



OUR  
PUBLIC  
TRANSPORT

PEOPLE'S PUBLIC  
TRANSPORT POLICY

# EMPLOYMENT AND DECENT WORK



This chapter was written for the ITF by Julie Porter, labour and social policy researcher, to inform the policy proposals on employment and decent work for the People's Public Transport Policy [[www.OPTpolicy.org](http://www.OPTpolicy.org)]. The ITF would like to thank Julie for her contribution.

Each chapter in the People's Public Transport Policy focuses on different policy issues related to public transport. The chapters include case studies, as well as campaign materials and educational resources.

The ITF's Our Public Transport (OPT) programme promotes a social model of public transport. A social model includes organisational and employment rights for workers and requires that any expansion of public transport guarantees decent jobs.

**OPT:**

- works in target cities to strengthen the voices of workers in the development of new urban transport modes, including bus rapid transit (BRT), and in negotiating the transition from informal to formal work
- campaigns to improve working conditions for all public transport workers – informal transport workers in particular – through increasing their industrial power. This includes building union networks in public transport multinational corporations, developing alliances with passengers, communities and other organisations and promoting women's employment in public transport
- works to develop an alternative public transport policy – one that is built on public ownership, public financing, decent jobs and union rights for workers

[www.OurPublicTransport.org](http://www.OurPublicTransport.org)



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## **1.**

# **INTRODUCTION**

The men and women who work in public transport make an essential contribution to the social and economic life of cities and countries. Their work enables other people to travel to work, to meet family and care responsibilities, and to access essential services such as education. Because public transport has so much potential for reducing greenhouse gas emissions, public transport jobs are green jobs, and public transport workers have an important role to play in a just transition to an environmentally sustainable economy.

The public transport workforce numbers millions, perhaps billions, across the globe. This chapter considers the occupations, employment relationships, livelihoods and conditions among this workforce. It looks at how the experience of workers is linked to the quality of the services they are involved in providing.

The public transport workforce numbers many more people and jobs than often assumed. The workforce can be divided into three broad groups:

- crew: drivers, conductors and workers on board public transport vehicles
- station/ “stage” workers: including station supervisors, route association supervisors, ticket vendors, queue marshals, vendors of food and other goods, porters, callers, cleaners, toilet attendants, traffic marshals;
- service providers: including tyre fitters, mechanics, panel beaters, technicians, vehicle washers, night guards, painters

Public transport services range from formal services that operate at one end of the regulatory scale, to informal services that operate outside of regulatory control at the other. The ILO describes informal work as “all economic activities that are – in law or in practice – not covered or sufficiently covered by formal arrangements.” In informal public transport in the global south, women public transport workers are often found in the most precarious and low-paid jobs.

Historically, formal public transport services have often been owned and directly managed by government or local government transport agencies. This was the case in the newly industrialised European cities, in the African and Asian countries subjected to colonial rule, and in Latin American cities in the mid-20th century, when the state stepped in to provide the first bus services after private companies withdrew from the tramways due to reduced profits. Government, therefore, assumes responsibility for providing transport to its citizens. Public transport workers in these systems have formal employment contracts, are included in national schemes of social protection and enjoy respect for their labour rights.

Since the 1980s, however, the involvement of the private sector in formal public transport provision has become increasingly common. This occurs as a result of neoliberal economic policies that require governments to step back – as actor and as regulator – from direct involvement in the economy, to downsize the public sector as part of fiscal austerity, and to promote the expansion of the private sector, international investment and free trade. In wealthier industrialised countries, exaggerated concern about levels

of public debt was used to justify public-private partnerships (PPPs) and, in some cases, the wholesale privatisation of public transport services. In the global south, neoliberal economic policies, often imposed as a condition of loans from international financial institutions, led to the process of privatisation. This was characterised by government abandoning service provision to an unregulated free market due to an apparent lack of resources and capacity<sup>1</sup>. As public investment in public transport ceased and formal jobs in the sector were lost, informal private operators, who had often existed illegally alongside struggling state services, appeared or expanded to fill the gap in demand for transit. The absence of government involvement and subsequent regulation has led to the establishment of powerful interest groups in the provision of informal public transport.

