 4 weeks written notice, the association shall post such notification on the rank notice board after which the association shall make deductions on the basis of the new rate.

## **6. Elections**

6.1 The rank stewards shall be elected in accordance with the union constitution and this agreement.

6.2 The union shall notify the association in writing of the results of the elections within 7 days of such elections.

6.3 In the event of a vacancy occurring amongst the rank stewards, a by-election shall be held in accordance with the provision of this clause, the rank steward shall hold office until the next elections.

## **7. Rank stewards right and duties**

7.1 The association shall recognize the rights of the rank stewards elected in terms of clause 6 to represent the taxi workers and negotiate on their behalf in terms of procedures of this agreement.

7.2 Hold general meetings together with taxi workers in reasonable facilities provided by association.

7.3 Require the presence of union officials at any meeting held in terms of this agreement.

7.4 Rank stewards except in cases of emergency shall inform their immediate employers "taxi owners" before leaving their workplaces to carry out duties in terms of this agreement.

7.5 The rank stewards shall be entitled to paid time off to attend meetings

## **8. Meetings**

8.1 The association and rank stewards shall hold regular monthly meetings on association premises during working hours.

8.2 Items may be proposed for the agenda of these meetings by rank steward and association secretary at least 2 days prior to the meeting.

8.3 In urgent circumstances either party is entitled to call a special meeting between management and the rank stewards.

8.4 The rank stewards shall be entitled to report back to taxi employees after any meeting with the management, provided the rank steward arranges the date of such report back beforehand with the association.

## **9. Dispute procedure**

9.1 In the event of any party declaring a dispute, the party declaring a dispute shall notify the other party in writing thereof stating the nature of the dispute and the proposed settlement and date for a meeting to attempt to resolve it.







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