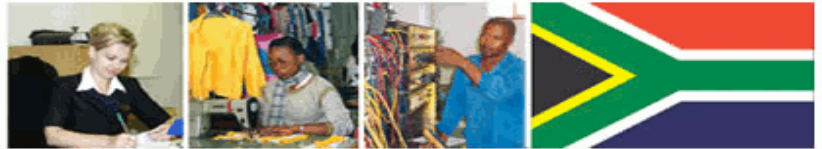




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A QUALITATIVE STUDY ON UIF NON-COMPLIANCE BY THE MINIBUS TAXI SECTOR OF SOUTH AFRICA

Commissioned by

**DEPARTMENT OF LABOUR
RESEARCH POLICY AND PLANNING UNIT**

Compiled by the

BUREAU OF MARKET RESEARCH

College of Economic and Management Sciences



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Study commissioned by

**Department of Labour
Research Policy and Planning Unit**

Report compiled by

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BUREAU OF MARKET RESEARCH

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ACRONYMS

AMPS	All Media and Products Survey
BCEA	Basic Conditions of Employment Act
BMR	Bureau of Market Research
CCMA	Commission for Conciliation, Mediation and Arbitration
CEIC	Canada Employment Insurance Commission
COSATU	Congress of South African Trade Unions
CRA	Canada Revenue Agency
DoL	Department of Labour
DoT	Department of Transport
DTI	Department of Trade and Industry
ECC	Employment Conditions Commission
FKTWU	Federation of Korean Taxi Workers' Unions
FTUU	Federation of Trade Unions of Ukraine
HRSDC	Human Resources and Social Development Canada
IEC	Independent Electoral Commission
ILO	International Labour Organisation
LRA	Labour Relations Act
NATDO	National Taxi Drivers' Organisation
NSSF	National Social Security Fund
NTTT	National Taxi Task Team
RPP	Research Policy and Planning (RPP) unit of the Department of Labour (DoL)
SA	South Africa
SABTA	South African Black Taxi Association
SALDTA	South African Long Distance Taxi Association
SANTACO	South African Taxi Council
SARS	South African Revenue Service
SATAWU	South African Taxi Allied Workers Union
SETA	Sector Education and Training Authority
SPSS	Statistical Package for Social Sciences
STF	Swedish Transport Workers' Union
TETA	Transport Education and Training Authority
TLC	Taxi and Limousine Commission
UIF	Unemployment Insurance Fund
UNISA	University of South Africa

CHAPTER 1

OBJECTIVES, METHOD AND SCOPE

1.1 BACKGROUND

The Unemployment Insurance Act 63 of 2001 (UIF Act) stipulates that employers and employees should contribute to the Unemployment Insurance Fund – UIF (SA 2001). If an employer is suspected of noncompliance, a compliance order can be issued against the employer by a labour inspector. This brief introduction poses two crucial questions, namely: (i) what are the levels of noncompliance with the Unemployment Insurance Act? and (ii) why is there noncompliance despite legislative measures? This study aims to explore these critical research questions in more detail. The relevance of the research study is even more pertinent when taking note of the fact that less than 10 % of employers in South Africa were registered with the unemployment insurance fund in 2003 (BUANews 2003). This finding should, however, be analysed against the fact that not all employers and employees are supposed to contribute towards UIF. Those excluded are national and provincial government employees, employers that hire labour for less than 24 hours in a month, workers who work less than 24 hours in a month, workers in a learnership, apprenticeship and persons from outside the borders of the country who are under a service contract or learnership and apprenticeship. Any other employers and employees are bound to contribute to UIF. Whereas an employee contributes 1% percent of his/her salary to the employer, the employer also contributes an equal amount (Unemployment Insurance Contributions Act 4 of 2002) that is finally paid to the Unemployment Insurance Fund (UIF). Although this contribution is not substantial, some employers evade the law and do not contribute. Employers can evade paying contributions by applying several tactics. Employers may, for example, hire illegal or informal labour without written contracts. In this way, the employers contribute nothing towards UIF and workers without formal written contracts remain uncovered. Employers may also collude with employees that they can get paid more if they do not contribute to unemployment insurance. Others may hire short-term labour that does not require unemployment insurance. An employer can hire day labourers that work less than 24 hours a month, meaning that there is no need to contribute to UIF. Larger employers and their workers are more likely to pay unemployment contributions while smaller employers seem less inclined to do so.

Against this background, the Department of Labour (DoL) commissioned the Bureau of Market Research (BMR) of the University of South Africa (Unisa) to conduct a national survey amongst households employing domestic workers and small and medium enterprises in the minibus taxi and catering services sectors to look at customer compliance regarding UIF service for use by senior decision makers in preparing intervention to noncompliance with labour legislation. This report only deals with the research findings emerging from the minibus taxi sector study.

1.2 RESEARCH AIM AND SCOPE

The overall aim of the study is to investigate the compliance level of small and medium enterprises amongst three sectors, namely domestic, minibus taxi and catering.

More specifically the study aims to determine:

- key reasons behind noncompliance in the identified sectors
- strategies that can be undertaken to improve compliance in the three sectors
- specific areas that should be focused on in enforcing compliance
- the best ways to improve compliance where compliance is low

The task team proposed that the sample size for the minibus taxi industry be amended from the original scope to accommodate 29 interviews (20 interviews with the minibus taxi owners and 9 with the provincial minibus taxi association chairpersons). The extension of the scope of the study to include minibus taxi association chairpersons across all nine provinces secured a more inclusive research design and supported further engagement and endorsement from a minibus taxi leadership perspective.

1.3 RESEARCH METHODOLOGY

The overall research design involved both an exploratory and a descriptive phase. In order to attain the research objectives outlined in section 1.2, the study typically followed a chronological research methodology that is explained in more detail in the sections to follow.

1.3.1 Exploratory research

A literature review was conducted on the DoL with specific focus on the UIF Act. The exploratory research also aimed to gain a better understanding of, amongst others, UIF contributions, benefits (ie unemployment, illness, adoption, maternity and death benefits), UIF registration (online, e-mail, telephone, facsimile and in-person) as well as UIF declarations, claims procedures (forms), payments and legislation.

1.3.1.1 *Secondary research*

Two DoL Research Policy and Planning (RPP) task team members were seconded to the BMR to assist in exploring secondary sources and to investigate international 'best practices' in social security services with specific reference to unemployment insurance and compliance/noncompliance. The information from secondary sources added value during the construction of the research instrument used to collect information from sample respondents.

1.3.1.2 *In-depth interviews with the South African National Minibus taxi Council (SANTACO)*

The benefits of consulting with SANTACO proved to have been twofold for conducting a study of this nature within the minibus taxi industry. Firstly, discussions yielded a deeper insight into the minibus taxi industry, from the perspective of the leading South African minibus taxi association. Furthermore, the establishment of a trust relationship with the leadership of SANTACO assisted interviewers in obtaining interviewing appointments with minibus taxi association chairpersons and minibus taxi owners.

1.3.2 Descriptive research

The descriptive research applied for UIF noncompliance amongst the minibus taxi sector is described below.

1.3.2.1 Sample size

Discussions with the Secretary General of the South African Transport Allied Workers' Union (SATAWU) as well as the Secretary General and Deputy Secretary General of the South African National Minibus taxi Association (SANTACO) yielded a significant starting point for the composition of the sample of SANTACO minibus taxi owners. Predominantly an informal industry, SANTACO is the largest nationally recognised minibus taxi organisation in South Africa. Sampling amongst minibus taxi association chairpersons and minibus taxi owners was applied geographically. It is important to note that the sample size by area was tasked by the Department of Labour based on their experiences in certain areas with regards to UIF noncompliance. However, it must be remembered that the study is more of a qualitative than of a quantitative nature and the sample sizes by area are not necessarily a reflection of the total minibus taxi population within a specific area. Table 1.1 presents the sampling distribution according to region.

TABLE 1.1

SAMPLING DISTRIBUTION ACCORDING TO REGION

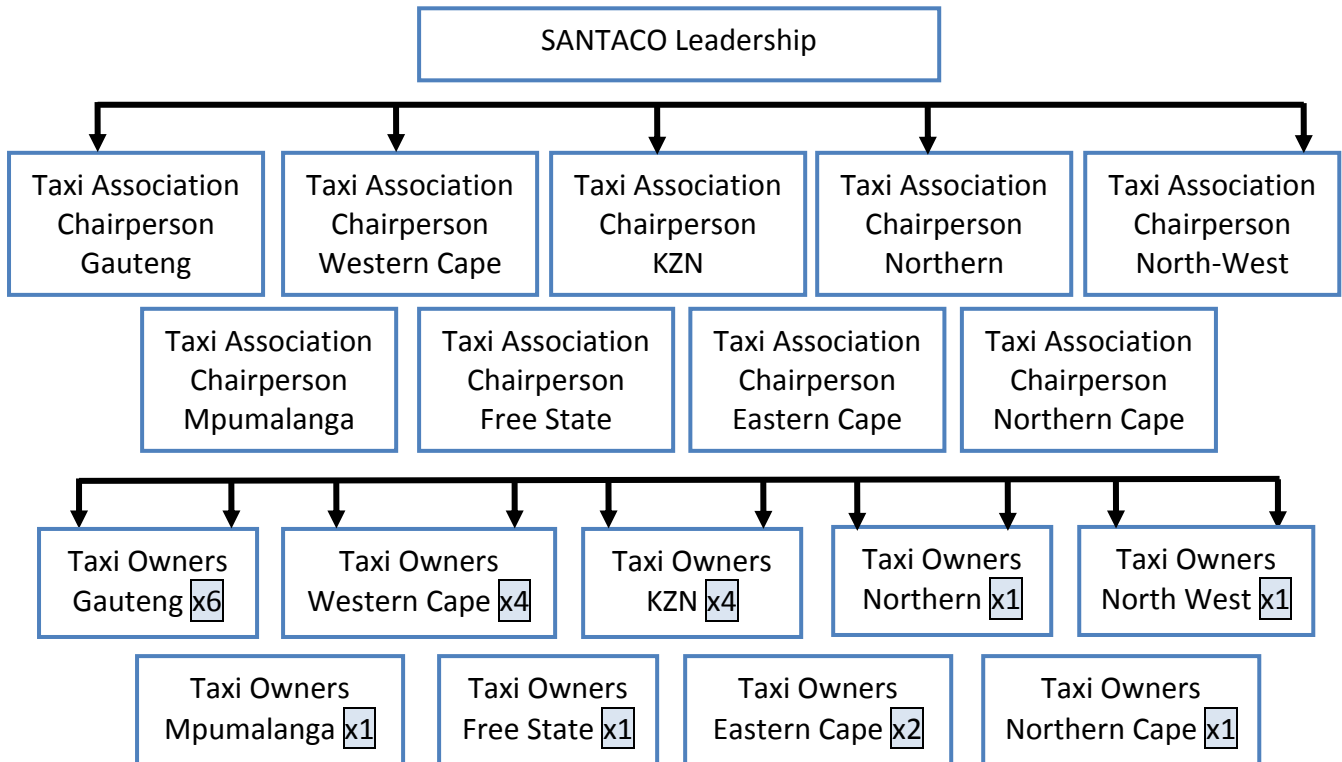
PROVINCE	METRO/CITY/TOWN	PERSONAL FACE-TO-FACE INTERVIEW	
		MINIBUS TAXI ASSOCIATION	MINIBUS TAXI OWNER
Gauteng	Johannesburg	1	3
	Pretoria	0	3
Western Cape	Cape Town	1	3
	Stellenbosch	0	1
Kwa-Zulu Natal	Durban	1	3
	Pietermaritzburg	0	1
Northern Province	Polokwane	1	1
North West	Rustenburg	1	1
Mpumalanga	Nelspruit	1	1
Free State	Bloemfontein	1	1
Eastern Cape	Port Elizabeth	1	1
Northern Cape	Umtata	0	1
	Kimberley	1	1
TOTAL NR. OF IN-DEPTH INTERVIEWS		9	21

1.3.2.2 Sample frame

The leadership of SANTACO provided the BMR with a contact list of SANTACO Taxi Association Chairpersons to guide the sampling process. Due to the structure of this industry, it was advisable to work through the Chairpersons to obtain further references in the various regions. This approach thus rendered a snowball sampling selection method that was followed to select the minibus taxi Owners to be interviewed, as is illustrated in figure 1.1.

FIGURE 1.1

SNOWBALL SAMPLING



Snowball sampling is a form of non-probability sampling. In this approach the starting point is to identify respondents who meets the criteria for inclusion in the study, in this case the nine SANTACO chairpersons. These respondents are then asked to recommend others who they may know who also meet the criteria, in this case the 21 regional minibus taxi owners. Snowball sampling is especially useful when attempting to reach populations that are inaccessible. Given the nature of this study amongst the minibus taxi industry, it seemed lucrative to approach SANTACO's top management (initial discussions with Secretary General), then to obtain

accessibility to the middle management of SANTACO (chairpersons), and then to obtain further referrals (regional minibus taxi owners).

1.3.2.3 *Research instrument design*

The survey questionnaire was drafted by the BMR with inputs from the DoL Project Steering Committee. A nationally based external research fieldwork service provider was commissioned to conduct the pilot testing of the draft questionnaire. Gauteng comprised the region selected for the pilot test.

The piloting of the questionnaire involved testing whether the questionnaire would achieve the desired research results. More specifically, piloting helped to determine the strengths and weaknesses of the questionnaire regarding question format, wording and sequence of the questions.

The pilot test was conducted between 08 December and 17 December 2010. In total, 6 in-depth interviews were completed during the pilot phase. Based on the debriefing session with the fieldwork supplier, no amendments to the questionnaire were deemed necessary. Due to the challenging nature of conducting in-depth interviews in this industry, it was deemed prudent to utilise the pilot in-depth interviews as completed interviews.

1.3.2.4 *Data collection*

National face-to-face in-depth interviews were conducted by experienced interviewers from the appointed fieldwork service provider. Regular feedback and updates were provided to the BMR team members.

1.3.2.5 *Interviewer training*

A training manual was used for interviewer training. The training consisted of background information to this study, sensitising fieldworkers to qualitative research, the practice of conducting in-depth interviews as well as relevant information and advice obtained from SANTACO.

General information on social security services in South Africa was also included to ensure that fieldworkers understood all aspects related to the topics under investigation. Fieldworkers were encouraged to familiarise themselves with all topic matters relevant to the research study (ie child grants, disability grants, UIF, workmen's compensation fund, etc) before starting with the actual in-depth interviews.

Knowledge of these aspects was regarded as essential to facilitate constructive probing and understanding of all concepts relevant to the study and enabled interviewers to interview with more authority and deal with any potential questions or enquiries of respondents.

1.3.2.6 *Data capturing*

The Predictive Analytics Software (PASW Statistics 18) computer software package, formally known as the Statistical Package for Social Sciences (SPSS) was used to capture and analyse the data. Prior to data capturing, the BMR conducted check back calls to verify the information obtained.

1.4 **DATA ANALYSIS PROCEDURE**

The data were captured in the PASW Statistics 18 program and analysed by applying both descriptive statistics as well as thematic analysis of qualitative responses.

1.5 **REPORT LAYOUT**

This chapter provided the background, objectives, method and scope of the study. Chapter 2 elaborates on the history and current status of the South African minibus taxi industry and on international best practices. Chapter 3 discusses the research findings and concludes with a summary and recommendations in terms of improving future participation of the minibus taxi industry in the UIF scheme.

CHAPTER 2

STATUS OF UNEMPLOYMENT INSURANCE IN THE SOUTH AFRICAN AND INTERNATIONAL MINIBUS TAXI SECTOR

2.1 INTRODUCTION

This chapter contextualises unemployment insurance from a local and international perspective. The chapter underscores the importance of environmental research that aimed to acquire a sound understanding of especially unemployment insurance relevant to the local and international taxi sector.

2.2 TRANSFORMATION OF THE SOUTH AFRICAN MINIBUS TAXI INDUSTRY

Since the formalisation of the minibus taxi industry in the late 1970's this industry has been characterised by political interference and involvement. Prior to the established minibus taxi industry being formalised, public transport was dominated by transport companies that received subsidies from the government. It was very difficult for an African to obtain a permit to operate a minibus taxi during this period. African communities also resided far away from cities and were categorised among the lowest income group, hence the vast majority were too poor to own private motor vehicles. These people were nonetheless in desperate need of public transport to obtain basic necessities from stores. Commuters were dependent on the rail and bus transportation system, yet these forms of transport were perceived as inconvenient and expensive. It also operated only at peak times along set routes making the system inflexible for all commuters.

To address commuters' demand for transport, the minibus taxi industry developed alongside many unique challenges. In this regard, it was difficult to obtain a permit since the influx control system required Africans to 'demonstrate a good formal employment record, had lived in the magisterial district as legally registered tenants for a number of years, and were in possession of a daily labourers permit' (Sekgonyane and Dugard 2004: 14). As a result of the permit system, many drivers were forced to operate illegally. Punishment for operating illegally was enforced through fines or having vehicles confiscated. Local government further demonstrated its non-supportiveness of the minibus taxi initiative by closing minibus taxi ranks. The consequence thereof was resistance from younger minibus taxi

drivers who organised work stoppages and blockades of the ranks in protest. During these times, police, senior traffic officials, minibus taxi drivers and minibus taxi owners were often called to negotiations during which no minibus taxi service was available. Often when ranks re-opened, services resumed with certain conditions agreed, including an agreed limit on the number of minibus taxis to be ranked at any one time. Oosthuizen and Mhlambi (2002) argue that this period was also thwarted by corrupt behaviours such as bribing of government officials and political leaders.

As a consequence of the problems outlined above, increasing pressure was placed on the government to deregulate the minibus taxi sector. In this regard, the findings of the Breda Commission of Inquiry (1977) were drafted into the Road Transport Bill and supported deregulation of road transport (Sekgonyane and Dugard 2004). Also, in order to ensure recognition of the industry, the South African Long Distance Minibus taxi Association (SALDTA), South African Black Minibus taxi Association (SABTA), National Federated Transport Organisation and other users persuaded the government about justice for the industry through, amongst others, boycotts and strikes (Khoza 1994; Sekgonyane and Dugard 2004). Overall, pressure to allow minibus taxis came from both black commuters as well as white businesses who wanted their workers to be able to regularly travel to work more conveniently. The enactment of the Transport Deregulation Act of 1988 resulted in the government legalising 16-seater minibus taxis in the 1990's, although restricting the number of permits. It is estimated that approximately 50 000 minibus taxis were operating nationally during the late 1990's. Since there were limited opportunities for black business owners during this period, the demand for minibus taxi operating permits escalated drastically, and consequently resulted in numerous 'minibus taxi wars'. Life-threatening clashes between various minibus taxi owner associations over minibus taxi routes occurred frequently and violence in the minibus taxi industry was a common phenomenon.

Fourie (1993) reports that the South African minibus taxi industry was previously marred by poor infrastructure such as poor loading and transfer systems, violence or minibus taxi wars and low financial margins. Furthermore, due to low profits minibus taxi owners find it challenging to maintain their minibus taxis, resulting in unroadworthy vehicles. Poor service of minibus taxi operations such as negative

driver attitude, poor safety due to use of vehicles that are not roadworthy or appropriate for mass transit and poor enforcement of safety by drivers, have all contributed to decreased prospects for reliable and safe public transportation.

Overloading of minibus taxis is a further problem facing the minibus taxi industry. Overloading is a common occurrence as minibus taxi drivers are generally paid according to the number of passengers. Such economic pressure is posing safety and security risks to especially minibus taxi commuters. Overloading also poses a risk to increased accidents. According to the Barrett (2003:10), minibus taxi owners 'rarely report accidents involving their employees to the Department of Labour (DoL)', despite the fact that they are obliged by occupational safety laws to do so. Consequently, the industry is associated with high mortality with three out of 36 daily deaths observed on South African roads minibus taxi related incidents (Arrive Alive 2011). Govender and Allopi (2007) refer to a study conducted by the Automobile Association of South Africa reflecting an annual total of 70 000 minibus taxi accidents which indicate that minibus taxis in South Africa account for double the rate of accidents than other passenger vehicles. Against this background, the current transformative endeavours are focused on economic empowerment of the industry, formalisation through registration of associations, conversion of permits into operating licences and democratisation of the minibus taxi industry (Ndebele 2010).