The second phase of neoliberalism, from 2000, brought the state back in to the provision of public transport in the global south. However, this time in the role of facilitating private investment. The proliferation of bus rapid transit (BRT) systems is the most common expression of the spread of the PPP to the global south. Academic Matteo Rizzo explains: "Although BRTs are publicly funded, a conditionality attached to World Bank lending is that private companies operate the buses. The public sector oversees the systems and carries out quality controls on the service providers. BRTs are therefore to be understood as the urban transport expression of public-private partnerships, the rationale for, and benefits of which, are contested."<sup>2</sup>

BRT uses public debt – most commonly in the form of a loan with the World Bank – to create a market in public transport service provision for private operators, who are usually required to provide the bus fleet. However, the BRT business model continues to evolve in response to the challenges of implementation. In short, no predefined

model of BRT exists. In terms of levels of infrastructure investment and the inclusion of existing public transport stakeholders, the absence of a best-case model enables public funds to be continually mined by private operators seeking to optimise their own profits.

### **FORMAL AND INFORMAL WORK**

The rise of PPP in public transport means that formal employment in the sector is increasingly with private, for-profit, national and multinational companies that have been contracted by government agencies. Public transport employees find themselves part of a supply chain where the operation of services is the end product. If a private company fails to meet its side of the contract, it is the public purse that bails out the service and pays the cost.

Across the global south, informal public transport services – provided by bus, mini-bus, car, motorbike and non-motorised vehicles such as rickshaws – dominate transport provision. In many places, informal public transport is the only road-based public transport available, and these services continue to form an important part of the public transport mix in cities where other modes of transport, such as BRT, also exist or are being introduced.

Levels of formal recognition and regulation of informal public transport services varies from city to city and country to country. In one common model, legally registered, for-profit co-operatives or associations of bus owners, apply to the local transport agency for licences to operate routes where they have identified sufficient passenger demand. With most informal services, vehicle owners are officially required to hold a passenger transport licence and adequate vehicle insurance. However, a lack of capacity, resources and, in some cases, political will, leaves informal public transport services without meaningful central oversight and

co-ordination. In the absence of public investment in fleet or infrastructure, and without public subsidy in operation, informal operators may not meet the regulatory requirements that do exist, particularly where complicated or costly. Often, enforcement of even basic safety requirements may be weak. Fraud and extortion are informal industry standards – both in day-to-day operation and behind the scenes. Corrupt officials and, in cities such as Nairobi, Kenya, criminal cartels, extract their profit from the informal public transport industry.

Working poverty fundamentally drives the informal public transport sector. The work of the ITF and its affiliates to reach out to the informal public transport workforce, coupled with an analysis of the scant official statistics that exist, confirms that workers survive on low and insecure incomes, work excessively long hours and suffer from occupational illness, accidents and injury. Informality excludes them from systems of social and legal protection. The lowest incomes are found among the majority of conductors and drivers who do not own a vehicle, and in the local micro-economies of station/stage workers and service providers (where most women in the sector generate their livelihoods).

### **DISGUISED EMPLOYMENT**

The ownership of informal public transport vehicles is often misunderstood. While it may be believed that it is the operator who makes a decent living from the service they provide, in practice vehicle ownership is diverse, fragmented and often characterised by poor regulation. In African cities, anecdotal evidence from the workforce about the vehicle owners who employ them, suggests it is common for wealthy and powerful individuals, including civil servants and government employees, to invest in public transport vehicles as a source of untaxed income. In Luanda, Angola, police, powerful businessmen or politicians own many mini-

bus taxis<sup>3</sup>. In Nairobi, Kenya, vehicle owners include individuals from the police, military and security agencies<sup>4</sup>. Academic Matteo Rizzo, who has written extensively about *daladala* minibus workers in Tanzania's capital Dar es Salaam, explains that *daladala* owners often register the buses in the names of relatives or overseers to avoid unwanted publicity. Individuals may, in this manner, own a fleet of public transport vehicles. Research into Nepal's tempo rickshaw industry has highlighted that vehicle owners may have a fleet of up to 20 electric rickshaws. However, observation of operating dynamics in cities demonstrates that, while powerful and conflicting interest groups emerge, owners are unable to exert a monopoly over service provision.

Vehicle owners usually employ drivers, but the wage-employment relationship is disguised through exploitative labour contracting practices. A common arrangement is for the driver to pay a daily or weekly rental fee to the owner; the driver covers vehicle operating costs during that period and keeps what surplus they are able to generate as remuneration. In some relationships, the driver receives a commission if a 'target' number of fares are collected, or a percentage of the takings, sometime combined with a low-set, basic wage. In West Africa, it is common for the driver to lease the vehicle for a longer period of time. In all such set ups, the driver is entirely dependent on the vehicle owner in order to work, yet has no formal contract or rights and power to negotiate a fair distribution of income, costs, risks and responsibilities.

In some cities, ownership by small family micro-businesses comprised of a single owner-driver, perhaps with the help of a family member, is more common. Owner-drivers form part of the *colectivo* public transport system that was largely displaced and replaced by BRT in Bogotá, Colombia<sup>5</sup>. Research suggests that in Sri Lanka some

94 percent of the country's 16,000 buses belong to owner operators (2004<sup>6</sup>). In the Philippines, workers' representatives campaigning against the government's Public Utility Vehicle Modernization Program have estimated that 300,000 to 500,000 families of *jeepney* drivers and small operators will be economically displaced by the plans<sup>7</sup>.

For informal public transport workers in disguised wage employment, and for owner-drivers, income equals total fare revenue minus expenses. Operating in an unregulated, competitive and saturated public transport market with no public subsidy, it is impossible to make a decent wage. The biggest expense for drivers in disguised wage employment is the vehicle rental fee/owner 'target'. While proponents of market competition in public transport argue that drivers have bargaining power to negotiate fees at a reasonable level, in over-crowded cities with high unemployment, the over supply of workers allows vehicle owners to charge an exploitative amount. For owner-drivers, the biggest costs are vehicle rental repayments, vehicle registration and licencing fees, and cyclical vehicle maintenance. Daily running costs for both groups include: fuel; the pay of casual day labourers such as conductors/ 'call-boys' to attract passengers at terminals and cleaners; parking fees; routine vehicle maintenance and spare parts; fines for traffic offences; bribes for corrupt traffic police and officials, as well as criminal cartels in some places.

## **PHYSICAL AND MENTAL HEALTH**

Drivers in disguised employment, and owner-drivers striving to survive, report working all the hours that there are passengers in order to take home poverty pay. In Tanzania, the average *daladala* driver works 15 hours a day for an average of 6.67 days a week. In Nepal, women tempo (electric auto-rickshaw) drivers report starting their working day at 06:00 and ending at 20:00. Long hours

behind the wheel lead to physical health problems. A study conducted by the Global Labour Institute for the ITF found that a third of the *matatu* (mini-bus) drivers in Nairobi, Kenya interviewed suffered from back pain and a further third from respiratory problems, most likely linked to exposure to air pollution. Other occupational illnesses reported were aching joints, swollen and painful legs, eye conditions, dust-related issues, sore throats, headaches and ulcers. The cumulative effect of working conditions that involve constant competitiveness, the pressure to maximise passengers, the prevalence of harassment and extortion, is a dangerously high level of daily stress. Informal public transport vehicles are often poorly maintained and may, like motorbikes and auto-rickshaws, offer the driver little protection against road accidents even when in good condition. A driver who is unable to drive due to an injury from an accident receives no support with medical or living costs while unable to work, and is likely to lose his or her job.

Women drivers and conductors working in informal public transport services are not given maternity leave and often find they lose their jobs even if they take minimum leave around the birth. Sexual harassment, violence and abuse are widely reported. Women are the most precarious and low-paid informal workers and often face discrimination, for example, in accessing training, or in gaining the opportunity to drive larger vehicles which carry more passengers and therefore offer greater earning potential.

Informal public transport makes a huge but undocumented contribution to the formal economy, connecting people to their places of work, family and leisure. The industry provides a livelihood to many thousands of people unable to access limited opportunities for formal employment. Yet recognition and respect for the workforce is missing. The men and women who work in informal public transport provide an essential public service



without any recourse to public funds or protections. Too often, particularly in the case of drivers and on-board crew, the attitude expressed by policy makers, local officials and the media is one of active contempt.