The discussion on the transformation of the minibus taxi industry will be unjust without reference to the recapitalisation programme. In November 1994, the Minister of Transport established a National Minibus taxi Task Team (NTTT, or "N triple T"). The NTTT was commissioned to investigate all the problems in the minibus taxi industry and suggest solutions. The NTTT was made up of nine provincial representatives of owners in the minibus taxi industry, nine government representatives and nine specialist advisors. The NTTT reported many problems. On labour, the NTTT reported that the conditions of employment were not conducive to fair labour practice with all workers not having the right to organise and bargain collectively (Barret 2003).

The NTTT made the following recommendations:

- Regulation and control, for example through measures such as permits, minimum labour standards, safety controls and taxation
- Institutional structures, especially a single national association of owners/employers and a training body
- Economic assistance to the industry

Based on these recommendations, the DoT introduced the minibus taxi recapitalisation programme. This programme largely shaped a minibus taxi industry with newer, safer and larger vehicles. The 'new' minibus taxis were designed to transport 18 or 35 people instead of the traditional 16. At the time of introducing 'new' minibus taxis it was proposed that the minibus taxis were equipped with electronic systems that record a fare which assists owners in financial record keeping and simultaneously inform the South African Revenue Service (SARS). Given the cost to purchase a new minibus taxi, the DoT at the time proposed a 'scrapping allowance' to be used to either buy a new vehicle or start another minibus taxi business. Obtaining a scrapping allowance was dependent on a permit to operate, being registered with the Provincial Department of Transport (DoT) and membership to a recognised minibus taxi association. This programme was also intended to promote the formalisation of the minibus taxi industry by means of official record keeping. Despite this, the reality seems that unroadworthy minibus taxis will not cease to exist until 2014 when the minibus taxi recapitalisation programme is finally complete (Barret, 2003).

Taaibosch (2010) confirms the delay in introducing the recapitalisation programme by mentioning that the Government has been speaking about recapitalisation for many years with the first procedures dating back to 2006. Up to date the process has not yet been finalised. Factors that caused delays include: (i) the DoT was awaiting the formation of a national minibus taxi owner association (ii) uncertainty about which companies to contract in supplying the vehicles information technology involved (iii) broader need for consultation with specific reference to the minibus taxi owners' expressed need to participate in the decision-making process (iv) the issue of Black Economic Empowerment that influenced the aforementioned decisions and appointments (v) uncertainty as to the size of the scrapping allowance

(vi) concerns expressed by SANTACO that if the allowances are too small, many minibus taxi owners in the townships will not be able to afford new vehicles.

Despite these concerns many positive outcomes are expected from the recapitalisation programme. These include:

- payment of income tax by minibus taxi owners
- safer vehicles
- formalisation of industry
- better information about the minibus taxi industry

Besides these positive prospects the recapitalisation programme has mustered the broader support and sanctioning among especially trade unions. In this regard SATAWU generally supports minibus taxi recapitalisation, although it disagrees with some of the details on how government plans to implement the programme. However Mahlangu (2010) mentioned that NATDO opposes recapitalisation due to anticipated job losses should many owners shift to 35-seater minibus taxis. In turn, SATAWU is of opinion that most owners will choose 18-seater vehicles. A further benefit would be the creation of jobs in other industries, for example the industries that manufacture vehicles and supply vehicle parts. SATAWU also hopes that making the industry more formal through registration of owners and workers, will make it easier to bargain and to enforce legislation. Finally SANTACO also supports recapitalisation, especially with regard to the financial assistance promised to help buy new minibus taxis as well as the proposed electronic fee-monitoring system which *'will reveal our real turnover for the first time'*.

Recapitalisation could, in all probability, result in fewer jobs in the minibus taxi industry because each minibus taxi will carry more passengers. However, the size of the job loss depends on how many owners choose 35-seaters and how many choose 18-seaters. Taaibosch (2010) suggest that, though the industry was experiencing these challenges and changes, minibus taxi owners are still not united.

2.3 SIZE OF THE SOUTH AFRICAN MINIBUS TAXI INDUSTRY

It is important to understand the magnitude of the minibus taxi industry and the size of employment when conducting a study on UIF compliance. However, statistics on the size of the minibus taxi industry are sparse and available information somewhat dated. When attempting to quantify the minibus taxi industry, note should be taken that the minibus taxi industry is a fast growing business largely operating within the informal economic sector. In this sector, businesses are less inclined to practice labour laws governing social security and general working conditions of work. Minibus taxi owners in particular are of the opinion that they cannot afford higher wages and better conditions of employment due to marginal profit levels. They furthermore reason that commuters cannot afford higher fares and have to travel long distances to and from places of residence and employment.

In South Africa, with high levels of unemployment, the informal sector as last resort attracts a large proportion of the labour market, among others minibus taxi drivers and employers. The minibus taxi industry has been growing at a faster rate than the largely inefficient rail and bus commuter services. The notion that the minibus taxi industry develops alongside formal transit services is a global trend. Available statistics on the size of the South African minibus taxi industry in terms of ownership and employee size reveal the following information:

- According to the Employment Conditions Commission (ECC) (2004) report the minibus taxi industry in South Africa comprises more than 20 000 minibus taxi owners with 127 000 registered minibus taxis. In 2004, the estimated number of workers in the minibus taxi industry was 185 000. Currently it is estimated at 200 000 employees (Arrive Alive 2011). SANTACO, however, estimates that there are currently approximately 347 000 minibus taxis operating nationally. On average a minibus taxi owner owns about 3 minibus taxis, with 120 minibus taxis being the largest number of minibus taxis an individual SANTACO affiliated minibus taxi owner owns. Furthermore, less than 15% are estimated to be owner drivers.
- The industry is dominated by African males who make up approximately 95% of workers in the minibus taxi industry. This phenomenon accounts for it as one of the most important forms of black ownership in the country and hence it is depicted as a flagship of black capitalism. Women working in the industry are

estimated at less than 2% and are most likely to be concentrated in administrative work for the minibus taxi associations (Barret 2003).

- Barret (2003) reports that official 2002 figures from the Gauteng Department of Transport estimated that there were 16 000 unregistered minibus taxis in the province. It is estimated that this figure could closely represent 50% of all minibus taxis in the province. To date, the Department of Labour still feels convinced that many minibus taxis are operated illegally, hence their concern about this sector.
- Barret (2003) is of the opinion that the majority of minibus taxi owners are not registered as tax payers, making it difficult to estimate the total value of the industry. However, using 2004 passenger numbers, it was estimated that minibus taxi turnover could have been around R11 million per day and over R4 billion per annum. More recently the annual turnover was estimated to amount to more than R16,5 billion (Taaibosch 2010).
- About two-thirds of all public transport users travel in minibus taxis, compared to about one in five who use buses and one in seven who use trains (SAARF 2010).

2.4 REPRESENTATIVE MINIBUS TAXI ASSOCIATIONS

2.4.1 Minibus taxi owners' organisations

Taaibosch (2010) mentioned that minibus taxi owners started organising in the 1970's to mobilise their concerns to government. As mentioned above, minibus taxi associations also competed over routes. Local associations of minibus taxi owners still play an important role in permit allocation. When operators join the local association, they pay joining and permit fees. They also pay a weekly fee to the association for the administrative service, such as an administrative office, queue marshals, and executive members of the association. In 2002, the joining fee in Gauteng was R15 000, the permit cost R4 000, and the weekly fee was R50. Towards the end of the 1990's, the national Department of Transport started encouraging minibus taxi owners to form united provincial minibus taxi owner associations.

Government also encouraged the formation of SANTACO and provincial associations because these associations provide a point of contact to communicate with the industry. SANTACO is also important for trade union organisations. In the past, national owner organisations focused on routes and permits. They did not see themselves either as business organisations or as employer organisations. SANTACO

is different, because it sees itself as a business organisation and as an organisation of employers.

2.4.2 The South African National Minibus taxi Council (SANTACO)

Aiming to unite minibus taxi owners, minibus taxi associations took the initiative to form a united association namely the South African National Taxi Council (SANTACO). SANTACO was formed in 2001 by way of democratic processes and the election was held under the auspices of the Independent Electoral Commission (IEC). To date this body has been successful in collaborating inputs and articulating the needs of the industry. Prior to 2001, the minibus taxi industry did not have a recognised formal structure enabling dialogue between government and the minibus taxi sector. However, SANTACO was formally launched at a national conference in 2001 and currently is the umbrella body for all provincial minibus taxi organisations. More specifically, SANTACO's duty is to regulate, formalise and stabilise the industry; mediate disputes between minibus taxi organisations and eliminate causes of disputes and violence. Currently, SANTACO has national and provincial structures, each with elected leadership. Local associations affiliate to the provincial associations, but they set their own membership fees and elect their own leaders. The head office of SANTACO is situated in the City of Tshwane. SANTACO takes labour issues seriously. They are supportive of minibus taxi workers being organised and they promote the improvement of conditions through collective bargaining. SANTACO is of the understanding that better conditions and better returns for owners go hand in hand. According to Taaibosch, there are currently approximately 480 minibus taxi associations and council offices operating throughout the country.

2.4.3 Minibus taxi industry trade unions

According to the ILO (2003) there are two major national trade unions that organise minibus taxi workers – the South African Transport and Allied Workers' Union (SATAWU) and the National Taxi Drivers' Organisation (NATDO). In 2002, the two unions together claimed 35 000 members. This is equal to approximately one in five minibus taxi workers.

According to the Secretary General of SATAWU, the union was established in May 2000. It brought together all the unions in the Congress of South African Trade

Unions (COSATU) which organised transport, security and cleaning workers. In 2002, SATAWU had 100 000 members, and was the seventh largest affiliate of COSATU. Of all members, 95% are Black, 15% are women and the majority work in cleaning services. A large proportion of SATAWU's members work in the formal economy, although minibus taxi workers are the exception to the rule. Currently, SATAWU had more or less 10 000 members in the minibus taxi industry, of whom only 2 500 were paid-up (Mahlangu, 2010).

In November 2001 NATDO claimed to have 25 000 members, mostly minibus taxi drivers in Gauteng. NATDO is not a member of any federation or registered as a trade union, and therefore does not have all the rights granted by the Labour Relations Act (LRA). It can, however, negotiate with employers (ILO 2004).

It is also important to note that the Amended Labour Relations Act (LRA) of 2002 provides the legislative framework for organised labour in South Africa. In accordance with the Act, workers have the right to belong to trade unions and employers may belong to employer associations. The LRA also stipulates that workers can resort to the Commission for Conciliation, Mediation and Arbitration (CCMA) on disputes and grievances that could not otherwise be resolved. Non-union members also have access to the CCMA. The LRA also makes provision for a national industry bargaining council if both sides are sufficiently organised. This has, however, not always been the case in the minibus taxi industry. To address this limitation, provincial DoT has attempted to set up provincial labour relations forums between the provincial minibus taxi councils and trade unions. These forums have organised workshops for owners on standards pertaining to minimum conditions of work (ILO 2004).

According to SANTACO (ILO 2004): *“The introduction of minimum standards will need to proceed slowly, but our members are now prepared We want workers to be organised 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.”*

There have been some progress with regards to worker and employer associations begin sufficiently organised, yet there have also been many failures. For example, in

2000 SATAWU reached an agreement with an association of minibus taxi owners in the Vaal Triangle. Employers agreed that the union could hold regular meetings with members. The agreement included proper disciplinary procedures and a basic guaranteed minimum wage. But the union struggled to get other associations to sign similar agreements. By 2002 employers in the Vaal Triangle were ignoring the agreement and the union was not strong enough to enforce it. It therefore seems that minibus taxi owners are not yet prepared to have bargaining councils and unions do not have sufficient persuasive power to convince them.

The Basic Conditions of Employment Act (BCEA) of 2002 sets out minimum employment conditions for all employees. The BCEA does not set minimum wages but stipulates that the Minister can promulgate sectoral determinations for different industries that set out both minimum wages and special conditions to suit that industry. The Minister only promulgates these determinations for industries where workers and employers are not well organised enough to have a national bargaining council. At present, minibus taxi workers employed by owners who have more than ten vehicles are covered by the sectoral determination for the road passenger transport industry. There are relatively few employers who own more than ten vehicles. Therefore the majority of minibus taxi workers are not covered. The employers who are covered often ignore the determination. It is the perception that having a sectoral determination is not enough as there will be no improvement for workers unless the determination is enforced. Several problems were envisaged in enforcing the minibus taxi determination, such as that employers may argue that they cannot implement the minimum standards until they have received the scrapping allowance from the recapitalisation process and until they have the electronic payment systems in their vehicles. Furthermore, the DoL does not have enough inspectors (ILO 2004).

On 18 March 2005 the Minister of Labour announced in a press release that the sectoral determination would be extended to the minibus taxi industry as of 28 April 2005, following an extensive process whereby the DoL 'consulted widely with all stakeholders in the minibus taxi sector'. It was furthermore stated that a pay structure and working conditions for minibus taxi drivers would be set up and social security would be extended to minibus taxi drivers. SATAWU, however, was still

concerned that minibus taxi owners disregard the minibus taxi industry sectoral determination (ie minimum wage, hours of work, overtime, leave, etc). Drivers have also attested to this claim (ECC 2009). In practice, minibus taxi drivers normally work seven days a week and have to start work early (2 to 5am) and finish late in order to make a reasonable income. Since they work long hours and in some instances long distances, it has an impact on them which can increase fatigue, consequently road safety is compromised. They drive fast and overload in order to increase the number of passengers ferried. Minibus taxi drivers also use short cuts to avoid traffic congestion and to make more loads during peak hours, which are normally quite early in the morning (2 to 5am) to afternoon (4 to 7pm) (Sauti 2006). In this manner earnings may be increased to an acceptable level. Perhaps these circumstances can be linked to customers' complaints that minibus taxi drivers drive too fast and do not abide to traffic rules because they are only concerned about making more money (DoL 2011).

2.5 SOCIAL PROTECTION EXTENDED TO THE MINIBUS TAXI SECTOR

The Department of Labour (DoL) introduced the taxi Sectoral Determination, followed by the compulsory decision for minibus taxi owners to register their businesses and employees with the UIF from 01 July 2005. The Sectoral Determination extended social protection to minibus taxi drivers, administrative staff, rank (queue) marshals, fare collectors and cleaners (DoL 2011). The DoL Sectoral Determination (11) for the taxi sector has in the interim been amended under the Basic Conditions of Employment Act, No 75 of 1997, and the amended Sectoral Determination became binding on 01 July 2008 (Government Gazette 2008). Minibus taxi drivers are also recognised as workers and must enjoy all benefits that accrue to every South African worker. It is against this background that the UIF seeks to increase the number of beneficiaries to UIF services in the minibus taxi sector. The DoL has gone to great lengths to ensure compliance to the UIF within this industry. For example, during 2007 the South African Revenue Service (SARS) offered tax amnesty to small businesses including minibus taxi drivers with a turnover of less than R10 million. This amnesty implies that minibus taxi employers could register with the UIF without being held accountable for non-registration of the past. Another example of the DoL's outreach to the minibus taxi industry includes the UIF taxi Road Shows that were planned for 1-12 November 2010 with

the aim to educate and support minibus taxi workers with UIF registration within the Western Cape (DoL 2011).

The Sectoral Determination (11) that governs minibus taxi workers in South Africa in terms of of the Basic Conditions of Employment Act 75 of 1997, and amended as mentioned above, sets special rules governing the employment of minibus taxi workers in South Africa (SA 1997). The governance is extended to minimum wages, working hours, number of leave days and termination rules applicable to minibus taxi workers in South Africa. According to the Sectoral Determination of the Basic Conditions of Employment Act 75 of 1997 as amended in the BCEA (2002), the minimum wages of minibus taxi drivers has increased by 11.10% as of 01 July 2009, and is R1 933.72 per month, R79.00 per week and R7.72 per hour for those minibus taxi drivers working more than 24 hours per month.

The aim of this report is not to provide a detailed overview of these rules but rather to place the major focus of discussion on unemployment insurance within the minibus taxi industry. Despite this dedicated focus, it needs to be emphasised that the rules governing the employment of minibus taxi workers in South Africa were considered as part of the exploratory research phase that aimed to also gain a better understanding of the local employment conditions and related aspects applying to and impacting on the minibus taxi worker sector. This understanding was important to (i) secure sufficient knowledge of the topic matters relevant to the DoL study, (ii) allow for sufficient preparation of fieldworkers to objectively probe regarding uncertain responses and (iii) support objective reporting of the survey findings resulting from the open-ended questions used to probe the sample of South African minibus taxi chairpersons and minibus taxi owners regarding their views on compliance with the Unemployment Insurance Fund (UIF) Act (see chapter 3).

In terms of the Unemployment Insurance Act 63 of 2001 for South Africa that provides protection to workers who become unemployed, all workers who work for more than 24 hours a month are required by law to register with the UIF. This ruling applies to part-time and full-time minibus taxi workers. If minibus taxi workers are not registered with the UIF and if minibus taxi employers and workers do not pay

their monthly contributions, the DoL is placed in a position whereby heavy fines can be issued.

Due to the fact that the research study primarily focuses on minibus taxi drivers and the UIF, it is important to outline the extent of UIF contributions. In this regard, if a minibus taxi driver is working for more than one employer, all of their employers must contribute to UIF. According to the UIF Act, minibus taxi employers and their workers must pay 2 % (one percent each) of the worker's wages. Each employer that registers is allocated one registration number. An employer who hires two minibus taxi drivers only needs one registration number but has to register and declare two workers and pay for them with this registration number. In cases where the minibus taxi driver has more than one employer then each employer must register the minibus taxi driver separately and pay 1% of the wages (DoL 2010a). By contributing to UIF, workers who face the risk of unemployment are secured of income claimed from the UIF.

Despite many challenges and developments faced by the minibus taxi industry it has become the most commonly used form of public transport. From a business perspective it is clear that the minibus taxi industry emerged as a so called 'voluntary service'. In fact, during the late 1970's the minibus taxi industry became commercialised and regarded as a business (Taaibosch 2010). However, Taaibosch, as the Secretary General for SANTACO, explained 'it is in accordance with the current government that minibus taxis have to operate like any other business. This is, however, easier said than done as it represents an informal business operated by individuals that make it difficult to formally enforce regulations and rules within the industry'.

Taaibosch (2010) elucidates the following on UIF compliance within the minibus taxi industry:

'In terms of compliance, drivers will be the first to refuse to comply because that will mean that they will earn less. Non-compliance cuts both ways. As employers we know the benefits of paying UIF as this will help ... [deceased employees' families financially]. It is the government's responsibility to educate and train owners and

drivers about social benefits. SANTACO can help but the resources have to come from government. Government has to make workers understand the benefits. The Department of Labour is not capacitating provincial offices and labour centres to train owners on these issues. DoL should hold workshops with SANTACO on issues pertaining to UIF. SANTACO is willing to comply but cannot do it on their own.'

Historically, drivers were hired on casual basis and therefore did not have access to social security. Consequently it was easy to hire and fire them (Khoza 1994). This practice is especially prevalent within the informal minibus taxi sector with social security benefits accruing to the formalised sector only. SATAWU attest to this point that most minibus taxi employers do not pay UIF levies which places these minibus taxi drivers at a disadvantage in the event of unemployment.

2.6 INTERNATIONAL TRENDS REGARDING THE TAXI SECTOR, SOCIAL SECURITY AND UNEMPLOYMENT PROTECTION

To explore international reforms regarding the taxi work sector and taxi worker protection, specifically with regards to taxi drivers, the secondary research depended on various internationally published and online sources. Whilst a growing literature on international taxi industries could be retrieved, not much traceable attention has been paid to labour issues, especially on social security such as unemployment benefits. Notwithstanding this limitation, it is clear from the secondary analysis that the taxi sector is the prevailing form of commuter transport and that the lack of social insurance and social assistance are omnipresent in all countries included in the analysis. Thus, a key challenge internationally relates to strategies aiming to reach large groups of informal economy workers and their families, such as taxi drivers.

Exhibit 2.1 displays relevant country specific information on the taxi industry.