Unsafe driving practices and overcrowding characterise informal public services across the globe. This chapter challenges the

individualisation of blame for the systemic problems that are endemic across informal public transport services in the global south, which can be clearly linked back to the structure created by economic, transport and urban planning policy decisions. It argues that social ownership of formal public transport systems providing decent work is the best way to deliver quality services.





**2.****QUALITY JOBS, QUALITY SERVICES**

An important characteristic of public transport is that the men and women who work in the operation of public transport services also experience the services as passengers and as citizens. The man who works as a fare collector will likely send his children to school on public transport. The woman who earns her living as a mechanic servicing public transport vehicles breathes air affected by the age and fuel efficiency of the vehicles she maintains, as well as levels of congestion and private car use in his city. The interests then of public transport workers are naturally aligned with the interests of passengers and of citizens, because workers belong to these groups.

This simple reality means that public transport workers are deeply invested in wanting both quality jobs and quality services. It also means they are the people best placed to understand the inter-dependence between the way the workforce is employed and organised, and the quality of service provided. As workers, strengthening our understanding and analysis of the links between quality jobs and quality services can help us build social power through forming alliances based on shared interests with passengers, citizens and other groups interested in good-quality public transport. At national and international level, it puts trade unions in a stronger position during tripartite negotiations.

A useful starting point for exploring the links between quality jobs and quality services is to clearly define quality service provision. Work at global level to promote sustainable mobility, for example by the World Bank and multi-stakeholder initiative Sum4All, which works within the framework of the UN Sustainable Development Goals (SDGs), currently focuses on four objectives for

improving transport and mobility: universal access, system efficiency, safety and green mobility. What do these goals mean on a day-to-day basis, and how do they relate to workforce organisation and employment models for public transport workers?

Public transport is shaped by policy decisions that determine the level of state investment and involvement. This is true when the state owns and directly manages public transport infrastructure and operations. It is equally true when the state decides that international finance should pay for public transport vehicle fleets. And it remains true when the state withdraws from investment in public transport provision, leaving services to be determined by market competition between private operators in the informal economy. The most important factor in determining the quality of transport services is, therefore, the way it is structured by policy and regulation – or the lack of it. The overarching policy environment produces the employment models that shape the daily work experience in public transport, and this in turn shapes the passenger experiences.

**2.1****PERVERSE INCENTIVES TO THE INFORMAL PUBLIC TRANSPORT WORKFORCE**

The myriad problems that plague informal public transport systems the world over are widely recognised: particularly unsafe driving, road accidents and air pollution. While global institutions are increasingly focusing on how to resolve these problems, they continue to ignore the foundational influence of working poverty in their analysis and discussion. By failing to acknowledge that working poverty of both service providers and users drives the entire informal public transport system, the analysis and discussions remain futile.

Informal public transport is characterised by unregulated employment. There is no workforce training or supervision, simply the pressures and opportunities that present

themselves to the individual driver during the time that they are behind the wheel<sup>8</sup>. There is no security for the worker – in terms of income, social security or health and safety. Instead, the income of drivers and on-board crew is directly linked to the fare revenue they generate by competing for passengers in an unregulated and over-saturated market.

Unregulated employment has multiple service quality impacts. First, it incentivises setting fares at the maximum cost the market can absorb. Advocates of the market as a model for public service provision argue that competition reduces fares. While this may be true in some cities, particularly at off-peak times, public transport often makes up a high percentage of expenditure for the urban poor. In other cities, local governments set fare levels without any consultation with workers and operators to consider the financial realities of low and insecure incomes for informal public transport workers and owner-drivers. A far fairer social model of public transport sets fares not by competition in the market, but by criteria of affordability, inclusivity and decent work.

Second, drivers and on-board crew seek to secure or boost their pay by boarding as many passengers as possible. This often leads to overcrowding of vehicles, and speeding to reach stops ahead of competing services – the so called ‘penny war’<sup>9</sup> – at the expense of passenger and road safety. Where local government is involved in setting fares and offers a concessionary rate for vulnerable and low-income groups, the vehicle driver and any crew may be unwilling to occupy valuable spaces with passengers who pay less. Here, the model of unregulated employment renders the local government initiative to promote universal access to public transport redundant, and may even make it harder for vulnerable passengers to access services.

Third, establishing and enforcing driving times and rest periods for professional drivers protect passenger and road safety.

However, drivers of informal public transport vehicles, in cities and countries across the globe, report working excessively long days – providing service while there are passengers to use it – in order to collect enough revenue to cover costs and generate a small income. The pressures are particularly acute for those drivers and crew who do not have regular work, and need to maximise their income generating opportunity at all cost.

It becomes clear then that a competitive free market model in the day-to-day operation of public transport comes with powerful disadvantages. Unregulated employment in informal public transport provision creates a perverse incentive against service quality objectives such as universal access, passenger and road safety. The most straightforward way to improve service quality, therefore, is to formalise employment for drivers and on-board crew. Formalising transport services would offer workers security and income determined by fair remuneration for safe amounts of time spent at work providing a service to the public. Regulation of employment is essential to pro-poor public transport modernisation and reform. It is also a step that paves the way to further formalisation of the industry.

It is important to note that the transfer of the risks and costs of service provision to drivers and crew in unregulated, disguised employment puts these workers in a very similar situation to owner-drivers of public transport vehicles. Owner-drivers face the same dynamics and structural pressures in day-to-day service provision as drivers in unregulated employment, resulting in the same compromises in terms of universal access, passenger and road safety.

## **2.2 WORKFORCE AND SERVICE QUALITY IMPACTS OF INFORMALITY**

Informal public transport is characterised by an inadequate regulation of service

operation and employment, coupled with inadequate enforcement, and a lack of public investment. Informality may have immediate service quality implications, particularly in the area of worker and passenger health and safety: vehicles may not be licenced to carry passengers; vehicle insurance may be inadequate to provide for the needs of a worker or passenger harmed in an accident. The absence of formal employment makes it more difficult to remove any dangerous individuals from the workforce – for example, drivers or crew guilty of sexual assault of passengers. Lack of public investment in public transport infrastructure – for example, bus stations with separate toilets for women and men – is detrimental to workers and passengers alike.

Academics Klopp and Mitullah describe “a poor regulatory and institutional environment that provides opportunities for organized interests to make untaxed and unofficial money from the system” as one of the conditions that “produce and reproduce paratransit in Sub-Saharan Africa”<sup>10</sup>. Improved regulation and transparency with regard to vehicle ownership is essential to formalising and improving informal public transport systems in the global south – for passengers and for workers. Local government transport agencies need to be able to identify owners of vehicles that are not road-worthy or that fail to meet existing environmental standards. Measures to regulate employment and manage the workforce for service quality depend on the ability of the state to hold vehicle owners to account. So too do programmes of modernisation such as BRT.

A lack of regulation and no formal recognition of services create opportunities for extortion and harassment. Informal transport workers across the globe include bribes to corrupt police among their daily expenses. Minibus taxi drivers (*candongueiros*) in Angola explain that the lack of clear and regular stopping points to pick up passengers leads to constant police harassment and demands

for payment. A labour impact assessment into BRT in Nairobi that explores *matatu* (mini-bus taxi) worker proposals for formalising public transport services found:

**“The problem of police harassment is universally regarded to be the single most important challenge facing all workers in the matatu industry”.**<sup>11</sup>

The stress that results from constant extortion and harassment presents a serious occupational health and safety issue for the informal public transport workforce. And the experience of police harassment also negatively impacts a passenger’s feeling of comfort, and safety, when using a public transport service. A 2016 comparison of different modes of transport in Johannesburg, South Africa, found that it was the greater safety and comfort of BRT, rather than fares or journey times, that attracted choice passengers (ie those with access to a private vehicle) onto public transport<sup>12</sup>. Informality, therefore, undermines the goal of reducing carbon emissions through increasing the number of people choosing public transport over their private vehicle.

Informality determines the quality of public transport services at a systemic level. Failure to effectively limit the number of vehicles operating a route drives down incomes from service operation and results in economic survival strategies that compromise passenger safety. When public transport services are informal, the money that circulates in the industry has to stretch further – boosting the income of officials who have the power to extract bribes, but who have no legitimate claim as stakeholders in the finances of public transport. The stakeholders with the least power – workers and passengers – lose.