EXHIBIT 2.1

SELECTED LITERATURE ON THE INTERNATIONAL TAXI INDUSTRY

Asia	China (Chongqing, Hainan, Guangdong, Jiangxi)
Literature	<ul style="list-style-type: none"> ▪ Going it alone (2009). The workers' movement in China (2007-2008). <i>China Labour Bulletin</i>. ▪ Zhang Y (2008). China's Economic Reforms Pushed by Civil Society. <i>Nautilus Institute for security and stability</i>.
Average daily work hours	12+
Average monthly wage	3,008 Yuan (Beijing 2006) after all deductions made – differs between regions.
Union	The All-China Federation of Trade Unions (ACFTU)
Labour law	National People's Congress (NPC) passed the <i>Labour Contract Law</i> in 2007
Social security	Not specified

Asia	Indonesia
Literature	Now Lebanon (2008)
Average daily work hours	Not specified
Average monthly wage	Not specified
Union	Not specified
Labour law	Government recognizes that social security is a basic human right, only a small number of people in Indonesia have adequate social security.
Social security	Four programs aimed at the formal sector. Informal sector initiated community based safety nets.

Asia	Lebanon (Beirut)
Literature	Bainbridge M (2008) Now Lebanon
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Unions had called for widespread participation to "achieve justice and equality in social security coverage" for bus and service drivers
Labour law	1973 amendment to the Social Security Law
Social security	Not specified

Asia Pacific	India (Karnataka, Bangalore)
Literature	International Transport Workers' Federation (not dated, cited 24 February 2011)
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Auto & taxi Drivers' Union 5,000 members
Labour law	Not specified
Social security	Not specified

Asia Pacific	Japan
Literature	Urban Transport Bulletin April/May 1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Not specified
Labour law	Introduced by government.
Social security	Not specified

Asia Pacific	Korea
Literature	Urban Transport Bulletin April/May 1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Not specified
Average monthly wage	Working hours should not exceed 8 hours a day (specified by FKTWU) <ul style="list-style-type: none"> ▪ many two-shift workers end up working ten hours or more. ▪ one-shift workers find themselves working sixteen hours or more. In the small cities working hours are even more excessive.
Unions	FKTWU Wages of taxi drivers are amongst the lowest of all workers, and the lowest in the transport sector.
Labour law	Not specified
Social security	Not specified

Asia Pacific	Mongolia (Ulan Bator)
Literature	ITF News 4/1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Mongolian Transport Workers' Union
Labour law	All regulations were abolished and now anyone can become a taxi driver using any vehicle
Social security	Not specified

Africa	Ghana (Accra)
Literature	International Transport Workers' Federation (not dated, cited 24 February 2011)
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Ghana Private Road Transport Union <ul style="list-style-type: none"> ▪ regulates services and sets fares ▪ 17 000 members
Labour law	Not specified
Social security	Not specified

Africa	Ivory Coast (Abidjan)
Literature	International Transport Workers' Federation (not dated, cited 24 February 2011)
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Not specified
Labour law	Not specified
Social security	Not specified

Europe	Sweden
Literature	Urban Transport Bulletin April/May 1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Not specified
Average monthly wage	Commission
Unions	Swedish Transport Workers' Union
Labour law	Deregulated in 1990 Regulations concerning the qualifications of drivers only
Social security	Not specified

Europe	Norway
Literature	Urban Transport Bulletin April/May 1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Excessive long hours to make up for low pay
Average monthly wage	Taxi drivers in Norway are amongst the lowest paid group of workers
Unions	Norwegian Transport Workers' Union
Labour law	Not specified
Social security	Not specified

Europe	Netherlands
Literature	ITF Urban Transport 1/97 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Not specified
Average monthly wage	Not specified
Unions	Vervoersbond FNV
Labour law	Not specified
Social security	Not specified

Europe	Ukraine
Literature	ILO (2006). Socio-economic security and decent work in Ukraine: A comparative view and statistical findings
Average daily work hours	The statutory duration of the working week in Ukraine is 40 hours. Almost every ninth person employed works excessive hours (more than 49 hours per week).
Average monthly wage	In 2004 over 16% of low pay workers earned less than US\$2 a day, implying the salary of low pay workers in Ukraine was significantly less than the established minimum wage
Union	Federation of Trade Unions of Ukraine Other trade unions starting to emerge
Labour law	In recent years, Ukraine has made significant efforts to develop reform strategies and to undertake reform policies in the human development sector. The country continues to face challenges, however, and in the education sector these translate into unequal access, eroding quality and low efficiency in the use of resources.
Social security	Not specified

North and South America	Argentina (Buenos Aires)
Literature	Urban Transport Bulletin April/May 1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	Not specified
Average monthly wage	Hire contract system whereby the driver pays a fixed amount for the use of the vehicle for a period of 12 or 24 hours. The driver is responsible for fuel and tyre wear costs, as well the payment of social security contributions.
Union	Taxi Drivers' Union of the Federal Capital (Sindicato Peones de taxis) <ul style="list-style-type: none"> ▪ 10,500 members
Labour law	Not specified
Social security	Responsibility of taxi driver

North and South America	New York (Manhattan)
Literature	<ul style="list-style-type: none"> ▪ Schaller and Gilbert (1995). Factors of Production in a regulated industry: New York taxi drivers and the price for better service. ▪ Urban Transport Bulletin April/May 1997 (in International Transport Workers' Federation (not dated, cited 24 February 2011))
Average daily work hours	11-hour shifts with no paid holidays The working day increased by 15% after the introduction of the leasing system
Average monthly wage	\$6.26 to \$8.24 per hour (1994) Income on an hourly basis dropped by 23% after the introduction of the leasing system Taxi drivers are not paid a fixed salary or hourly wage (1995) - Drivers pay a flat amount for each shift or each week and have exclusive use of the cab for the shift. Driver earnings are the difference between their total revenues (from fares and tips) and their expenses (lease fees and gasoline)
Union	Taxi Drivers and Allied Workers Union (Local 3036 SEIU), not affiliated to ITF. Drivers of about 1,800 cabs (mostly of long established fleets) are unionised.
Labour law	No paid holidays, health insurance, social security coverage, unemployment insurance or pension
Social security	Workers' compensation No social security coverage

North and South America	Mexico (Madrid)
Literature	Tovar and Rocha (undated). Labor conditions for taxi drivers in Mexico City.
Average daily work hours	10 hours a day, working in split shifts
Average monthly wage	100-200 pesos per day (10-20 US\$)
Union	Not specified
Labour law	Not specified
Social security	70% do not have social security

North and South America	Canada (Montreal, Quebec, Toronto)
Literature	Montreal Economic Institute (2010). The taxi Industry: On the Way to Reform.
Average daily work hours	Not specified
Average monthly wage	Maximum \$3 525 (2009)
Union	Not specified
Labour law	Taxi industry is regulated - Legislated under the federal/central Employment Insurance Act
Social security	Employment Insurance <ul style="list-style-type: none"> ▪ Funded by both employer and employee ▪ A Special Rule can be applied to taxi drivers who are not recognised as employees

Australia	New South Wales
Literature	ACCORD Australian Centre for Co-operative Research and Development (2006)
Average daily work hours	Not specified
Average monthly wage	Not specified
Union	Not specified
Labour law	Director General of Transport administers the 1990 Transport Act The taxi industry in NSW is a heavily regulated environment - ensure the good order, discipline, and minimum standards of customer service within the network
Social security	Not specified

It is evident from exhibit 2.1 that social security coverage of taxi drivers is, and will remain, a major transformation area worldwide alongside changes to contribution rates, working hours, retirement ages and benefit formulas, and improvements in administration and governance of schemes.

Against this background, additional meta-analysis has been conducted in an attempt not only to capture contemporary reform in social security and unemployment protection for the taxi sector, but also to gain a better understanding of the size and composition of the sector. A thorough literature review on international practices as it relates to the taxi sector provides regional profiles on social security practices with specific reference to unemployment schemes. Social security issues are furthermore topical in almost all countries reviewed.

However, whilst much is written on the typical challenges faced in the taxi sector, not much information is readily available on international 'best' practices regarding social security compliance, such as the UIF. The section to follow depicts a detailed exploration of the minibus taxi sector, nationally and internationally. The manner in which various countries deal with employment legalities and unemployment insurance pertaining to taxi drivers in particular, is also reflected. For more detail on UIF best practices, readers are encouraged to consult the 2011 DoL study on UIF satisfaction by Tustin, Ligthelm and Risenga (2011).

2.6.1 *China*

The taxi industry in China is franchised through government. It is extremely hard for the individual to enter the taxi sector because of the government's quantity control over taxi numbers. The quantity control results in a relatively high taxi fare price, but taxi companies take most of the revenue generated.

The sole legally mandated trade union is the All-China Federation of Trade Unions (ACFTU), comprising a membership of 212 million, estimated at 77.2% of the taxi workforce) by the end of 2008. Short of finances and lacking in real authority, local or 'grassroots' unions, estimated to be more than 1.7 million, increasingly turn to local governments for assistance. Striking taxi drivers during 2007 to 2008, none the less, forced local governments in dozens of cities to curtail the excessive fees charged by cab companies. The major cause of the dispute was the high vehicle-hire charges that the drivers had to pay to the small number of taxi companies that monopolised the business. Uncontrolled competition from unlicensed taxis and rapidly rising fuel prices had further eroded their income and lengthened work hours.

It is perceived that the local enforcement of the country's labour laws is weak, and litigation appears to be one of the few avenues open to ordinary Chinese workers seeking redress for labour rights violations - from non-payment of wages and benefits to employment discrimination and workplace injuries. .

Reports have been made of dishonest employers attempting to bypass the law and evade the payment of their employees' social security by, for example, providing workers with contracts in English rather than Chinese or forcing them to sign two separate documents with two different company seals (China Labour Bulletin, 2009; Zhang, 2008).

2.6.2 *Indonesia*

Indonesia, like China, is facing the challenge of achieving universal coverage of social security. The rights to universal social security coverage by all members of society have been endorsed by the government of Indonesia and supported by the commitments made in the National Development Program, State Guidelines 1999-2003, Indonesian Poverty Reduction Strategy Paper and the Employees' Social Security legislation. Although the Constitution of Indonesia recognises that social security is a basic human right, only a small number of people in Indonesia have adequate social security.

One of the greatest challenges to the achievement of the goal of universal coverage is the informal economy which currently employs two-thirds of all workers. Problems with the coverage of social security to the informal economy workers are reflected through the scope of the Act No. 3, 1992 on the Employees' Social Security. Most of the enterprises that currently comply with the Act are the formal sector enterprises with legal entities. A number of factors thwarting the extension of social security coverage to the informal sector workers in Indonesia have been identified as follows:

- The low and irregular income of the informal economy workers is an obstacle in ensuring secure resources. As most workers in the informal economy receive irregular income, the establishment of a gross or net monthly salary is difficult and unreliable. In the absence of employers' participation, the total contributions are not affordable by most workers in the informal economy. In addition, unless the employers comply with making social security contributions on behalf of the employees, efficient collection of contributions is difficult with the existing administrative infrastructure.
- The type and level of benefits are not responsive to the priority needs and resource constraint of workers in the informal economy. Whilst it is desirable to provide the full range of social security benefits, the existing programs cannot provide the flexibility needed for workers in the informal economy.
- Moreover, general lack of awareness of social security concept and distrust of government institutions, which are common among workers in the informal economy, negatively affect the willingness to pay contributions.

- The success of the coverage extension critically depends on the concurrent improvement of administrative capacity. This is critical not only because the volume of administrative tasks increases but also because those currently excluded are more likely to pose considerable problems of registration, compliance, collection of contributions, and record keeping.

The National Social Security System Act (SJSN Act) which came into effective on October 2004 is a major milestone in the development of social security systems in Indonesia. The law anticipates the achievement of the universal coverage in a phased manner. The formal economy contains almost 26 million (53%) of the 49 million non-agricultural work force, while the informal economy holds almost 23 million (47%). The formal economy dominates the sectors of mining, construction and utilities (82%) as well as finance and government (83%). The informal economy dominates the employment sectors of agriculture (83%), trade (80%) and transport (62%) and has significant impact on manufacturing (32%), mining (17%) as well as finance and services (18%).

In Indonesia, informal social safety nets, called 'local wisdom', have been employed by community members and encompasses a range of community initiatives to share the burden of risks and provision of care amongst community members. This phenomenon highlights the need of the informal sector for social security coverage. Membership in these arrangements is voluntary, and contribution levels are based on consensus. Benefits are normally limited to arrangements to share the cost or burden of providing for the risk covered. These initiatives vary in form according to local tradition, local custom, and religion, but in all instances help people deal with situations such as sickness, death, poverty and extreme poverty.

There are four major social security schemes operating in Indonesia. These schemes provide workers in formal employment with social insurance cover for retirement, work accident, health, and death. The schemes are funded by contributions from employers, employees or combination of contributions from both. (Angelini and Hirose, 2004).

2.6.3 *Ukraine*

During the 1990s recession, contraction in real wages, increase in wage differentiation, and the demise of part of the social safety net, resulted in an increase in unemployment, poverty and social inequality. Official employment declined by approximately one-third between 1990 and 1999. The unemployment rate grew to 11.9% of the labour force in 1999 but has been steadily declining, falling to 8.7% in 2004. However, the number of long-term unemployed grew almost tenfold. This phenomenon placed about a quarter of the population below the poverty line in 2004. There is also evidence that personal income inequality has increased since independence, although it remains low by international standards. After declining markedly during the 1990s, Ukraine's real Gross Domestic Product growth averaged 6.5% in 2001-2002 and showed the highest performance in Europe at 15.8% and 12.5% in 2003 and 2004 respectively.

Since growth resumed in 2001, the decline in unemployment and the increase in real wages and pensions (a result of the Government's decision to eliminate wage and pension arrears) have brought about an improvement in living standards in large urban areas. Rural areas, by contrast, continue to show a relatively high (and slightly increasing) incidence of poverty. Ukraine's female labour force participation rate is high (57.9% compared with 67.4% for men). Despite similar education levels, women tend to have lower-paid jobs and there are slightly more poor female-headed households than poor male-headed households. Ukraine's population shrank from 51.6 million in 1991 to 47.6 million in 2004, reflecting a dramatic increase in mortality rates, in particular among males, a sharp decline in the birth rate and a significant net migration outflow.

Ukrainian trade unions, in the past, reported 100% membership with all members belonging to the Federation of Trade Unions of Ukraine (FTUU), which was the only custodian of the workers' right on union association in the country. This situation prevailed for some time even after Ukraine declared its independence in 1991. However, the FTUU has lost its monopoly. The share of trade unions belonging to the FTUU shrank from 100% in 1993 to 55.8% in 2004 and the proportion of trade union organisations belonging to other trade union federations increased threefold during the period of 2000-2004 (Chernyshev, 2006).

2.6.4 *New York*

According to the Urban Transport Bulletin of April/May (1997, in International Transport Workers' Federation, cited 2011) there were 11 787 licensed taxicabs and 40 000 licensed taxi drivers in New York at that time. The number of licensed taxis is capped in law, and no new licenses (known as medallions) have been issued for over 50 years. Licenses can be legally bought and sold on the market for vast sums of money. 3 670 taxis are driven by the medallion owner with most other cabs being leased to two drivers on a double-shift basis. Fleet sizes vary - with a growth in mini fleets consisting of just two vehicles. Under the lease arrangement, which has been operating legally since 1979, a driver pays the taxi owner a flat amount for each shift. Drivers take home every marginal dollar above the lease fee and gasoline costs. There are no fringe benefits paid for by the owner. The only form of protection taxi drivers have is workers' compensation.

About 400 new drivers are licensed every month but the turnover is extremely high. Drivers mostly come from the most marginalised immigrant communities and over sixty languages are spoken by them. In addition there are 30 000 licensed for-hire vehicles and 600 bases from which they operate. The licensing of both taxicabs and for-hire cars is controlled by the taxi and Limousine Commission (TLC).

Taxicab passengers frequently complain of poor service and reckless driving. Some have suggested that deregulation and open-entry would improve the system, but informed critics argue that it is the lease system which is to blame. While taxi owners are able to earn enormous profits which inflate the value of licenses, the drivers remain poorly paid and insecure. The average lease driver works 11-hour shifts and they have no paid holidays, health insurance, social security coverage, unemployment insurance or pension. It is estimated that the working day increased by 15% after the introduction of the leasing system and that income on an hourly basis dropped by 23%.

According to Schaller and Gillbert (1995) New York City taxicabs have been a subject of public debate and controversy, mayoral commissions, and City regulatory reforms since the birth of the motorised taxicab in 1907. This constant attention is due to the prominent role that taxis play in the transportation network. In 1993 they

carried 34% of all fare-paying passengers travelling by bus, subway, taxi, or for-hire vehicle within Manhattan.

New Yorkers are of two minds about their city's licensed taxicab drivers. Cab drivers are often seen as hardworking immigrants eager to earn honest livings in their adopted country. But they are also portrayed as foreigners coming to terms with the English language, unable to find the Empire State Building, and prone to overcharge, refuse, and abuse passengers.

Except for workers compensation, which New York State law mandates, drivers get none of the employee fringe benefits and social safety net protections common to other workers under the leasing arrangement. As such, they earn no social security coverage, unemployment insurance, disability insurance for sickness or off-hour injury, health insurance, pension or paid vacations. The lack of these benefits creates a feeling of insecurity and transience among many drivers.

It appears that driver income declines as experience levels rise. Cross-sectional 1990 trip sheet data show that lease drivers with eight or more years of experience had average fare revenue 10% less than those in their second to eighth years as taxi drivers. The key is the impact of longevity on work effort as drivers with greater experience have lower incomes primarily because they work fewer hours each day. Given the difficulty of maintaining a regimen of 10 or 11 hour work days, drivers appear to persevere only by reducing their driving hours. Lower incomes among more-experienced drivers may also be a product of self-selection. The most able and talented drivers, or those willing to work the longest hours, may leave the taxi industry for other job opportunities, leaving a greater proportion of lower-grossing drivers who reduce the averages. Contrary to this depiction, medallion ownership lets owner-drivers realise the benefits of owning as well as of driving. Once an owner-driver pays off the loan used to finance a medallion purchase, he can take home about \$36 000 a year.

Retention rates of shift leasing drivers are low as most drivers who do not buy a medallion eventually leave the industry. As a result, one-half of all full-time drivers with over six years of experience are owner-drivers.

Compensation is the number one concern of drivers, followed by a need for crime prevention. Driver compensation and working conditions show few immediate prospects for improvement. This is perhaps the reason that mostly immigrants take on the duty of becoming New York taxi drivers.

2.6.5 *Mexico*

According to Tovar and Rocha (2002), efforts to introduce public transportation in Mexico City started as early as the colonial period, large-scale programs date only to the second half of the 19th century, when the government granted a concession to build a tramline from Mexico City to Tacubaya. Taxi service is even more recent, beginning in 1915 when vehicles for hire first became widespread in the city.

With the disappearance of trams, other means of transport took their place, including buses, trolleys and peseros, which came out in the 1960's. At the end of the 1960's, the construction of the first line of the Metro subway system offered some hope that large-scale public transportation had indeed started in Mexico City. In 1971, big taxis were replaced with the first 500 units of the popular *vochos*, giving birth to the taxis that substituted for the well-known crocodiles of the 1950s.

Public transportation in Mexico City, however, was weakened during the administration of President Zedillo with the demise of Ruta 100, a metropolitan bus network introduced in 1982. Although it captured about 25% of total demand, the elimination of Ruta 100 favoured the expansion of low-capacity transport, which now accounts for roughly 75% of total trips. Currently, following the administrations of two governments led by the Partido de la Revolución Democrática, little significant progress has been made regarding problems of disorganisation, corruption, and patronage that have left associations of taxis and independent taxi drivers hostage to diverse political groups.

Tovar and Rocha (2002) refer to research carried out at the Instituto Politécnico Nacional de México, reporting that there were 104 694 legal and 22 000 illegal taxis (pirates) in Mexico City, creating the largest fleet of minibus taxis in the world at the time of the research. The above-mentioned research also involved an ethno-

biographical methodology allowing for a socio-demographic profile of taxi drivers in Mexico City, as displayed in exhibit 2.2

EXHIBIT 2.2

SOCIO-DEMOGRAPHIC PROFILE OF TAXI DRIVERS IN MEXICO CITY

Demographic	Occurrence amongst drivers
Have been working from 5 to 10 years as taxi drivers	25%
Are married	78%
Have primary and secondary education	44%
Work between 5 to 10 hours a day	70%
Do not have social security	70%
Are not entitled to a pension	58%
Are between 36 and 49 years old	36%
Are men	99%
Have a monthly income 1 to 3 times the minimum wage (about 42 pesos)	52%
Are financially responsible for at least one dependent	53%
Own their taxi	51%
Are the sole source of income for their family	56%
Contribute to the family expenditure with an amount that ranges from 100 pesos (10 US\$) to 200 pesos (20 US\$) a day	69%

The majority of taxi drivers are subject to insecurity, exploitation and worrying working and living conditions.

2.6.6 *Lebanon*

According to Bainbridge (2008), a number of taxi driver protests took place in Beirut, whereby taxi drivers demanded adequate National Social Security Fund (NSSF) coverage. It was initially proposed that being granted access to its pension and health insurance plans, as per the 1973 amendment to the Social Security Law, had been one of the principle benefits for industry members – and provided an incentive to legally register as a driver. Mention has been made, for example, of ‘hospitals simply to refuse to treat taxi drivers under the pretext that they are not properly covered by the NSSF’.

Lebanese drivers have been facing a number of financial pressures namely increasing competition. Before the civil war there were 10 650 taxis licensed in Lebanon, increasing to more than 40 000 in 2008. Lebanon also experienced the emergence of

illegitimate taxis, cars that have duplicated legitimate license plates or simply painted their plates red to the signal they are licensed to carry paying passengers.

Estimates suggest that it would take 10 million passengers every day to make the profession viable for all drivers, while currently only 1.2 million people use the service daily.

2.6.7 *India*

Nearly half a million passengers are carried every day by various forms of public transport. Only 25% of the roads can support buses and other heavy vehicles, and as such, the autorickshaw and two wheelers therefore dominate. In 2003, there were approximately 130 000 two wheelers, 18 300 autorickshaws, 11 000 private cars and 2 700 government owned buses operating. As a consequence of economic liberalisation (resulting in massive migration to the city as well as deregulation in the transport sector) there has been rapid expansion in the sector. It is estimated that there were 46 383 autorickshaws, 730 000 two wheelers, 35 000 private cars and 5 766 buses in 2008.

There are nearly 100 000 autorickshaw drivers in the city and 42 000 bus workers. The union approached the State Government to regulate the industry but the High Court ruled that regulation rests with Central Government. The union is planning a joint initiative with other Indian unions to petition Central Government in this regard. In addition to campaigning for regulation in the industry, the union has organised a group personal accident insurance scheme for members. In addition, with the co-operation of the Indian Medical Association the union has facilitated free medical checks of drivers, with an emphasis on ECG and blood pressure checks. The union also runs a service station where its members can get their vehicles serviced and has established a co-operative society for rotating loans for vehicle repair and other needs including education. The union rewards the best rickshaw drivers with a certificate and a free uniform.

2.6.8 *Japan*

The union, namely Zenjiko Roren, was founded in 1947 and comprises 38 regional organisations and 680 affiliated unions with a membership of 51 000. Prior to 1952 taxi drivers were paid on a 20% commission basis but as a result of a union campaign radical change to the pay structure were introduced. The campaign was for the 'elimination of Kamekaze (cowboy) taxis and emphasised the relationship between accidents and excessive working hours and piece-rate pay. The campaign won widespread public support. As a result of the campaign government regulation was introduced eliminating piece work and establishing a minimum wage guarantee. Driving hours were regulated and rest periods, holidays and various welfare facilities were introduced. The system remains the framework for working standards in the industry.

Various interest groups have from time to time advocated the liberalisation of the industry. The government and financial institutions have cited deregulation of the taxi industry as a priority in their economic reform programme. Proposals include the introduction of zone fares which would lead to greater flexibility in setting fares. Zenjiko has consistently opposed deregulation calling instead for a comprehensive transport policy recognising the taxi industry as part of the public transport system. In March 1997 Zenjiko Roren and Shitetsu Soren held a joint rally of 4 000 taxi workers followed by a drive to the Ministry of Transport where demands on transport policy were submitted.

2.6.9 *Korea*

The industry is divided into company taxis employing 157 676 drivers and private taxis (owner-drivers) employing 128 384 in 2010. The Federation of Korean Taxi Workers' Unions (FKTWU) represents the former category. The industry grew rapidly in the 1980's but growth has slowed down considerably since the expansion of the subway systems in Seoul and Pusan in the 1990's. In March 1997 there were 1 814 taxi companies nationwide owning 87 403 vehicles. Until May 1997 the FKTWU had a membership of 90 000. However 30 000 members withdrew from the organisation to form another, resulting in a membership comprising approximately 60 000. FKTWU is making every effort to reunite the union. FKTWU comprises affiliated

unions organised at company level but wishes to transform itself into a national industrial union.

Wages of taxi drivers are amongst the lowest of all workers, and the lowest in the transport sector. Although the agreement with FKTWU specifies that working hours should not exceed 8 hours a day, many two-shift workers end up working ten hours or more, and one-shift workers find themselves working sixteen hours or more. In the small cities working hours are even more excessive.

The government has attempted through various means to deregulate the industry, in line with deregulation throughout the economy. The basic standard of licensing has been relaxed including the precondition of minimum necessary capital to establish a taxi company and the lengthening of limits on the period of use of a taxi. The FKTWU's position on deregulation is that social and safety regulation should not be relaxed, that entry regulation can be relaxed with the precondition that the total number of taxis should not increase, and that any deregulation should not worsen the working conditions of taxi workers (International Transport Workers Federation (2010)).

2.6.10 *Mongolia*

Prior to 1991 when the industry was privatised, the industry in Ulan Bator was publicly owned. Under public ownership drivers received a basic salary with additional commission based on performance. All regulations were abolished and anyone can become a taxi driver using any vehicle. There are four large companies in the capital city, all of whom are operating on a lease system. The Mongolian Transport Workers' Union which organises about 50 per cent of the drivers is opposed to the lease system and has demanded the re-introduction of the fixed salary system and re-regulation of the industry (International Transport Workers Federation (2010)).

2.6.11 *Ghana*

In the city of Accra, consisting of two million people, all public transport is by 'tro-tro' midi and minibuses, shared taxis and mammy wagons (wooden bodied trucks) since the cessation of full-size bus operations by the Omnibus Services Authority. Generally fixed routes are operated by the 'tro-tros' and vehicles leave their terminals only when they are full. 12 000 'tro-tros' are responsible for more than 50% of the city's vehicle trips with 30 000 shared taxis operating in this city. With a membership of 17 000 members, the Ghana Private Road Transport Union regulates services and sets fares (International Transport Workers Federation (2010)).

2.6.12 *Ivory Coast*

Private "Gbaka" minibuses serve the suburbs and outer areas of Abidjan, a city of 3 million people. The minibuses operate on set routes with no defined stops. Smaller taxi vehicles operate on different networks to the "gbakas" and carry 25% of demand (International Transport Workers Federation (2010)).

2.6.13 *Sweden*

The Swedish taxi industry was deregulated in 1990, becoming one of the most liberalised in the world. The number of vehicles doubled in the space of a few years and fares fell dramatically. Most large companies collapsed and the number of one-car companies increased immediately to around 7 000. The taxi owners' association terminated its collective agreement with the Swedish Transport Workers' Union (STF) immediately after deregulation. Previously taxi drivers earned a decent salary based on a fixed rate per hour and two variable rates dependent on kilometers driven and number of trips. However, the new system made taxi drivers dependent on commission.

Weakened by the above, the union negotiated a compromise agreement with the taxi owners whereby a commission system was accepted, but which guaranteed a minimum wage, annual leave bonus and some other social benefits. Regulations were introduced concerning the qualifications of drivers, and the police and public authorities were given the right to remove those with criminal records from the

business. The taxation authorities stepped up their activities against tax evasion and fraud (International Transport Workers Federation (2010)).

2.6.14 *Norway*

The industry comprises about 5 000 taxi companies allowing every owner to operate a maximum of two vehicles. Local authorities decide the number of licenses to be issued. Most drivers aspire to become owners, but in most cases it takes over ten years before being granted a license.

Taxi drivers in Norway are amongst the lowest paid group of workers. As a consequence many drivers work excessive (and illegal) hours to make up the wage. The industry is not covered by a number of social and welfare benefits which apply to most other workers - including severance pay, negotiated early retirement, training funds and welfare leave. The union has a national collective agreement with the taxi association but by its own admission the agreement has little practical significance as it is hardly applied at local level.

2.6.15 *Netherlands*

A government commissioned study concluded that existing regulation entrenched the divide between taxis and other forms of public transport by keeping fares high and discouraging the interface between different modes. The study also argued that the legislation left the door open for unsupervised companies to profit by leasing taxi-operating permits at very high prices. However, the Minister of Transport's response to these findings was unacceptable to taxi drivers, as he recommended wide scale deregulation of the industry. In particular the Minister recommended the abolition of the limit on the number of licenses as well as the termination of regionally determined tariffs. He proposed that fares should be left to the market on a supply and demand basis and that the registration of taxi drivers should be simplified. The proposals sparked off widespread protests of minibus taxi drivers throughout the country in early 1997. The taxi industry falls under the Vervoersbond FNV union.

2.6.16 *Argentina*

Buenos Aires has 38 653 licensed taxis operated by approximately 40 000 drivers and an unknown number of private-hire cars which are not licensed. The overcapacity of taxis has contributed to a fall in taxi drivers' earnings, although the main factor has been a fundamental change in the earnings system. Until the 1980's drivers were paid a percentage of takings. However this changed to a hire contract system whereby the driver pays a fixed amount for the use of the vehicle for a period of 12 or 24 hours. The driver is responsible for fuel and tyre wear costs, as well the payment of social security contributions.

The changes resulted in widespread demonstrations by taxi drivers and in 1982 under new leadership, the Taxi Drivers' Union initiated a campaign for a collective agreement. Other demands included the recognition of taxi drivers as employees (not self-employed) and a guarantee of 30% of taxi receipts as salary. In 1988 a collective agreement was signed. A campaign for a collective medical scheme followed which resulted in the establishment of a taxi Drivers' Medical Scheme in 1990.

Fraud and tax evasion by taxi employers was the next target and after pressure was put on the government various decrees were passed in 1996 which laid down the single status of employee for all taxi drivers who do not own a vehicle. Each licensed driver is issued with a plastic identity card which has to be carried at all times whilst on the job (International Transport Workers Federation (2010)).

2.6.17 *Australia*

New South Wales is one of the Australian states that have the largest amount of taxicabs and drivers in Australia. In 2006, the state was served by a fleet of around 6,000 taxis, employing over 22,700 taxi drivers.

The taxi industry in New South Wales is overseen by the Director General of Transport who administers the 1990 Transport Act and all regulations pertaining to the taxi and hire car industry. This industry comprises of licensed taxi drivers, legislative requirements that bound taxis to a booking service and self-employed drivers. The Australian Federal Court made a ruling on the relationship between taxi

drivers and taxi owners. This ruling specifies that taxi drivers are not employees. They are self-employed small business operators who conduct their business through the use of taxicabs. Drivers are therefore contractors who hire cabs from the owner (Australian Centre For Co-operative Research and Development, 2006).

2.6.18 Canada

The taxi industry is a growing industry in Canada. These drivers may work as *employees* or as *owners*, but are *lessees* in 70% of cases in Quebec. While employees benefit from a protective legal system, independent contractors, whether they be lessees or owners, are not covered. The Canadian taxi industry is regulated with restricted entry into the industry and fare schedules (starting fare, fare per kilometer, price per minute of waiting time) stipulating the maximum amounts that can be charged to the customers.

To become a taxi driver in Quebec, one has to undergo a health examination and undertake courses on driving a taxi; and speak French. The taxi driver permit can be acquired at 18 years of age. However, the driver should have at least one year experience in driving a class 4C license¹ or above. Additionally, this permit is only valid for operation in Quebec and would last for a period of 2 years². The driver has an option for an owner permit and is valid only for a given territory. If the driver cannot afford this permit, they can resort to the leasing of a minibus taxi.

Employment Insurance (EI) is a social program legislated under the federal/central Employment Insurance Act. The program provides assistance to workers who lose their jobs, or must be off work under other qualified circumstances. Similar to SA UIF Act, it also aims to assist the unemployed people to get back to work. Employment Insurance is funded by employees through payroll deductions and by their employers who pay a premium based on their employees' deductions. Since this is an insurance program, employee deductions for the plan are termed Employment Insurance premiums. Employers must withhold a specific amount from employees and submit it together with the pension premium to Canada Revenue Agency. In accordance to the Service Canada website (2010), Employment Insurance

¹ Allows you to drive a taxi.

² http://www.saaq.gouv.qc.ca/en/driver_licence/taxi_driver.php

premiums are paid by the employer. The drivers' insurable earnings are calculated based on the net revenue. There are two ways to determine the insurable earnings for a week, depending on whether or not the driver's actual earnings and expenses are known:

- a) If it is *known* how much the driver earned in a week and the expenses the driver incurred while operating the vehicle, the insurable earnings should be calculated as the difference between the two amounts, up to the maximum annual insurable earnings.
- b) If it is *not known* how much the driver earned in a week and/or the expenses the driver incurred while operating the vehicle, the amount of insurable earnings is the lesser of:
 - i) the number of days worked in the week multiplied by $1/390$ of the maximum annual insurable earnings; or
 - ii) the maximum of $1/78$ of the maximum annual insurable earnings.

These regulations were introduced as a result of these workers often going through periods of unemployment. The regulations apply to drivers who (i) do not own more than 50% of the vehicle; and (ii) do not own or operate a business.

The Employment Insurance Act establishes institutions that would ensure compliance to the statutory requirements by businesses/employers. Canada Revenue Agency (CRA) administers the *collection of premiums* under the *Employment Insurance Act*. The Act contains penalty provisions for failure to deduct and remit premiums as and when required, false declaration on the basis of non-disclosure of information; failure to declare claimant's earnings etc (Employment Insurance Act, 2010: 46). CRA is fully responsible for all matters of insurability including the collection of EI premiums.

2.7 CHAPTER SUMMARY

This chapter provided an overview of the minibus taxi sector in South Africa, as well as internationally. On the South African front, attention is given to the history and formation of the South African minibus taxi industry, the nature of the South African Minibus taxi Industry, South African minibus taxi industry trade unions, owners' organisations, the role of government in the minibus taxi industry, recapitalisation, minimum wages and conditions as well as the social protection that has been extended to the minibus taxi sector.

Within the South African context the formation of the minibus taxi industry was, and still is, associated with political volatility, characterised by regular disagreements between Government and minibus taxi owners, taxi drivers, taxi associations and taxi unions. Although the industry is embedded within the informal economy, various functions within Government have been embarking on attempts to improve the working conditions within this sector. As such, the taxi recapitalisation programme, the standardisation of minimum wages, conditions of service as well as social security coverage have been introduced. Whilst these issues have not yet been resolved, there appears to be some opposition from stakeholders towards these initiatives. The regulation of commuters' fares and minibus taxi operator wages and extended benefits has become a priority due to the uncertainty these workers experience in terms of a likely immanency of unemployment that deter minibus taxi drivers who are financially unable to purchase their own vehicle.

There seems to be quite a number of dynamics within the South African minibus taxi sector that have also been raised in international minibus taxi spheres. Reflection on the international minibus taxi industry revealed specific trends as it pertains to the international minibus taxi sector, social security and unemployment protection. Countries and cities included in this literature overview include China, Indonesia, Ukraine, New York, Mexico, Lebanon, India, Japan, Korea, Mongolia, Ghana, Ivory Coast, Sweden, Norway, Netherlands, Canada, Argentina and Australia. Neither one of these countries or cities appear to have escaped very definite challenges within this sector. Political discourse flavours the industry in the international arena as well, resulting in work stoppage in many of these countries. In most countries the prevalence of international minibus taxi drivers are extensive with common feelings

of being undervalued, underpaid and unrewarded for the effort and personal sacrifices they make by working long hours and being confronted with danger. Not all countries recognise the importance of regulating the industry, such as Sweden who decided to deregulate completely. Deregulation not only places greater strain on minibus taxi drivers, but ultimately also on the safety of their passengers as they need to drive longer hours, whilst feeling more lethargic, and at faster speeds so as to create a secure income for themselves.

Across the globe, minibus taxi drivers are predominantly seen as self-employed within a sector characterised by the informal nature thereof. In the majority of countries approximately 50% of the minibus taxi industries operate within an unregulated informal economic and legislative environment. This is particularly true in a situation where a minibus taxi driver is the owner or has leased that minibus taxi from an owner. The minibus taxi industry is internationally classified under the informal work sector. It is mainly used as a complementary mode of transportation parallel to railways and buses. The minibus taxi system is heavily used by low income earners as well as those whose areas are not easily reached by other transportation modes.

There is a growing data base on the minibus taxi industry, however not much attention is been paid to labour issues, especially on social security such as unemployment benefits. It is evident that current research and literature on the minibus taxi sector, both nationally and internationally, is needed.

The following chapter provides the empirical research analysis and interpretation as it relates to this study.

CHAPTER 3

EMPIRICAL RESEARCH ANALYSIS AND INTERPRETATION

3.1 INTRODUCTION

In this chapter the research results of the qualitative in-depth interviews conducted among the 29 minibus taxi owners who participated in the study are analysed and interpreted. To contextualise the outcome of the findings, the discussion starts with a provincial profile of South African minibus taxi commuters by age, population group and gender. This is followed by an analysis of participants in the empirical study. This section focuses on the length of time that participants have been involved in the minibus taxi industry, the reasons for getting involved and the perceived challenges facing the minibus taxi industry and individual minibus taxi businesses. Reaction to the apparent challenge of foreign minibus taxi drivers posing an assumed threat to the minibus taxi industry concludes this section.

The next section reports on the minibus taxi operation and employment situation of minibus taxi owners or employers. Specific issues covered include the number of minibus taxis owned, the number of minibus taxis in operation, extent of family member involvement as minibus taxi drivers in the business and the average daily working hours of drivers. Thereafter the reported awareness of the employment and remuneration laws applicable to the minibus taxi industry of South Africa regarding (i) working hours and (ii) minimum wages, is discussed. In this regard participants were probed on the official working hours and minimum wage that align with the basic conditions of employment requirements in the minibus taxi industry. As part of this discussion respondents were furthermore probed on their awareness of the registration specifications and procedures for registering minibus taxi drivers (employees) for UIF. Feelings towards UIF were probed as well as views on UIF deductions or monetary contributions made from minibus taxi drivers' (employees') weekly/monthly salaries or wages. Perceptions of and participation in the UIF scheme were investigated amongst those respondents who contribute to UIF by probing the status and reasons for worker registration and eliciting reactions to a number of UIF-related issues. Respondents who indicated that they do not contribute to UIF were probed on the reasons for not doing so, feelings associated

with not contributing and what would motivate non-complying minibus taxi owners to contribute.

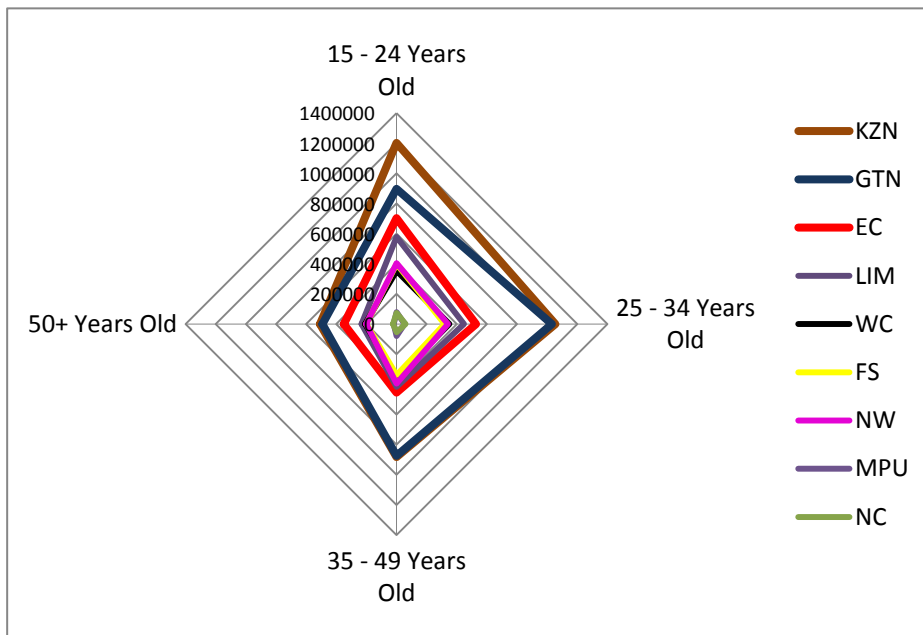
All the respondents were finally required to present their views on how UIF contributions are utilised, the way in which the DoL can encourage minibus taxi owners to contribute and what the possible reasons could be for not registering drivers. The reaction to a number of factors that could possibly motivate respondents to participate in the UIF scheme was finally gauged.