Tackling air pollution and promoting green mobility is a goal that unites workers, passengers, planners and citizens. Respiratory diseases linked to high levels of exposure to air pollution are a major occupational health and safety issue reported by informal public transport workers. Green mobility requires adequate investment in on-going vehicle maintenance, and in the adoption of existing and new green technologies, in order to reduce carbon emissions and improve the environmental sustainability of the public transport fleet. Inadequate regulation of informal public transport services fails to hold vehicle owners to account for even routine maintenance costs required for the basic safety of workers and passengers. In cities where owner-drivers predominate, it is clear that most survive on low and insecure incomes. With a lack of public subsidy either for service provision or to support a transition to a greener economy, the necessary investment to ensure quality services in terms of environmental impact simply cannot happen.

### **2.3 WORKFORCE MANAGEMENT FOR QUALITY SERVICES**

Formal public transport systems create formal jobs. Regulated employment with a formal contract both binds and protects the worker. It sets out standards of conduct and behaviour for an employee to follow in the course of their duties, and as such allows a level of oversight and workforce organisation that is not present in informal public transport services. Formal employment enables workforce management for service quality. Good workforce management safeguards passenger safety through:

- enforced limits on driving times and required rest periods to avoid fatigue behind the wheel that can cause accidents
- adequate provision for sick leave: means no driver feels financial pressure to come to

work when unfit to carry out their duties safely

- good workforce management: can promote best practice in provision of quality services, particularly through training
- training mechanics to understand the environmental impact of vehicle maintenance decisions and to upgrade fleets with new green technologies
- training on-board crew in how to respond to an accident or emergency, improving passenger safety
- gender training for the workforce: challenges problems of gender discrimination and sexual harassment

Another important example is that gender equality in the workforce can be more easily monitored and promoted in formal public transport services. This is important not just to women seeking employment, but also to advance the goal of public transport that is accessible for all. In cities where public transport is a male domain, and inappropriate behaviour or sexual harassment – by workers or passengers – is likely to go unchecked, women feel reluctant to use public transport services. Formal employment has the potential to encourage women's employment in public transport because it requires companies to uphold laws against discrimination in the workplace, and to respect the sexual and reproductive rights of women workers – for example by providing maternity leave – to the extent that these are enshrined in national law. This is not to say that gender equality and the situation of women transport workers cannot be improved within the context of informal services. However, formal employment strengthens the institutional power that women workers have by creating a structure through which their rights can be demanded and defended.



The benefits of formal systems – for quality jobs in quality services – are not, however, a given. Instead, they depend on the answers to two fundamental questions:

- Is workforce management for service quality the priority of those who have responsibility for planning and managing service operation?
- What mechanisms exist for the day-to-day experience of the workforce to inform and influence decisions about the way that services are planned and operated?

A social model of public transport is based on public ownership by local or national government, with infrastructure and services designed and managed democratically: workers belong to trade unions that bargain collectively to ensure that they are treated fairly and supported to carry out their duties safely and well; trade union representatives participate on the board of the transport operator alongside members of the public, user groups and experts.

In contrast, experience of privatisation of public transport provision raises serious concerns in respect of both of the questions that determine whether the workforce is managed for service quality. When extraction of maximum profit for shareholders is the overriding priority of the company providing the public transport service, the interests of shareholders can easily take precedence over those of the passengers who use a service, and the workforce that provides it. Far from seeing the collective voice of the workforce as an asset that enables them to understand the day-to-day realities of service operation, private companies may violate labour rights.

Finally, turning public transport into an activity provided through a supply chain muddies the lines of responsibility and accountability and can make service monitoring more complex and less effective.

## **2.4**

### **BAD PRACTICE IN WORKFORCE MANAGEMENT: PROFIT OVER QUALITY**

When a company puts shareholder dividends ahead of service quality, both workers and passengers lose. However, it is the workforce, (with its knowledge of how public transport works ‘behind the scenes’) that is best placed to understand the service impact of management decisions. The view from the front line of service provision is that there is a conflict between service efficiency as a goal of sustainable transport, and financial efficiency as a goal of for-profit service providers.