3.2 PROFILE OF MINIBUS TAXI COMMUTERS

According to the All Media and Products Survey (AMPS) (SAARF 2010) 34 million adult South Africans use bus, minibus taxi or train transport during an average week. Of these, 16 million or 47% indicated that they commute via minibus taxi during an average week. An analysis of the provincial profile of minibus taxi commuters by age group is displayed in figure 3.1.

FIGURE 3.1

PROFILE OF MINIBUS TAXI COMMUTERS: AGE GROUP BY PROVINCE

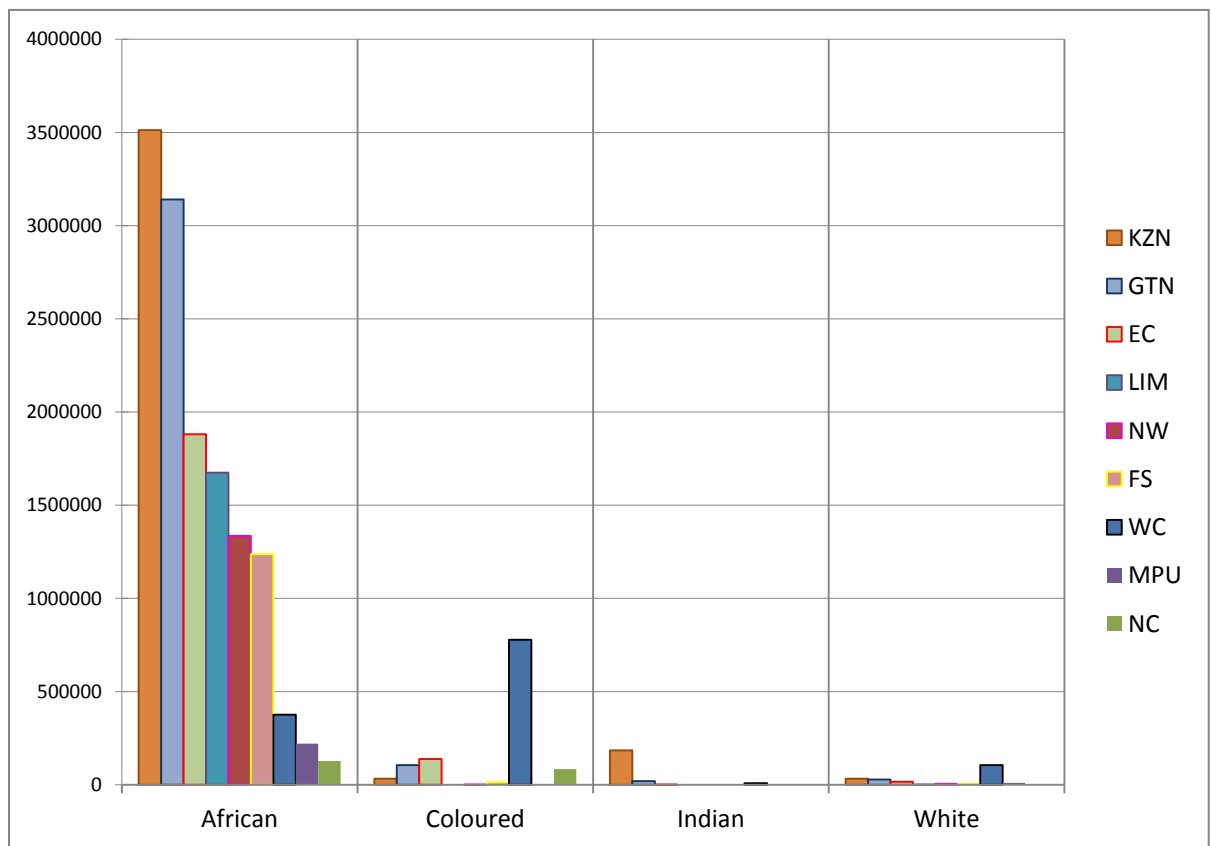


Source: All Media and Products Survey (AMPS) (SAARF 2010)

It is clear from figure 3.1 that KwaZulu-Natal and Gauteng account for the majority of minibus taxi commuting. All provinces display younger profiles with 63% and 58% of commuters in KwaZulu-Natal and Gauteng respectively being younger than 35. An analysis of minibus taxi commuters' population group by province is reflected in figure 3.2.

FIGURE 3.2

PROFILE OF MINIBUS TAXI COMMUTERS: POPULATION GROUP BY PROVINCE



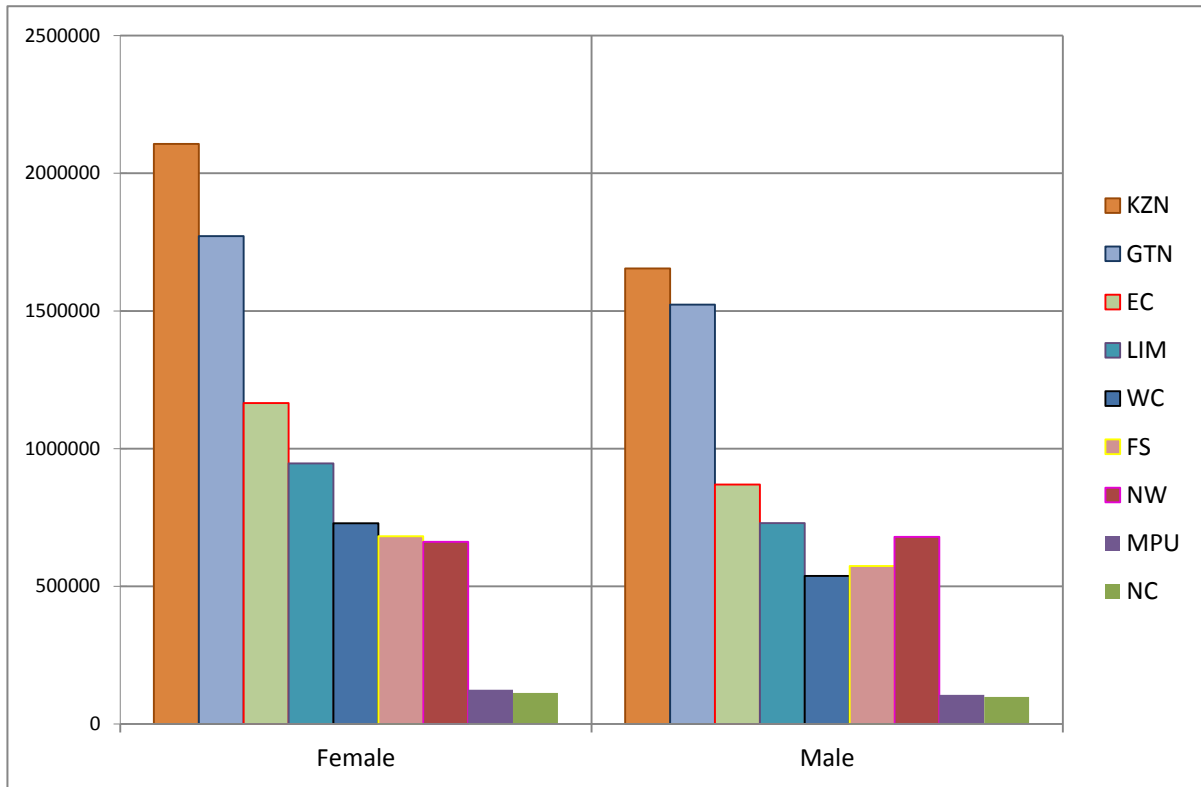
Source: All Media and Products Survey (AMPS) (SAARF 2010)

Figure 3.2 clearly shows an African population group bias in all provinces except the Western Cape where the Coloured population group account for almost half (48%) of minibus taxi commuting in an average week.

An analysis of minibus taxi commuters' gender by province is reflected in figure 3.3.

FIGURE 3.3

PROFILE OF MINIBUS TAXI COMMUTERS: GENDER BY PROVINCE



Source: All Media and Products Survey (AMPS) (SAARF 2010)

Figure 3.3 displays a female bias in almost all provinces with 55% being female commuters. The only exception is the North West province where 49% are female.

3.3 PROFILE OF RESPONDENTS

This section presents an overview of participating minibus taxi owners by region, time involved in the minibus taxi industry, as well as reasons for becoming involved. Respondents by region and duration of involvement in the industry are reflected in table 3.1.

TABLE 3.1

PROFILE OF RESPONDENTS BY REGION AND DURATION OF INVOLVEMENT

Region	Duration (<i>n</i>)		
	Less than 10 years and 5 months	More than 10 years and 5 months	Total
Gauteng: Greater Johannesburg	1	2	3
Gauteng: Pretoria	2	3	5
Western Cape: Cape Town	4	1	5
KwaZulu-Natal: Durban	2	2	4
KwaZulu-Natal: Pietermaritzburg	1	0	1
Limpopo: Polokwane	1	1	2
North-West: Rustenburg	0	2	2
Free State: Bloemfontein	0	3	3
Eastern Cape: Port Elizabeth	1	0	1
Eastern Cape: Umtata	1	0	1
Northern Cape: Kimberley	2	0	2
Total	15	14	29

The realised sample in table 3.1 reflects the number of years that the respondents have been operating their minibus taxi businesses. As can be seen from table 3.1 respondents have reasonably established businesses with approximately half of them having operated in the minibus taxi industry for more than 10 years and five months.

3.4 MOTIVATION FOR INVOLVEMENT IN MINIBUS TAXI INDUSTRY

Respondents were probed on the reasons or motivation for getting involved in the minibus taxi industry. These reasons (most in verbatim format) are reflected in exhibit 3.1.

EXHIBIT 3.1**REASONS FOR GETTING INVOLVED IN THE MINIBUS TAXI INDUSTRY****INTEREST**

By paying a joining fee

I applied for a permit and after getting it I bought a four-seater and then after that I bought a kombi

I applied for a permit and then I was given a letter of approval by the minibus taxi association

I went to the bank and made a loan and bought a minibus taxi

I bought a permit form one of the members of the minibus taxi association, paid a joining fee and then bought a minibus taxi

I had an interest in this industry enquired about how to join and pay a joining fee

I love this business even when I was still young. buy the certificate which was very expensive

Applied for a permit and after it was granted to me I then bought a minibus taxi

I started as a minibus taxi driver and ended up buying my own

I started as a minibus taxi driver and I saved money and bought a minibus taxi of my own

I started as a minibus taxi driver because of lack of employment and then I saved money to buy my own minibus taxi

I started by driving a meter minibus taxi up until I bought my own minibus taxi

Was involved in the transport department at work and just took it from there

I wanted to be involved with any business that has to do with transport

To make a living and lack of transport in my area

FAMILY

Both of my brothers were in this industry so I decided to follow them

Family member was involved in the transport business and I took over from him

I got shares from my father's will and used that money to buy a minibus taxi

I took over from my late husband

It is the legacy that was left by my father

It was a family businesses and I inherited it

UNEMPLOYMENT

Due to unemployment, I started as a driver and then went on and bought my own

Due to unemployment, I started as a minibus taxi guard

I lost my job and I needed to pay my bills and earn my own money again

Retrenchment and unemployment

I was retrenched so I used my retrenched money to buy a minibus taxi

I was working in motor industry but did not succeed so I bought a minibus taxi to try and make a living

I am a foreigner, so I needed to work when I arrived here and I started as a driver. Two years ago I then bought my own minibus taxi and bought the second one and now I am in a process of buying the third one

Exhibit 3.1 reflects that respondents became involved in the minibus taxi industry due to having an interest, having family involved or due to unemployment.

3.5 CHALLENGES FACING THE MINIBUS TAXI INDUSTRY

This section reports on perceived challenges facing the minibus taxi industry and individual minibus taxi businesses. The perceived challenge of foreigners operating in the industry is also discussed.

The perceived challenges facing the minibus taxi industry are reflected in exhibit 3.2.

EXHIBIT 3.2

CHALLENGES FACING THE MINIBUS TAXI INDUSTRY

REGULATION

Lack of proper control and regulation from the government.

The minibus taxi industry is not subsidised by the government whilst other if not all modes of transport are being subsidised by the government

Minibus taxis which do not have heaters and air conditions

No control over illegal or foreign drivers who are taking away our customers and money

New legislations. Changes in public transport systems: BRT and IRT

The implementation of BRT has crippled our industry and salaries

BRT it has put us to be at the end of the road

Uncertainty of operations

Inadequate database due to low worker retention rate

Informal nature of industry

Department of Transport is not organised

Serious backlog with the issuing of permits

Backlog with recapitalisation (scrapping of minibus taxis)

Allocation of routes

Long working hours and travelling long distance

Reduced passengers

Traffic cops a also a major problem

Drivers do as they please

Not being recognised by government

Government demanding 100% road worthy cars of which it is impossible in the minibus taxi industry

Our major challenges are related to government issues

Business is not good anymore because it takes too long to have a full load

There is no cut off number of minibus taxis that are supposed to be on the road

Too many permits issued

The buses take our business

Piracy-minibus taxis that are operating illegally

This industry is over populated as everyone who is retrenched buys a minibus taxi and this makes it difficult to get passengers

No pension funds or insurance support

There are more minibus taxis than passengers

Too many minibus taxis in the industry

We struggle to get the permits

VIOLENCE

Fights amongst drivers
 Conflicts among the minibus taxi association
 Conflicts amongst our selves
 Crime and wars
 People being killed because of fights over routes
 Jealousy
 Wars amongst associations
 Xenophobia
 Police and traffic officers harassing us
 Minibus taxi violence in the minibus taxi industry
 The competition among other associations
 Minibus taxi wars over the route
 Fighting between minibus taxi industry and BRT
 Violence is the major challenge

SAFETY

Commuters that use minibus taxis when drunk
 Commuters that delay minibus taxis
 Safety of our drivers
 Accidents
 High rate of accidents
 Crime is very high
 Hijacking and crime are very high
 Drivers from other associations hijack or rob you
 High minibus taxi accident rates
 Accidents happen more often
 Negligent minibus taxi drivers who arranging for you to be hijacked
 Minibus taxi owners using unsafe minibus taxis to do business
 The car must always be in good condition
 Car break downs

COMMUNICATION/COMMITMENT

Communication between the different minibus taxi associations, especially when travelling outside the local area
 Communications break down between us and the management which leads to fights
 Lack of commitment from members of the association
 Lack of communication from the minibus taxi management
 Miscommunication between us and the government
 Lack of communication within the minibus taxi association
 Supervise workers on a daily basis

INDUSTRY REPUTATION

Bad behaved minibus taxi drivers giving the good ones a bad name
 Our minibus taxi ranks and facilities do not show that we are professionals
 Lazy drivers who steal money
 Lazy drivers
 People using normal cars as minibus taxis
 Non-educated minibus taxi workers causes resistance to change
 The government does not consider us as business people who help to improve the economy of the country
 The minibus taxi industry is mainly governed by illiterate and intransigent people who don't want to move with times

FARES/COSTS

Complaints from our customers whenever we increase minibus taxi fare
 High insurance premium/ cost
 Cost of finance-30% interest rate
 Access to finance
 Fuel prices
 Traffic officers and Fines
 Impounding of minibus taxi if unable to pay high fine for using wrong route
 Maintenance is too high
 Car service
 Our pricing model
 Passengers are not willing to pay minibus taxi fares if they increase

Exhibit 3.2 reveals that respondents perceive current government regulations as being restrictive and ineffective. The need for a government subsidy to level the playing field to compete with other public transport such as buses (especially the BRT) and trains were expressed. The informal nature of the industry, issuing of permits, the minibus taxi recapitalisation programme, allocation of routes and pirate minibus taxis were mentioned as issues where government regulations should be redrafted and applied more judicially.

The second most-mentioned challenge expressed by respondents involved endemic violence with conflict between minibus taxi associations, jealousy over routes, xenophobia and the harassment of drivers by traffic police officers mentioned as possible causes for violence.

The third most-mentioned challenge facing the minibus taxi industry involves the safety of drivers and passengers. Other challenges entail communication between different minibus taxi associations, between drivers and owners, between owners and government and among minibus taxi associations. A related aspect involves general levels of commitment within the industry.

Other challenges mentioned entail a dubious industry reputation and costs involved in operating a minibus taxi business.

In addition to the challenges facing the industry perceived challenges facing minibus taxi owners were also elicited and these are summarised in exhibit 3.3. In most cases the cited challenges are the verbatim statements of the respondents.

EXHIBIT 3.3**CHALLENGES FACING MINIBUS TAXI OWNERS****COST**

Cost of minibus taxi instalments

Cash flow.

Costs involved to keep the minibus taxi operating

Petrol, maintenance

Getting enough customers to be able to cover these costs and still make a profit

Cost of fuel

Profit decrease due to BRT

Car break downs

Maintenance costs takes all the profit

Car breakdowns

Petrol increase

Monthly instalments

High monthly instalment

No business during the day, only in the mornings and peak hours

Instalment is too high now and we cannot afford to pay anymore

We are going to end up losing the cars because of this high instalment

Vehicle instalments are too high

Repossession of our cars

Mechanical problems

Banks refuse to finance you when you want to do a new project like buying a new minibus taxi

REGULATION

Passengers not subsidised

Association side lining members

Government promising to subsidise

The issue of not being subsidised by the government

It is expensive to buy permits as they cost about R15000.00 - R20000,00

No governmental subsidy makes it difficult to pay our debts

Fare increases not reflecting increase in fuel cost

Permits

My main challenge was getting a permit

Contracts with businesses to transport workers

Piracy-minibus taxis that are operating illegally

So many people are in the minibus taxi business of lately

The government said we should buy new minibus taxis

COMMITMENT/ ABUSE OF AUTHORITY

Lack of high performance from your employee

Drivers do not last in their jobs

It is very challenging because your employees do as they please

Lack of consistency from employees

Divers misusing the vehicles

to control your drivers

Dishonest drivers

Rough drivers

<ul style="list-style-type: none"> Unreliable drivers Lazy drivers Negligence of our cars by drivers Intimidation by association board members Metro police officers are harassing us Drivers does not want to work The way drivers use vehicles Untrustworthy drivers Drivers are always complaining about their salaries
<p>VIOLENCE</p> <ul style="list-style-type: none"> Intense rivalry Thieves who steals our minibus taxis/ steal from you Jealousy among minibus taxi owners Hijacking and wars for the routes that can kill you
<p>REPUTATION</p> <ul style="list-style-type: none"> Cash in transit heists Opportunity for corruption over which the association has no control Bad image for the industry Not having being lead by people who do not want

It is clear from exhibit 3.3 that similar challenges facing the industry are being expressed by individual minibus taxi businesses. These challenges involve cost, regulations impacting on operating a minibus taxi business, commitment and abuse of authority by minibus taxi association officials and metro police officers, violence, and industry reputation.

Reaction to the apparent challenge of foreign minibus taxi drivers posing an assumed threat to the minibus taxi Industry concludes this section. Respondents' views in this regard are reflected in exhibit 3.4 that in most cases displays verbatim statements.