Research into BRT system Transmilenio and the SITP (Integrated Public Transport System) in Bogotá, Colombia, conducted in 2014 by this author in close collaboration with ITF affiliate the SNTT, revealed a range of operating company practices that prioritised financial savings over managing the workforce for service quality<sup>13</sup>. Workers from eight different operating companies complained of excessively long working days due to split shifts. While on-duty hours conformed to the maximum legal working day, rotas were frequently organised with excessively long unpaid breaks between shifts, leading to working days of 10 hours, in some cases more. This led to fatigue for workers and was especially difficult for drivers with care responsibilities. It was also bad for passenger safety.

Another serious problem reported by SNTT members in several operating companies was the practice of effecting a pay deduction when a worker took sick or compassionate leave. While Colombian law does not permit salary deductions for these reasons, the operating companies in question use a pay structure where up to 28 percent of the monthly pay is in the form of a bonus to the contractual salary. A worker's bonus, or part of it, can be deducted at the company's discretion. In one particularly shocking

example, a worker lost their 'excellence' bonus due to taking time off following the death of his child. The security that a formal employment contract provides should remove the pressure on a driver to take responsibility for a vehicle – and its passengers – when physically or emotionally unfit to do so due to illness, a family emergency or a bereavement. On parts of Bogotá's integrated transport system however, profit comes before passenger safety.

In New Zealand, ITF affiliate First Union is currently running a campaign entitled BusFair. When a national policy decision required local governments to introduce competitive tendering for public procurement, the bus service operation contract in Auckland was awarded to a company that has forced hundreds of drivers to accept pay cuts in order to fulfil the terms of its tender. BusFair campaigners argue: "Companies winning contracts based on low wages require drivers to work long hours to make up their income. This puts the public at risk as fatigue is a huge factor in contributing to road accidents and deaths". The financial savings achieved by cutting wages are bad for workers, and bad for service quality.

In Seoul, South Korea, ITF affiliate, the KPTU, is campaigning for public ownership of metro line 9 (see box).

**Case study:  
SOUTH KOREA**

In January 2019, the Korean Public Transport Union (KPTU) won a partial victory in its campaign to bring Seoul's metro Line 9 under public ownership.

Drivers on Line 9 formed a trade union and joined the KPTU when they realised that the problems with service quality simply could not go on. Staff often felt overworked and exhausted as a result of

long working days and insufficient rest, problems that were compounded by staff shortages. Short trains and overcrowding facilitated sexual harassment and pick pocketing, compromising passenger safety on a daily basis.

Metro lines 1 to 8 were publicly owned and managed and in 2018 the KPTU conducted research that compared conditions between the publicly and privately run services. Line 9 management was violating both legal and negotiated standards, including maximum on-duty hours per shift, maximum time continuously behind the wheel without a break, and minimum rest periods during the day and at night. RATP Dev and Transdev also failed to make decisions on important issues around pay restructuring and scheduling through collective bargaining. None of these problems were found on Lines 1 to 8, where workforce issues are negotiated every two years with the public Seoul Transit Corporation.

The KPTU also conducted a passenger survey. With the example of public management on the rest of the metro system, 92 percent of participants said they wanted Line 9 to be brought under public ownership and management.

The renewal of the RATP Dev and Transdev operating contract in October 2018 forced KPTU members to go on strike, stating that: "the Seoul Line 9 Operating Company has sacrificed workers' rights and put passenger safety at risk, in the name of guaranteeing dividends for its parent companies". However, the KPTU feels that it was working together with passengers – creating a shared interest for public ownership – that had the biggest impact in pushing the local government to require the companies to manage services differently.

In January 2019, the Seoul city government announced that talks with the operating companies about new contract conditions had broken down. The contract with RATP Dev and Transdev was cancelled mid-term and management passed to Metro 9; the private investment company that paid for the development of the line. In the words of Wol-san Liem, the KPTU's director of international and Korean peninsula affairs: "This takes out one layer of subcontracting. It's a step on the road to a fully public Line 9".

## 2.5 THE PPP SUPPLY CHAIN IN PUBLIC TRANSPORT

The contractual relationships in a PPP are similar to a supply chain, with risks and responsibilities distributed between different stakeholders; primarily, the local or national government transport agency, the operating companies and the company employees that provide the service to the public. Lines of responsibility and accountability are complex – and navigating them creates additional expenses within the public transport system<sup>14</sup>. When it comes to ensuring that the workforce is managed for service quality, a very significant problem arises in that the realities of day-to-day service operation are obscured from the view of the local or national government authority which has ultimate responsibility for ensuring provision of quality public transport services.