EXHIBIT 3.4**PERCEPTIONS TOWARDS FOREIGN MINIBUS TAXI OWNERS****POSITIVE COMMENTS**

They are better drivers as compared to the South African ones
 They have respect and take their job quite seriously
 They are also human beings and also want something for their family
 Not a problem at all as they do not affect our business in any way
 We are not using same routes as them
 They also contribute to running our business
 We have to share our market with them
 Their number is not that high
 They also helping to improve our industry
 They believe that they need to work hard in order to climb the ladder
 They are committed to their work more than us
 They are hard workers
 South Africans are lazy and foreign people are hard workers
 Foreigners are able to work hard for less pay
 I think they are best drivers

CRIMINAL ELEMENT

Foreigners commit crime in our country
 Can cross the border with your car and you will never see them again
 I would not take a foreigner as because I do not trust them
 They take anything that will put money in their pockets
 They can skip the country with my car and will not be able to get it
 They use small cars and bakkies
 They steal our business away from us
 They are very bad drivers and do not obey the rules of the road
 They will take our businesses
 They steal from us
 They are stealing our minibus taxis and they take them to their countries
 It' is affecting us in a bad way

NON-COMPLIANCE

They do not have valid licenses
 No database of these drivers/owners
 They are not tested upon their arrival
 Minibus taxi owners hire foreigners and pay little money
 These drivers are picking up our customers along the road
 Under cutting the prices set
 They are illegal in the country

SIZE

About 10% of foreigners are in the industry

A surprising finding is the number of positive comments made by respondents reflecting that foreigners are better drivers, take their job quite seriously, are hard and committed workers, and contribute to improving the image of the industry. Counterbalancing these views are references made to the perceived criminal element prevalent amongst foreign operators in the industry and non-compliance with industry rules and regulations.

3.6 OPERATIONAL ISSUES OF MINIBUS TAXI OWNERS

This section discusses a number of operational and employment issues related to minibus taxi owners or employers. Specific issues covered include the number of minibus taxis owned, the number of minibus taxis in operation, extent of family member involvement as drivers in the business and the average daily working hours of drivers.

Tables 3.2 and 3.3 show the number of minibus taxis owned and in operation by respondents.

TABLE 3.2
NUMBER OF MINIBUS TAXIS OWNED

Number of minibus taxis	<i>n</i> *	%	Cumulative %
1	5	18.5	18.5
2	11	40.7	59.3
3	6	22.2	81.5
4	2	7.4	88.9
5	2	7.4	96.3
20	1	3.7	100.0
Total	27	100.0	

*Explanatory note: '*n*' refers to number of respondents in the sample

It is clear from table 3.2 that almost sixty percent (59.3%) of respondents own one or two minibus taxis. On average, three minibus taxis are owned by participating minibus taxi owners.

TABLE 3.3**NUMBER OF MINIBUS TAXIS IN OPERATION**

Number of minibus taxis	<i>n</i>	%	Cumulative %
1	10	47.6	47.6
2	4	19.0	66.7
3	4	19.0	85.7
4	2	9.5	95.2
18	1	4.8	100.0
Total	21	100.0	

The average number of minibus taxis in operation (1.8) is somewhat less than the number of minibus taxis owned. Owners with more than one minibus taxi have more non-operational minibus taxis, which raises the question of maintenance amongst single minibus taxi owners.

Table 3.4 reflects the number of drivers employed by the 26 respondents who responded to this question, with a specific focus on family involvement in their businesses.

TABLE 3.4**DRIVERS EMPLOYED**

	Employ only family members (<i>n</i>)	Employ only non-family members (<i>n</i>)	Employ both (<i>n</i>)			Total (<i>n</i>)
			Family members	Non-family members	Total	
Minibus taxi owners	5	12	9			26
Drivers	7	24	18	32	50	81
Average drivers	1.4	2.0	2.0	3.6	5.6	3.3

A total of 14 or 53.8% of respondents indicated that they employ only family members as drivers, which reinforces the finding regarding family ties being an important factor in becoming involved in the minibus taxi industry. A total of 21 or 80.8% of respondents indicated that they employ only non-family drivers implying that nine or 34.6 % of respondents employ both family and non-family members. However, it is evident that respondents employing both family and non-family members on average employ relatively more drivers (5.6) than respondents

employing only family members (1.4) or non-family members only (2.0). On average 3.3 drivers are employed by all minibus taxi owners.

Table 3.5 reflects the estimated number of hours that minibus taxi drivers work.

TABLE 3.5
DAILY WORKING HOURS OF MINIBUS TAXI DRIVERS

Hours	<i>n</i>	%	Cumulative %
8	2	7.7	7.7
9	1	3.8	11.5
10	4	15.4	26.9
11	1	3.8	30.8
12	4	15.4	46.2
14	2	7.7	53.8
15	6	23.1	76.9
16	3	11.5	88.5
17	2	7.7	96.2
18	1	3.8	100.0
Total	26	100.0	

Table 3.5 reflects that respondents expressed different estimates of the number of hours their minibus taxi drivers work per day, with 12 respondents (or 46.2%) mentioning between eight and 12 hours and 14 respondents (53.8%) indicating between 14 and 18 hours.

The average daily working hours as perceived by respondents is reflected in table 3.6.

TABLE 3.6

AVERAGE DAILY WORKING HOURS OF MINIBUS TAXI DRIVERS BY DURATION OF BUSINESS

	Duration					
	Less than 10 years and 5 months		More than 10 years and 5 months		Total	
	Mean	<i>n</i>	Mean	<i>n</i>	Mean	<i>n</i>
Daily working hours of minibus taxi driver(s)	14.3	13	12.0	13	13.2	26

Estimates of the working hours of minibus taxi drivers for respondents who have been in business for less than 10 years and 5 months are somewhat higher (14.3 hours) than those who have been in business for longer than 10 years and 5 months (12 hours). The average estimate of the hours worked by minibus taxi drivers is 13.2 hours per day.

3.7 EMPLOYMENT AND REMUNERATION LAWS AND UIF AWARENESS

Prior to exploring UIF-related issues, respondents were probed on their awareness of the employment and remuneration laws applicable to the minibus taxi industry of South Africa regarding (i) working hours and (ii) minimum wages. Owners who claimed to be aware were also asked to recall the official working hours and minimum wage that align with the basic conditions of employment requirements in the minibus taxi industry.

3.7.1 Awareness of UIF registration specifications and procedures

Awareness of the registration specifications and procedures for registering minibus taxi drivers (employees) for UIF were probed only after respondents had responded to the general questions on employment and remuneration. The rationale for this approach was to introduce the discussion on non-compliance of UIF in a non-threatening and unobtrusive manner.

Table 3.7 reflects the awareness of the employment and remuneration laws applicable to the minibus taxi industry of South Africa regarding official working hours and minimum wage. The table also reflects the perceived official working hours and minimum wage for respondents who claimed to be aware of the employment and remuneration laws.

TABLE 3.7

**EMPLOYMENT SPECIFICATION AWARENESS
AND PERCEIVED WORKING HOURS AND MINIMUM WAGE**

Employment specification	Awareness (<i>n</i>)			Perceived working hours and minimum wage
	Yes	No	No answer	
Working hours	12	16	1	9 hours
Minimum wage	14	13	1	R1 062
Registration for UIF	14	14	1	N/A

Despite one respondent indicating the minimum minibus taxi driver wage as 20% of the driver's total monthly turnover, low awareness levels regarding working hours, minimum wage and registration for UIF are reflected in table 3.7. Approximately 50% of respondents claimed that they are aware of the employment and remuneration laws applicable to the minibus taxi industry of South Africa.

The average minimum wage as estimated by the respondents is R1 062 per month. According to the DoL, the monthly rate for minibus taxi drivers and administration workers increased from R1 740.53 to R1 933.72 per month for the period 1 July 2009 to 30 June 2010 (DoL 2010). Only one respondent reflected a minimum wage of R1 800.00, which is comparable to the government wage standard.

A total of 14 respondents (or 50%) indicated that they are aware of the registration specifications and procedures for registering minibus taxi drivers for UIF.

All 29 respondents were required to indicate their immediate associations with the UIF. These associations, mostly recorded verbally, are reflected in exhibit 3.5.

EXHIBIT 3.5**SPONTANEOUS ASSOCIATION WITH UIF**

<p>UNEMPLOYMENT BENEFIT</p> <p>I think it is the money that you get after you have been retrenched or no longer working</p> <p>I think of the drivers that if they lose their jobs they would not have anything to fall back on</p> <p>In case an employee (driver) is dismissed, they can claim the UIF money.</p> <p>Is where you register your employees so that when they are not working, they can get money from the UIF</p> <p>It is a worker's compensation fund</p> <p>It is an unemployment fund for those who lose their jobs and they get salaries after that</p> <p>Money we contribute while working to use it when unemployed</p> <p>Money you receive when you are not working anymore</p> <p>Our employees must contribute to UIF so that if they lose their jobs then they can claim from it</p> <p>Pension fund or compensation fund</p> <p>Retirement, security & money savings</p> <p>Unemployed fund for our drivers to survive after losing their jobs</p> <p>Unemployed funds for drivers who lost their jobs, but only if you were contributing</p> <p>When my employees lose their jobs, they can still survive with the money they contributed for UIF</p> <p>For the unemployed</p> <p>My drivers can have a simple life if they lose their jobs</p> <p>Unemployment fund</p> <p>When someone loses their job, they can claim the money from UIF for them to survive</p> <p>Work compensation that comes from the government if you lose work then you can claim for six months</p>
<p>DISTRUST IN GOVERNMENT</p> <p>Government wants money</p> <p>It's just another expense and the money will probably get stolen away</p> <p>It's just another way that the government is using to make money</p> <p>No procedures and simply no money for additional expenses</p>
<p>UNINFORMED REGARDING UIF REGISTRATION</p> <p>Department of labour registering drivers</p> <p>It is up to the minibus taxi owners to register their employees</p> <p>Problems, as I do not know how to go about registering my drivers</p>
<p>OTHER</p> <p>Minibus taxi drivers that refused to have a deduction made on their salaries</p> <p>Employers can also benefit from this e.g the skills development levy</p> <p>It is a good thing that they are doing</p> <p>Nothing</p>

Exhibit 3.5 is characterised by both positive and negative associations with the UIF. Most of these associations can be ascribed to an unemployment benefit. In this regard, respondents mentioned the UIF provides financial assistance to drivers who lose their jobs. It is also described as an unemployment fund, pension fund, a form of retirement and a form of security and money savings from which unemployed drivers can claim for a period of six months. Negative associations revolved around

distrust in government with respondents expressing concerns regarding financial mismanagement. Spurious comments were made pertaining to minibus taxi drivers refusing to contribute and possible skills development advantages.

3.7.2 Payment of drivers

To gain insight into the deductions and monetary contributions (see table 3.9) made by respondents and drivers towards (i) unpaid leave, (ii) repayment of loans and advances, (iii) third party payments (banks, unions), (iv) benefit funds (pension, provident, retirement, medical aid) and (v) unemployment insurance (UIF), respondents were firstly requested to indicate the frequency with which drivers are paid (see table 3.8).

TABLE 3.8

FREQUENCY OF PAYMENT

Payment frequency (<i>n</i>)	Daily	Weekly	Bi-weekly	Monthly
		1	22	2
%	3.6	78.6	7.1	10.7

The majority (78.6%) of respondents pay drivers on a weekly basis, with infrequent monthly, bi-weekly and daily payment also being evident.

TABLE 3.9

DEDUCTIONS AND MONETARY CONTRIBUTIONS

Deductions/contributions	Salary/wage deduction		Monetary contribution	
	<i>n</i>	%	<i>n</i>	%
Unpaid leave	4	13.8		
Repayment of loans/advances	8	27.6		
Third party payments (banks, unions)	3	10.3		
Benefit funds (pension, provident, retirement, medical aid)	1	3.4	4	13.8
Unemployment insurance (UIF)	2	6.9	2	6.9

Table 3.9 reflects a low level of contribution towards unpaid leave, repayment of loans and advances, third party payments (banks, unions), benefit funds (pension, provident, retirement, medical aid) and unemployment insurance (UI). Only 4 out of 29 (13.8%) respondents contributed either through salary deductions or monetary contribution towards the UIF. This number is comparable to other deductions for unpaid leave, repayment of loans or advances, third party payments and benefit funds.

The following section reports on the respondents' perceptions of and participation in the UIF scheme.

3.8 PERCEPTIONS OF AND PARTICIPATION IN UIF SCHEME

The four respondents that indicated participation in the UIF scheme, were probed on the status of drivers' registration, perceptions associated with and participation in the UIF scheme. Two respondents indicated that some of their drivers are registered while the other two stated that all their drivers are registered. Reasons for registering only some drivers are that they either do not want to be registered as they claim that the contributions cannot be afforded, some are not permanently employed and that others are still in the process of being registered. All four respondents had discussed the UIF and associated benefits with their drivers. These respondents specifically mentioned that drivers can benefit from UIF at a later stage and were also aware of the importance of contributing to UIF.

The qualitative technique of incomplete sentences was applied to elicit reasons that motivate contribution to the UIF. The findings, mostly verbatim recordings, are reflected in exhibit 3.6.

EXHIBIT 3.6**REASONS FOR CONTRIBUTING TO UIF**

<p>THE MINIBUS TAXI BUSINESS CONTRIBUTES TOWARDS UIF BECAUSE...</p> <p>I want to take care of my employee I am looking after my employees I want my employees to get pension fund when they retire or retrenchment It is the law</p>
<p>BY CONTRIBUTING TOWARDS UIF I FEEL...</p> <p>Great, because this will help me a lot when I am no longer working More confident Proud of myself Securing my employee's future so that they will have something to fall back on at the end of the day</p>
<p>MY MAJOR CONCERN/PROBLEM WITH THE UIF IS...</p> <p>I do not have a problem I do not have any problems I am not sure at what age should the drivers stop working and the percentage we are suppose to contribute Unreliable employees. You register him today and then tomorrow he leaves and you are then forced to hire another one and go through the same procedure of registering that person</p>
<p>RECOMMENDING THE UIF TO OTHERS CAN...</p> <p>Be advantageous because the money will help him/her if they are not working anymore I cannot really comment because I also not quite satisfied about it, because of lack of knowledge Make things easier for them so that they may not be penalised at the end of the day Make things easy for them not to get in trouble with the law Arrest the owners Compel others to register for UIF. They also need to be informed about the whole thing for them to know the importance of contributing to UIF Contribute towards subsidising passengers. Afford better rates by the association. Be consulted on what happens in public transport. Pay high cost on finance (30% rate on interest) I do not think they must do anything other than doing workshops The law should take its course</p>

Exhibit 3.6 reflects that respondents completed the statement 'The minibus taxi business contributes towards UIF because ...' by mentioning the need to take care of their drivers and provide for an income when they are out of work. Reference was also made to the legal requirements for complying with the requirements of UIF.

The statement 'By contributing towards UIF I feel...' revealed positive feelings of confidence, pride and security. These feelings should also be regarded as important motivators for complying with the requirements of UIF.

The statement 'My major concern/problem with the UIF is...' elicited uncertainty regarding the way in which the fund actually works and what is required by whom.

However, two respondents mentioned that they had no concern or problem with the UIF.

The statement 'Recommending the UIF to others can...' revealed that it could be advantageous by enabling others to comply with the legal requirements of UIF. It was again evident that there were instances of not being fully informed on UIF. An interesting comment was an expectation that UIF contributions should be used for subsidising the minibus taxi industry.

3.9 NON-COMPLIANCE WITH UIF SCHEME

In this section non-complying respondents were required to indicate the reasons for certain employers in the minibus taxi industry preventing them from contributing to UIF. The underlying motivations and feelings associated with non-compliance are explored in the sub-sections to follow.

3.9.1 Reasons for non-compliance

Exhibit 3.7 reflects the reasons given for non-compliance with the UIF scheme.

EXHIBIT 3.7

REASONS FOR NON-COMPLIANCE

FINANCIAL RESTRAINTS

Business is not doing well and our employees are not keen in contributing because they feel that they are not paid well enough

Drivers do not want to be registered because they do not afford to contribute. Cannot afford to pay

I think a lot of people cannot afford it

Most of the owners and employees are struggling to make ends meet because of additional expenses they need to cover such as repayments of vehicles, insurance, maintenance etc

The salaries we pay our drivers is not enough to deduct for anything

They say that they earn little money for it to be deducted and on top of that they are the bread winners in their homes

We do not get enough passengers because business is bad, there is too much minibus taxis in this industry

We do not make enough money to still have to pay for extra like UIF. It is difficult enough just trying to get by and make ends meet

DRIVER RETENTION

Drivers are not able to work for one person for a long time, they change employers as they please. So in this way UIF contributions cannot be controlled

Drivers come and go, they do not stick with one owner

Drivers do not stay with one owner for a long time, they just come and go as they wish. They do not even last for a year, six months is enough for them with one owner

Drivers do not stay with one owner for a long time. They normally work for six months and move on to the next and they keep on doing this until they become old and end up with nothing

Labour turnover. No stability in drivers and lack of proper information

The other thing is that we do not have permanent employees, they come and go as they please

REFUSAL

Minibus taxi people are greedy people and I think they need more motivation about UIF so that we will all be able to learn

Not necessary

Just a waste of money

It is because there is no need to comply

Employees won't even allow you to deduct the money from their salaries

I don't think they would want their pays to be deducted for the UIF because the UIF is not a guarantee

My employees do not want me to deduct from their salaries, they seem to think I am stealing from them even after explaining to them about the UIF

Minibus taxi drivers do not want any money to be deducted from their salaries

COMMITMENT

How can you register someone who can leave you anytime

The drivers are not reliable

They keep on changing people to work for anything as they please

No formal contract signed when you hire them.

It is because they do not work for longer period that qualifies them to be registered and they quit their jobs without telling you

The other problem is that the drivers do not work for one person for long

IGNORANCE

I do not know UIF and I don't know why they do not contribute

Lack of information makes us to ignore these things

Lack of information. Even those who knows about it they contribute because the government don't force anybody to pay

Minibus taxi industry is ruled by people who are not educated so one cannot reason with them.

Lack of knowledge as some owners are not educated

Not well educated about it and no time to do administration work

The employees are unreliable

Some of the owners do not know the importance of contributing towards UIF because of lack of knowledge

Unreliable and ineffective employees

We are still in the process of learning about UIF as this is still very new to us

We never thought of it as owners

Lack of information about UIF

You cannot register a temporary unreliable employee who doesn't take his work seriously

According to respondents, perceived reasons for non-compliance can be categorised under financial restraints, driver retention, refusal, commitment and ignorance. Of these, ignorance appears to be the key driver in rationalising reasons for non-compliance. Lack of information about the UIF, apathy amongst drivers and blame-shifting are specific reasons mentioned. Reasons underlying financial restraints are personal affordability and the success of the minibus taxi business. Driver retention and commitment appear to be closely linked with employment status, lack of contractual agreements and loyalty amongst employers and employees. Minibus taxi drivers furthermore appear to be inclined to refuse any perceived form of financial regulatory liability, while an accompanied degree of distrust in utilisation of funds seems evident.

The feelings associated with not contributing towards UIF were elicited and are reflected in exhibit 3.8.

EXHIBIT 3.8

FEELINGS ASSOCIATED WITH NON-COMPLIANCE

APATHY

I do not have a problem of registering my employees but they are unreliable

I cannot register different people every now and then

I do not think they care about those things

I never thought of it even if I am aware of it, I think it is an individual choice

It is up to the owner to register his/ her employees

Indifferent

Do not know how their future is going to be like

Nothing

Nothing, since it is something that is beyond my control and there is nothing that I can do

Nothing, since there is nothing I can do

Okay. It doesn't affect me or my business

They have no problem

Almost all the owners I know do not contribute to UIF. It is just another unwanted expense

We do not think about it because there is no one who is informing us about it

They do not want to spend money.

GUILT

I do not feel good about it because at the end of the day the drivers will be the one suffering if and when they lose their jobs but it is out of my control

I feel bad but there is nothing I can do if they do not want to contribute

It is bad for our drivers but what can we do if they do not want to be registered

Threatened and ashamed because it seems as if it is serious

ENTITLEMENT

They believe that they must be at the receiving end

The employees are not getting any benefits

There is more to be done in our industry because it does not operate the same as other industries

CONFUSION

I am not sure what to say there. Sorry. No sorry. I don't know

Not sure

Maybe if the government can enforce it as the law then all the minibus taxi owners will contribute for their employees

Respondents found it challenging to ascribe feelings associated with not contributing towards the UIF scheme. Rational reasons for non-contribution are easily elicited, but when reflecting on these reasons, certain underlying feelings can be revealed. These feelings are categorised in exhibit 3.8. Related feelings of apathy, guilt, entitlement and confusion were apparent. Specific apathetic comments involve unconcerned reactions associated with abdication of responsibility. Some feelings of guilt are apparent given the comments that employers realise the importance of contributing, but rationalise reasons for not doing so. Respondents moreover expressed a feeling of entitlement through an expectation that the industry should provide more benefits. Confusion is noted amongst minibus taxi owners who feel ill-informed about the legalities associated with the UIF scheme.

3.9.2 Motivational drivers to start contributing to UIF

In addition to the feelings associated with not contributing towards UIF, respondents provided possible motivational drivers that could induce higher compliance levels. Exhibit 3.9 captures the motivations obtained from minibus taxi owners.

EXHIBIT 3.9

MOTIVATIONAL DRIVERS TO START CONTRIBUTING TO UIF

EDUCATION / COMMUNICATION

DoL should have workshops for both owners and drivers to educate them about UIF

DoL should interact with the minibus taxi industry

I can be motivated if workshops can be done

To be more informed about UIF and also inform us of the easy ways to contribute

The government must do everything in their power to encourage people to contribute

If they can make it to be compulsory

The association office should tell us how much to pay and I will do it

Maybe to know fully what it is all about and it's benefit

Nothing as I do not have knowledge about it

To have more information about it

<p>BUSINESS EXPANSION</p> <p>If my business can be stable and the drivers will know their responsibilities and do the work thoroughly</p> <p>If the business improves then we will be able to pay them better salaries then in this way they can contribute towards UIF</p> <p>If the drivers can produce quality work by bringing more money and be dedicated to their work and also take a good care of our cars</p> <p>If the drivers could have a stable working pattern</p>
<p>APATHY</p> <p>Nothing because it requires a person to do it from their own will</p> <p>Nothing I can think of at the moment</p> <p>Nothing until him and I sit down and sign a contract of agreeing that he will be faithful</p> <p>Nothing, since we have lost trust to government. It has failed us in many ways so we don't want anything that is related to government. We are not going to pay even for tax because there is nothing that the government will do to us</p>
<p>SUBSIDY</p> <p>Government should subsidise this whole thing</p> <p>Government support</p> <p>If the government can show that it cares about us</p> <p>I think the government can also contribute to our business by reducing our tickets fines that are made by our drivers</p> <p>If government would subsidise these contributions and commit fully</p>
<p>MINIBUS TAXI PERMITS</p> <p>If I can accumulate more minibus taxis then I will start contributing</p> <p>To have more minibus taxis</p>
<p>OPERATIONAL</p> <p>If we could have a coupon system where the driver does not handle cash and in that way it will be easy to know how many loads the driver did for that week</p>
<p>INDUSTRY REPUTATION</p> <p>To be respected has a contribution effect to the economy</p>

Exhibit 3.9 reflects on certain educational and communication measures to expand minibus taxi businesses, subsidies, issuing of minibus taxi permits, industry reputation and operational suggestions that could be used to motivate non-complying employers in the minibus taxi industry. Specific educational and communicative endeavours to clarify the role, purpose and procedure of UIF were proposed. There were, however, spurious apathetic mentions that nothing could be done to resolve the issue of non-compliance.

3.9.3 Perceptions on the use of UIF contributions

Perceived applications of UIF funds were evoked from respondents in an attempt to gauge their understanding of the applicability of the UIF scheme. These opinions are categorised in exhibit 3.10.

EXHIBIT 3.10**PERCEPTIONS ON THE USE OF UIF CONTRIBUTIONS****UNEMPLOYMENT COVERAGE**

Accidents that are permanent

Unemployment

For people who lost their jobs, UIF makes sure that it gives that person some form of income

For unemployed people

I believe it is meant for the employees that if they lose their jobs they will get some form of payment

Paying employees who lost their jobs as they were contributing

Paying employees who lost their jobs or who were injured during working hours

Paying out those who were contributing towards UIF while working but are no longer working

Paying unemployed workers, but only if you were contributing

It is basically the money that one gets if they lose their jobs

People who are contributing do get a little bit of a salary after they lost their jobs

People who lost their jobs, those who are injured and for maternity leave

Provide some income for the people who are unemployed under the employment Act

Retrenchments

Unemployed people and accidents

The contributions are used when drivers are no longer working to have some money to use for a while

The employees to benefit by getting money that they saved in a form of contributing to UIF when they were still working

Unemployment insurance

Maternity leave

When drivers are no longer working or if they are terminally ill

When employees are not working anymore they can then benefit from UIF

When employees lose their jobs or are injured or when they are ill

When employees stop working or are retrenched

When the driver has lost their jobs or no longer wants to work in this industry

When they lose their jobs then this can help them to survive

RETIREMENT

Retirement

Pension fund for those who retire

UNCERTAINTY

I am not sure

Not sure

CORRUPTION

It is stolen by corrupt officials or used for big parties

Making those who are rich even more rich because most of the officials are misusing the money

Parties in the government

More money to fall into corrupt hands

The money is stolen

OTHER

Skills development

Development in rural areas

It is evident from exhibit 3.10 that the majority of respondents hold rather accurate opinions regarding UIF administration, which is underpinned by responses that revolve around unemployment insurance in the event of retrenchment, maternity leave or permanent disability. Some participants are of the opinion that the UIF provides financial benefit in the case of resignation and retirement. Other respondents clearly stated that they feel uncertain as to what UIF contributions are utilised for, whereas strong opinions emerged from a number of respondents who explained their distrust in the management of UIF funds and assigning this viewpoint to fraudulent activities. Lastly, some comments related to skills development and development in rural areas.

3.9.4 Encouragement from the Department of Labour to contribute towards UIF

Respondents shared various perspectives on ways in which the Department of Labour could encourage both minibus taxi drivers and minibus taxi owners to contribute towards the UIF scheme, as is categorised in exhibit 3.11.

EXHIBIT 3.11

WAYS IN WHICH THE DEPARTMENT OF LABOUR CAN ENCOURAGE CONTRIBUTION TOWARDS UIF

EDUCATION
By educating the owners about UIF and the reason why they need to contribute for their employees
By educating them about the UIF by going to the association
Do workshops on how to calculate
Inform us how to deal with situations whereby the driver leaves you
Educating the owners as well as minibus taxi drivers about UIF
Make the minibus taxi drivers feel naked if they do not contribute
Educating us more about UIF
Educate the drivers about the importance of the UIF so that they can demand this from their bosses
Interact with us and have regular workshops
Local awareness programs and campaigns for sectoral determination
Workshops
To let us know about the UIF and its benefits
Visiting all the minibus taxi offices and educate them about the UIF
Advertise on TV
Visit tax ranks and educate minibus taxi drivers about the importance of contributing

OBTAIN SUPPORT FROM MINIBUS TAXI ASSOCIATION

Asking the minibus taxi association to make it compulsory for the owners to register their employees

Punishment for those who do not comply like for an example, prevent them from working

The association must do all the administration work and inform the owners how much they need to pay for each driver

Go to the counsellor of the minibus taxi association

Attending to their businesses on the minibus taxi ranks

By communicating with the minibus taxi committees

DoL need to interact with association and owners

REVISE CONTRIBUTION STRUCTURE

By contributing a certain percentage of the amount and the employees must also contribute some percentage

By contributing a certain percentage so that their employees can benefit at the end of the day

By putting a certain percentage of money so that their employees can benefit when they are out of job

Subsidising it

The contribution percentage must not be high because if it is high then they won't pay

The government must also do what is right by subsidising us

Subsidise passengers

Extend subsidy to minibus taxi businesses

ENFORCING LEGALITIES

By making it a law or by making it a minibus taxi committee

By taking the offenders to task

Enforcing it as the law to minibus taxi owners

Policing structures such as Gauteng minibus taxi council and regional minibus taxi association

They need to enforce it as a law that all the drivers must contribute, if they don't then they need to be punished

INCREASING BENEFITS

They need to make a new policy that if you die the money must still be paid out to your family because you were contributing

Meeting our demands

Formalising of minibus taxi industry into corporate structure in a professional manner

Respecting the minibus taxi business as three hundred minibus taxis are repossessed every day

ENSURE EFFECTIVE FUNDS MANAGEMENT

Ensure that the funds are well managed

Showing how it is being used

INTRODUCE COUPON SYSTEM

Encouraging the minibus taxi industry to use tickets or coupons so that we can be able to know how many trips the minibus taxi did and how much we expect to get as the owners and to be able to calculate the driver's income according to his work

We might be able to get an average and pay them a flat rate every week

NOTHING

Doing nothing as we are not going to contribute. The government did not do anything for us despite introducing BRT

I don't know since I am not interested. It favours the government and not us

I really do not know how they will do that. Seriously, I do not know

Nothing. DoL is a government institution so most of minibus taxi owners do not want to hear anything that comes from the government

Exhibit 3.11 is reflective of various interventions the Department of Labour could adopt to encourage UIF contribution. The predominant focus reflects a need for greater education regarding UIF, which could be attempted in ways such as workshops, sectoral determination informative campaigns, embarking on visits to minibus taxi offices and minibus taxi ranks as well as possibly advertising on television. The DoL is advised by the respondent to reach minibus taxi owners by obtaining support from the minibus taxi association(s). The financial theme emerged throughout the report, and by taking cognisance thereof proves to be a point of encouragement once again. Some minibus taxi owners are of the opinion that tangible benefits need to be put in place that are experienced in the shorter term, such as formalising the minibus taxi industry and providing assistance when minibus taxis are impounded. Extending the payout of typical UIF benefits to family members in the event of death of the beneficiary were also suggested. Further concerns regarding the mismanagement of UIF funds were expressed coupled with a need for transparency in this regard. Whereas some respondents suggest ways that could encourage contribution, such as the introduction of a coupon system, many others remain cynical about governmental interventions.

3.9.5 Reasons for respondents not registering drivers for UIF

Possible reasons for some respondents not registering their drivers for UIF were further explored. These findings are categorised in exhibit 3.12

EXHIBIT 3.12

REASONS FOR RESPONDENTS NOT REGISTERING DRIVERS FOR UIF

IGNORANCE

Some are not aware of it because most of us don't like to read or listen to any important notices, this is why we end up not knowing anything
 Lack of information about UIF
 Lack of information about UIF and those who knows about it do not care
 Lack of knowledge about UIF
 Some do not want to pay for no particular reason
 A lot of them won't be worried
 Not understanding the importance of it
 Most of the owners and drivers are not educated, they do not want anything that has to do with paper work and figures
 The minibus taxi industry is being managed by people who are not educated and they cannot even express themselves in English
 They ignore such issues and they are not even interested in empowering themselves

<p>They are not well informed about the advantages and disadvantages of contributing towards UIF A lot of new minibus taxi owners are not aware of this law They do not know the procedure of registering their employees</p>
<p>FINANCES They can't afford to pay Greed is the main reason It is difficult to register them because they do not bring a fixed amount of money It is very difficult for us to do so because we are looking at the money we are making and it is too little Until the business improves then we won't be able to do it Some of the minibus taxi owners think the money will be coming out of their own pocket Maybe they think it is a waste of money Not to think about it except money They cannot afford additional expenses They do not know how to calculate and the working hours are not stable We do not make enough money to be able to pay for these extra expenses</p>
<p>RETENTION Drivers do not stick with one owner for a long time Drivers don't stick to one owner Dishonesty between minibus taxi owners and their employees The drivers don't work for one person for a long time and are not faithful To have a problem of minibus taxi drivers not staying with one owner Our employees are unreliable because there is no driver that works for a period of a year for the one employer Some is beyond their control because the driver don't stick to one owner for a long time Some of the employees do not work for one owner for a long time, this why it is hard to register them The only reason is that drivers do not work for one owner for a long time Their employees are not loyal, they do not take their work seriously and they are unreliable Drivers are not reliable to stay in one employee for a long time Unreliable employees and they cheat as well</p>
<p>REFUSAL Avoiding deductions. They are selfish Drivers do not want to be registered Because they are not willing to cooperate The drivers themselves do not want to contribute</p>
<p>LAW ENFORCEMENT Government must make sure no driver can drive without contributing to UIF The employees are unreliable and some of them do not have proper documents needed for registering There is no formal agreement between us minibus taxi owners and our employees</p>

According to respondents, the main reasons for not registering minibus taxi drivers are ignorance, such as a lack of information due to choice as well as reasons beyond their control. Finding it difficult to contribute financially is listed as another justification. A further inhibiting factor, once again, revolves around driver retention as owners feel they cannot register drivers who are not planning on being in service for a long time. Some respondents explicitly mention refusal to register drivers due to either financial reasons or attitudinal factors. It appears that law enforcement is not yet consistently in place, as can be seen in comments relating to formal agreements between employers and employees.

3.9.6 Motivating factors

The final section required respondents to indicate their agreement with a number of factors which could potentially influence participation and compliance with the UIF. Justification for either agreeing or disagreeing with a particular factor was also provided.

Table 3.10 reflects the number and percentage of respondents' agreement or disagreement with each of the motivating factors included.

TABLE 3.10

AGREEMENT AND DISAGREEMENT WITH MOTIVATING FACTORS

Statement		<i>n</i>	%
When UIF scheme benefits minibus taxi drivers	Yes	22	84.6
	No	4	15.4
	NA	3	
When enforced by law	Yes	21	80.8
	No	5	19.2
	NA	3	
If the UIF scheme effectively addresses poverty and unemployment	Yes	16	76.2
	No	5	23.8
	NA	8	
If Department of Labour (DoL) improves UIF service delivery	Yes	17	68.0
	No	8	32.0
	NA	4	
When minibus taxi drivers provide quality services	Yes	15	65.2
	No	8	34.8
	NA	5	
As it is a civil/moral obligation	Yes	10	50.0
	No	10	50.0
	NA	9	
If minibus taxi owners receive tax deduction when paying UIF for minibus taxi drivers	Yes	10	50.0
	No	10	50.0
	NA	9	

NA: No answer

3.9.6.1 When UIF scheme benefits minibus taxi drivers

Of all respondents 22, or 84.6%, felt that minibus taxi drivers indicated intent to participate and comply with the UIF scheme once the scheme communicates demonstrable benefits to minibus taxi workers. The reasons for this view are reflected in exhibit 3.13.

EXHIBIT 3.13

**REASONS FOR AGREEING OR DISAGREEING:
'WHEN UIF SCHEME BENEFITS MINIBUS TAXI DRIVERS'**

Reasons for agreeing	Reasons for disagreeing
If the DoL can send someone to inform us Not enough information Provide more information on UIF To be aware that even minibus taxi drivers can benefit from UIF	No contract with UIF
They will know that they are protected if they become unemployed They will trust the DOL to pay them when they lose their jobs To get paid when they are not working anymore To know maybe if you stick to one boss at least for 3 months you can be covered	Minibus taxi owners do not care about their drivers
Access to training and skills development in case of unemployed	Suppose to be happening but it is simply not happening
If the government can stop harassing them by making them pay fines	
Our hard earned money is not being wasted	

Exhibit 3.13 reflects that there is a need for informing the minibus taxi industry on the benefits associated with complying with UIF requirements. Minibus taxi industry workers need to know that they will be protected if they become unemployed and the conditions under which these benefits will accrue. Mention was also made of releasing funds from the UIF to supplement alternate skills development during periods of unemployment and clear assurances that the UIF will not be wasted. Respondents who disagreed with this statement were of the opinion that minibus taxi owners do not care enough for their drivers to realise the potential benefits accruing from the scheme. Non-delivery on the part of the scheme was also mentioned as a reason for disagreeing.

3.9.6.2 When enforced by law

Of all respondents 21, or 80.8%, felt that minibus taxi drivers indicated intent to participate and comply with the UIF scheme when enforced by law. This opinion would appear to indicate that minibus taxi drivers are not aware or fully informed about the legalities associated with the UIF. The reasons for this view are reflected in exhibit 3.14.

EXHIBIT 3.14

REASONS FOR AGREEING OR DISAGREEING: 'WHEN ENFORCED BY LAW'

Reasons for agreeing	Reasons for disagreeing
If the government punish them they must not complain If they can cut down fines then we will be motivated Is when the drivers can benefit from UIF It should have been enforced a long time ago Nobody can escape the law especially if you have a business Minibus taxi owners only do things if they are forced to do To force all the drivers to be protected by paying this UIF to always check drivers license Eish, no one wants to go to jail If the minibus taxi association makes it compulsory then this can be a lot easier You need to comply otherwise you will lose your permit By obeying the rules of the minibus taxi industry	It already is the law. What difference will it make the second time around
Payment by all operators Provided good service form the government Provide education If the government can reduce our minibus taxis To take their permits to operate	It will be a forced issue to us since they are against us and it will cause problems
That will be too hash on us as we are not educated enough	This will cause more disputes and time wasting
We will have no other option then, but we know this will never happen	

Exhibit 3.14 reveals that respondents realise the importance of regulating the industry and enforcing the laws pertaining to UIF. It is furthermore apparent that some respondents are not well-informed on the laws pertaining to UIF. However, a measure of resentment is evident with an expectation that enforcement will not occur and that it would result in even more disputes. Good service delivery is also expected for any compliance to occur.

3.9.6.3 *If the UIF scheme effectively addresses poverty and unemployment*

Of respondents who responded to this statement, 76.2% felt that minibus taxi drivers will participate and comply if the UIF scheme effectively addresses poverty and unemployment. The reasons for this view are reflected in exhibit 3.15.

EXHIBIT 3.15

REASONS FOR AGREEING OR DISAGREEING: 'IF THE UIF SCHEME EFFECTIVELY ADDRESSES POVERTY AND UNEMPLOYMENT'

Reasons for agreeing	Reasons for disagreeing
<p>It will come in handy when the drivers become unemployed Minibus taxi drivers can benefit at the end of the day</p> <p>It will improve the lives of many people who are disadvantaged and unemployed</p>	<p>All the government does is to talk. Nothing is being done The government has been using these terms for a long time now to make people do what they want and this is not working anymore This could make a difference but it is going to take a long time and a lot of effort from the government to convince people that concrete steps are being taken to address this issue</p>
<p>If they can get a good pay that can reduce poverty while you are looking for other job If you know how much you are contributing and that you are covered if you lose your job If employees becomes unemployed then they can be assisted by UIF money</p>	<p>It will be a rip-off to us since it will be done at our own expense</p>
<p>I think if more people can get jobs poverty can be reduced There is so much poverty and high employment rate that every little bit would help</p>	
<p>They need to be sure that the scheme will be there for them when they lose their jobs To help the drivers to understand that if they lose job they are cover for a certain time</p>	

Exhibit 3.15 reveals that respondents are sympathetic to the social scourges of poverty and unemployment. Reasons for agreeing with this statement, however, reiterate a measure of ignorance regarding the detailed rules, regulations and implications of the UIF scheme. Reasons for disagreeing suggest that the government is not delivering on what the scheme intends with little demonstrable evidence of how the scheme benefits unemployment and poverty.

3.9.6.4 *If Department of Labour (DoL) improves UIF service delivery*

Of those who responded to this question, 68% of respondents felt that minibus taxi drivers would participate and comply should the UIF scheme effectively address poverty and unemployment. The reasons for this view are reflected in exhibit 3.16.

EXHIBIT 3.16

REASONS FOR AGREEING OR DISAGREEING: 'IF DEPARTMENT OF LABOUR (DOL) IMPROVES UIF SERVICE DELIVERY'

Reasons for agreeing	Reasons for disagreeing
By educating us about reasons why we should contribute to UIF By sending someone to educate minibus taxi drivers	All talk no action They must start by addressing our issues The department is not concerned with private companies
I think it will be for the best if they provide workshops Interact with the industry and have workshops They must visit all the minibus taxi associations and educate them about the UIF	
More owners can be able to contribute to UIF	
The DoL makes sure that the drivers are not cheated	

It is evident from exhibit 3.16 that respondents need to be comprehensively informed on the UIF scheme and even suggest that workshops be conducted to address this need. A negative sentiment regarding the DoL is also apparent with DoL apathy being mooted as a reason why service delivery cannot motivate minibus taxi workers to comply with the UIF scheme.

3.9.6.5 *When minibus taxi drivers provide quality services*

Of all respondents 15, or 65.2%, felt that minibus taxi drivers will participate and comply in the event of minibus taxi drivers providing quality services. The reasons for this view are reflected in exhibit 3.17.

EXHIBIT 3.17**REASONS FOR AGREEING OR DISAGREEING:
'WHEN MINIBUS TAXI DRIVERS PROVIDE QUALITY SERVICES'**

Reasons for agreeing	Reasons for disagreeing
Drivers will provide a quality service because they know that it is a registered job There will be stability in the business For drivers who take their work seriously and work hard Drivers can be passionate about their work	It has nothing to do with quality service Quality has nothing to do with UIF
Drivers can reduce the fines Take care of drivers as they bring more money Drivers can be honest	Owners do not care about their drivers
Get better salaries Providing good salaries	
To educate the minibus taxi drivers about the UIF	

Exhibit 3.17 reveals that respondents realise the importance of drivers providing quality service and that this should result in greater stability and higher standards of work in the industry. However, some minibus taxi owners question the relevance of quality service to the UIF scheme and reiterate the uncaring attitude of minibus taxi owners towards drivers.

3.9.6.6 As it is a civil/moral obligation

Of all participants 10, or 50%, felt that minibus taxi drivers will participate and comply as it is a civil/moral obligation. The reasons for this view are reflected in exhibit 3.18.

EXHIBIT 3.18**REASONS FOR AGREEING OR DISAGREEING: 'AS IT IS A CIVIL/MORAL OBLIGATION'**

Reasons for agreeing	Reasons for disagreeing
If the drivers can stop being rude to commuters If they can obey the rules and regulations of the association If they can obey the rules of the road	Because drivers do not perform very well, so you want to contribute for a driver who is not working
They will be happy to know that there is a scheme that covers unemployment They will feel good to know that they will be protected if they lose their jobs To benefit when unemployed	Government has no morals so why should we Not civil or a moral obligation It is because we are not respected by the government The department itself does not honour this obligation
For the benefit of the community	Minibus taxi owners do not care about their employees
The driver would be committed to one owner for a long time	

It is evident from exhibit 3.18 that respondents were divided on whether the civil/moral obligation argument could be a motivating factor. However, from exhibit 3.18 it can be seen that respondents feel discontented about driver conduct and adherence to certain rules and procedures pertaining to the minibus taxi industry. A strong anti-government sentiment was also expressed with respondents indicating the lack of morals and obligations on their part.

3.9.6.7 If minibus taxi owners receive tax deduction when paying UIF for minibus taxi drivers

Of all respondents 10, or 50%, felt that minibus taxi drivers will participate and comply if minibus taxi owners receive tax deductions when paying UIF for minibus taxi drivers. The reasons for this view are reflected in exhibit 3.19.

EXHIBIT 3.19**REASONS FOR AGREEING OR DISAGREEING: 'IF MINIBUS TAXI OWNERS RECEIVE TAX DEDUCTION WHEN PAYING UIF FOR MINIBUS TAXI DRIVERS'**

Reasons for agreeing	Reasons for disagreeing
Any sort of deduction or extra money that goes out of our pocket would be welcomed very much Great saving	It will be better if they deduct a certain percentage from them
If the government can help them by reducing tickets fines	Because we are not paying tax and we are not prepared to do so, it won't work
If they can reduce our monthly instalment for minibus taxis	I don't understand if we have to pay tax or not It won't happen since we are not paying tax Most of the owners are not paying tax because of lack of proper management Minibus taxi owners don't want to pay tax if you mix it together you are killing them
Relieve pressure from minibus taxi owner	
The minibus taxi drivers can benefit at the end of the day	

Exhibit 3.19 indicates that respondents were also divided whether minibus taxi owners receiving tax deductions when paying UIF for minibus taxi drivers could be a motivating factor. It is evident from exhibit 3.19 that respondents feel that any saving would be welcomed. A number of respondents also indicated that they in fact pay tax and that this statement would not affect them in any way.

3.10 CHAPTER SUMMARY

This chapter presented an analysis and interpretation of 29 qualitative in-depth interviews conducted among the 29 minibus taxi owners participating in the study. To contextualise the outcome of the findings, the extent of commuting via minibus taxi within the broader transport system was scrutinised. An investigation into the reasons for becoming involved and the perceived challenges facing the minibus taxi industry and individual minibus taxi businesses and concomitant challenges revealed that family ties and unemployment were primary reasons for getting involved in the industry and that minibus taxi owners perceived government regulations to be largely restrictive and ineffective. The perceived challenge of foreign minibus taxi drivers was also addressed.

A number of operational issues involved in running a minibus taxi business were discussed as a precursor to exploring perceived awareness levels of the employment and remuneration laws applicable to the minibus taxi industry of South Africa regarding (i) working hours and (ii) minimum wages. As part of this discussion respondents were furthermore probed on their awareness of the registration specifications and procedures for registering minibus taxi drivers (employees) for UIF. Only one in two respondents indicated that they are aware of the registration specifications and procedures for registering minibus taxi driver employees for UIF. Feelings and associations towards UIF were probed as well as views on UIF deductions or monetary contributions made from minibus taxi drivers' (employees') weekly/ monthly salaries or wages. Perceptions of and participation in the UIF scheme were investigated amongst those respondents who contribute to UIF by probing the status and reasons for worker registration and eliciting reactions to a number of UIF related issues. Respondents who indicated that they do not contribute to UIF were probed on the reasons for doing so, feelings associated with not contributing and what would motivate non-complying minibus taxi owners to contribute.

All the respondents were required to present their views on what UIF contributions are used for, the way in which the DoL can encourage minibus taxi owners to contribute and what the possible reasons could be for not registering drivers. Reasons for non-compliance are concerned mainly with financial restraints, driver retention, refusal, commitment and ignorance. Specific educational and communicative endeavours to increase UIF compliance mentioned clarifying of the role, purpose and procedure of UIF.

Reaction to a number of factors that could possibly motivate respondents to participate in the UIF scheme was finally gauged.

The final chapter, chapter 4 reflects a number of conclusions and recommendations based on the findings reflected in chapters 2 and 3.

CHAPTER 4

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

This chapter provides a summary of the salient findings reported on in Chapters 2 and 3 as well as asserting some conclusions based on the findings.

4.2 INTERNATIONAL MINIBUS TAXI SCENE

An international overview of the minibus taxi industry revealed largely similar issues that characterise the South African industry. The informal and unregulated nature of a large portion of the minibus taxi industry is apparent in all developing countries and cities reviewed. Attempts to either regulate or deregulate the industry have been promulgated with varying levels of success. Governments have in addition been embarking on attempts to improve the working conditions within the minibus taxi sector. The minibus taxi sector is furthermore characterised by political volatility and regular disagreements between Government and minibus taxi owners, taxi drivers, taxi associations and taxi unions.

Reflection on the international minibus taxi industry revealed specific trends as it pertains to the international minibus taxi sector, social security and unemployment protection.

In most countries the prevalence of international minibus taxi drivers are extensive with common feelings of being undervalued, underpaid and unrewarded for the effort and personal sacrifices they make by working long hours and being confronted with danger. Not all countries recognise the importance of regulating the industry, such as Sweden who decided to deregulate completely. Deregulation not only places greater strain on minibus taxi drivers, but ultimately also on the safety of their passengers as they need to drive longer hours, whilst feeling more lethargic, and at faster speeds so as to create a secure income for themselves.

Across the globe, minibus taxi drivers are predominantly seen as self-employed within a sector characterised by the informal nature thereof. In the majority of countries approximately 50% of the minibus taxi industries operate within an unregulated informal economic and legislative environment. This is particularly true

in a situation where a minibus taxi driver is the owner or has leased that minibus taxi from an owner. The minibus taxi industry is internationally classified under the informal work sector. It is mainly used as a complementary mode of transportation parallel to railways and buses. The minibus taxi system is heavily used by low income earners as well as those whose areas are not easily reached by other transportation modes.

4.3 LOCAL MINIBUS TAXI SCENE

On the South African front, attention is given to the history and formation of the South African minibus taxi industry, the nature of the South African Minibus taxi Industry, South African minibus taxi industry trade unions, owners' organisations, the role of government in the minibus taxi industry, recapitalisation, minimum wages and conditions as well as the social protection that has been extended to the minibus taxi sector. The South African minibus taxi industry has undergone considerable transformation from being highly regulated prior to the 1980s to a move towards deregulation during the late 1980s. Factors that influenced transformation were government subsidies to other forms of commuter transport (particularly bus and train) and disillusionment with the rail and bus transportation system which was perceived to be inconvenient and expensive. Given the strict regulations governing issuing of permits and non-recognition of minibus taxi driver as being gainfully employed drivers were forced to operate illegally. Overloading and safety were major concerns culminating in the minibus taxi recapitalisation programme aiming to introduce newer, safer and larger vehicles.

Various estimates have been made regarding the size of the industry with official figures reflecting more than 20 000 minibus taxi owners operating 127 000 registered minibus taxis. SANTACO, however, estimates that there are currently approximately 347 000 minibus taxis operating nationally. This figure includes the informal sector (unregistered minibus taxis) estimated at almost 50%. The annual turnover was estimated to amount to more than R16,5 billion in 2010. Despite many challenges and developments faced by the minibus taxi industry it has become the most commonly used form of public transport.

On the labour front the industry is organised through representative minibus taxi associations, the South African National Minibus taxi Council (SANTACO) and minibus taxi industry trade unions (of which SATAWU is the leading trade union) and minibus taxi owner organisations. Social security extended to the minibus taxi sector through the Minibus taxi Sectoral Determination extended social protection to minibus taxi drivers, administrative staff, rank (queue) marshals, fare collectors and cleaners. Governance was extended to minimum wages, working hours, number of leave days and termination rules applicable to minibus taxi workers in South Africa.

As such, the minibus taxi recapitalisation programme, the standardisation of minimum wages and conditions of service as well as social security coverage have been introduced. Whilst these issues have not yet been resolved, there appears to be some opposition from stakeholders towards these initiatives. The regulation of commuters' fares and minibus taxi driver wages and extended benefits has become a priority due to the uncertainty these workers experience in terms of a likely immanency of unemployment that deter minibus taxi drivers who are financially unable to purchase their own vehicle.

4.4 **QUALITATIVE RESEARCH FINDINGS**

The empirical research reported on in this study involved an analysis and interpretation of 29 qualitative in-depth interviews conducted among minibus taxi owners participating in the study. To contextualise the outcome of the findings, the extent of commuting via minibus taxi within the broader transport system was scrutinised. In this regard more adult South Africans (47.4%) commute via minibus taxi minibuses than by private transport (41.3%), train (3.3%) or bus (7.6%) in an average week. Age, population group and gender profiles of adult South African minibus taxi commuters were furthermore analysed with KwaZulu-Natal commuters displaying a younger profile, while African and females were more prevalent.

An investigation into the reasons for becoming involved and the perceived challenges facing the minibus taxi industry and individual minibus taxi businesses revealed that minibus taxi owners become involved in the minibus taxi industry due to interest, through family associations and unemployment. Perceived challenges entail restrictive and ineffective government regulations resulting in different playing

fields for other modes of public transport such as buses (especially the BRT), a largely informal industry, injudicious issuing of permits and problems associated with the minibus taxi recapitalisation programme. The second most-mentioned challenge expressed involved endemic violence with conflict between minibus taxi associations, jealousy over routes, xenophobia and the harassment of drivers by traffic police officers mentioned as possible causes for violence. Other challenges facing the minibus taxi industry concerns the safety of drivers and passengers, communication (between different minibus taxi associations, drivers and owners and among owners and government), low levels of commitment within the industry, poor industry reputation and escalating costs involved in operating a minibus taxi business. Challenges facing individual minibus taxi owners largely involve the same challenges expressed for the industry but with differing emphasis placed on these challenges. Escalating costs of operating a minibus taxi business was the most salient challenge mentioned, followed by regulations impacting on operating a minibus taxi business, commitment of drivers, abuse of authority, violence, and poor industry reputation.

Reaction to the apparent challenge of foreign minibus taxi drivers posing an assumed threat to the minibus taxi Industry was also explored with a number of respondents expressing positive comments reflecting that foreigners are better drivers, take their job fairly seriously, are hard and committed workers and contribute to improving the image of the industry. Balancing these views were references made to the perceived criminal element prevalent amongst foreign operators in the industry and foreign owners and drivers' non-compliance with industry rules and regulations.

The number of minibus taxis owned, the number in operation and the extent of family member involvement in the business, as well as the average daily working hours of drivers were investigated as a precursor to UIF compliance. Respondents reported that, on average, three minibus taxis are owned and that the number of minibus taxis in operation is somewhat less than the number of minibus taxis owned. More than half the respondents indicated that they employ family members as drivers, which reinforces the finding regarding family ties being an important factor in getting involved in the minibus taxi industry. On average, these owners indicated

that they employ three drivers. The average estimate of the daily hours worked by minibus taxi drivers was 13.2 hours.

Awareness of the employment and remuneration laws applicable to the minibus taxi industry of South Africa regarding (i) working hours and (ii) minimum wages was furthermore investigated. Low awareness levels regarding working hours, minimum wage and registration for UIF were evident with only one in two respondents claiming that they are aware of the employment and remuneration laws applicable to the minibus taxi industry of South Africa. The average minimum wage as estimated by the respondents also indicated low levels of awareness with only one respondent indicating R1 800.00, which is comparable to the gazetted government wage standard. As part of this discussion respondents were furthermore probed on their awareness of the registration specifications and procedures for registering minibus taxi drivers (employees) for UIF. Only one in two respondents indicated that they are aware of the registration specifications and procedures for registering minibus taxi driver employees for UIF. Feelings and associations towards UIF were probed as well as views on UIF deductions or monetary contributions made from minibus taxi drivers' (employees') weekly/ monthly salaries or wages.

Perceptions of and participation in the UIF scheme were investigated amongst those respondents who contribute to UIF by probing the status and reasons for worker registration and eliciting reactions to a number of UIF related issues. Respondents who indicated that they do not contribute to UIF were probed on the reasons for doing so, feelings associated with not contributing and what would motivate non-complying minibus taxi owners to contribute. Respondents expressed both positive and negative associations towards the UIF with most of the positive feelings ascribed to the associated unemployment benefit. The UIF was also described as an unemployment fund, pension fund, a form of retirement and a form of security and money savings from which unemployed drivers can claim for a period of six months. Negative associations revolved around distrust in the government with respondents expressing concerns regarding financial mismanagement. Spurious comments were made pertaining to minibus taxi drivers refusing to contribute and possible skills development advantages. The majority (78.6%) of respondents pay drivers on a weekly basis, with infrequent monthly, bi-weekly and daily payment also being

evident. Low levels of contribution towards unpaid leave, repayment of loans and advances, third party payments (banks, unions), benefit funds (pension, provident, retirement, medical aid) and unemployment insurance (UIF) were evident with only four respondents contributing either through salary deductions or monetary contribution towards the UIF.

All the respondents were required to present their views on what UIF contributions are used for, the way in which the DoL can encourage minibus taxi owners to contribute and what the possible reasons could be for not registering drivers. The four respondents who indicated participation in the UIF scheme, were probed on the status of drivers' registration, perceptions associated with and participation in the UIF scheme. Two respondents indicated that some of their drivers are registered while a further two stated that all their drivers were registered. Reasons mentioned for registering only some drivers are that they do not want to be registered claiming that they cannot afford contributions. Other reasons mentioned were that some are not permanently employed and that others are still in the process of being registered. Four respondents indicated that they had discussed the UIF and associated benefits with their drivers. Cognitive reasons that could motivate contribution to the UIF are the perceived need to take care of minibus taxi drivers and enforcing the relevant laws, whilst more positive feelings related to confidence, pride and security. Concerns expressed were uncertainty regarding the way in which the fund actually works and what is required by whom.

Reasons for non-compliance are concerned mainly with financial restraints, driver retention, refusal, commitment and ignorance. Of these, ignorance appears to be the key driver in rationalising reasons for non-compliance. Respondents found it challenging to ascribe feelings associated with not contributing towards the UIF scheme. Rational reasons for non-contribution were fairly easily elicited, although when reflecting on these reasons, certain underlying feelings were revealed. Related feelings of apathy, guilt, entitlement and confusion were apparent.

Specific educational and communicative endeavours to increase UIF compliance involve clarifying of the role, purpose and procedure of UIF. The majority of respondents hold strong opinions regarding the UIF funds administration, stating

that they feel uncertain about how UIF contributions are utilised and their distrust in the management of UIF funds. Respondents shared various perspectives on ways in which the Department of Labour could encourage both minibus taxi drivers and minibus taxi owners to contribute towards the UIF scheme, with a need for greater education regarding UIF, greater support from minibus taxi associations and tangible financial benefits such as providing assistance when minibus taxis are impounded and extending the payout of typical UIF benefits to family members in the event of death of the beneficiary. Whereas some respondents suggested ways that could encourage contribution, such as the introduction of a coupon system, many others remain cynical about governmental interventions. According to respondents, the main reasons for not registering minibus taxi drivers are ignorance, driver retention and lack of finance.

Reaction to a number of factors that could possibly motivate respondents to participate in the UIF scheme was finally gauged. Respondents felt that greater participation in UIF could be encouraged should the UIF scheme provide demonstrable benefits to minibus taxi drivers and is enforced by law. Respondents were also of the opinion that the DoL should improve UIF service delivery. Furthermore, they were divided regarding whether UIF should be positioned as a civil/moral obligation or as a tax refund benefit.

In conclusion, the following features characteristic of the industry, based on the findings of the research, can be drawn:

- high levels of competition due to too many minibus taxis servicing too few commuters, especially during periods of slow economic growth
- low levels of labour retention
- informal nature of the sector
- low levels of respect and trust and high levels of animosity between role players (government, associations, unions, owners and drivers)
- a generally less educated minibus taxi driver workforce
- foreign minibus taxi drivers

It is these factors that arguably contribute to a perceived non-compliance culture in the minibus taxi industry of South Africa and these peripheral focus areas needs to be address alongside attempts to encourage higher levels of participation in the UIF scheme.

4.5 **RECOMMENDATIONS**

The following recommendations can be made based on the observations and findings contained in the research report:

In the South African minibus taxi industry it is apparent that high levels of ignorance and apathy regarding UIF exist. Specifically, low awareness levels regarding working hours, minimum wages and registration for UIF were noted, resulting in dispersed acceptance of social security ownership relating to unemployment.

A dedicated focus on developing trust and relationships between the UIF and various minibus taxi industry representatives is required by acknowledging the importance of the industry as a major commuter transport means. In this regard, the industry's civil role and moral sentiment should be acknowledged and communicated by government. The assignment of specific UIF task groups to engage with all major industry representatives should be considered in this regard.

The DoL should also ensure that any communication efforts to entice higher levels of compliance involve a thorough understanding of the underlying motivation for non-compliance. Against the historic politically charged background characterising the minibus taxi industry, a need for change in attitude is evident. Facilitating the envisaged change does first and foremost not only require changes to policies, procedures and regulations, but influencing the feelings of ignorance, apathy and entitlement that are currently endemic to the industry. Communication effort should therefore be single-minded, unambiguous, simple, concise, direct and consistent in portraying the positive effect that contributing to the UIF has. Positive compliance associations should at all times be presented in communicating the benefits of UIF.

In order to address the perceived irregularities regarding the permit system, an independent scientific assessment of the required number of minibus taxis to operate in a specific region is required. This assessment should be inclusive of a profitability analysis, roadworthiness of vehicles and passenger numbers providing comprehensive overviews of the micro-industry within particular regions.

Reward consistent contributors on a sliding scale in relation to years of contribution as opposed to only reverting to punishment for those who do not contribute.

Appoint dedicated UIF personnel to assist registered taxi owners with simplified administrative requirements.

Investigate increased benefits, especially unemployment and maternity benefits to entice everybody to want to contribute.

Consider providing a 'no claim' incentive to prevent contributors from claiming excessively, but motivate them to contribute over the longer term.

Discuss and evaluate a tax amnesty with SARS for all existing and new taxi owners who have not previously registered for UIF.

Finally, administrative and governance issues associated with the UIF should be simplified in consultation with the industry taking cognisance of the perceived level of education in the industry. This process should include simplified and binding contractual employment arrangements between owners and drivers. Formalising the employment status of drivers should be paramount during this endeavour.

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