### **Case study; COLOMBIA**

The central planning agency of Bogota's BRT system, Transmilenio, has a thorough quality control system intended to guarantee a high standard of service to passengers. Listening to the collective voice of the workforce revealed that when

implemented and applied badly by the operating company, this very system became a source of perverse incentives undermining passenger safety and service quality.

Transmilenio contract monitoring and enforcement mechanisms include a series of fines applied to operating companies for a range of service abnormalities and failures against established standards. However, SNTT members interviewed in 2014 reported that when Transmilenio levied a fine, the employer cascaded the financial penalty directly to the driver of the bus in question, making a pay deduction from the bonus element of their salary. No redress mechanism existed – the company refused to investigate individual situations and took the stance that it was simply doing Transmilenio's bidding. SNTT organisers in the company were facing discrimination and had as yet been unable to secure a collective bargaining agreement – they were not in a position to effectively demand fair treatment for drivers.

In practice, this was bad for the workforce, and bad for service quality. A driver described the morning routine of arriving ahead of his paid shift – in itself bad employment practice – to complete the bus safety check before arriving at the departure platform to start his working day:

"If, for example, the bus that's been allocated to me has a puncture, I go back and they give me another bus to check over. Often one or two buses will have some kind of problem...

(But) the time it says I leave, the time to start the service, this time has to be respected whatever happens. If you're not ready on time it is a severe infraction. They fine me for being late."

The fine levied by Transmilenio to the operating company is reasonable. This story suggests inadequate investment in fleet maintenance and safety. But given this failure of the operating company to fulfil its responsibility, the driver is left with a stark choice. Because all the risk is transferred to the driver; there is a very clear incentive to ignore any faults that they consider to be minor or manageable in order to get moving and avoid losing income. The driver is under direct financial pressure to put punctuality ahead of passenger safety. And Transmilenio – the central transport agency – has no way of knowing that this situation is happening.

Given the layers of management between the workforce and the local or national government transport agency with ultimate responsibility for service provision, and given the introduction of a new group of stakeholders – private shareholders – into the public transport supply chain, consultation and negotiation with the workforce takes on a broader significance. The risk (that private operating companies will prioritise the extraction of profit over managing their workforce to promote service safety and quality) will always exist while central transport agencies fail to put in place adequate contract monitoring mechanisms that are informed by the experience of workers engaged in day-to-day service operation.

Listening to the knowledge and collective voice of the workforce – expressed through their independent and representative trade unions – is essential if transport-planning agencies are to successfully monitor the performance and contract compliance of private operating companies delivering public services. Securing recognition of this reality is a step on the way to building a social model of public transport based on democratic principles.

In some formal public transport operations however – including Transmilenio – the labour rights of the workforce are violated and there is no organised, collective voice to be heard. It is reasonable to assume that those companies most inclined to push their employees beyond safe limits to cut costs are also those most reluctant to allow their workforce to organise and negotiate collectively. The local or national government transport agency has power, of course, in this respect.

There is a duty on the state to ensure that national laws and international conventions relating to labour rights are upheld within PPPs. The contractual agreement underpinning public service delivery through a PPP should include a labour clause that requires the private ‘partner’ to respect the right of its employees to organise and bargain collectively.

The PPP contract should also safeguard the gender and reproductive rights of women workers and passengers. With respect to workers, it should require equal access to employment and training for women, and an end to gender-based discrimination and harassment.

In order to be effective, contractual clauses in PPPs that relate to the workforce or to passengers must:

- be published and made freely available to the public;
- provide redress mechanisms based on channels of direct communication between workers/passengers and the local/national government transport agency in the case of the private company failing to honour its contractual obligations in relation to the clauses.



At a global level, the international financial and development institutions that fund and support reform and modernisation of public transport have both power and responsibility to promote decent work in public transport.

The inclusion of labour and gender clauses in PPP contractual agreements strengthens the institutional power of workers to negotiate for decent work and to challenge management

decisions that stop them doing their job safely and well. Where workers are denied their rights, the partner with ultimate responsibility for providing public transport services – the government transport agency – is unable to effectively monitor the contractual compliance of its private partner because it remains ignorant of bad practice in workforce management that undermine safety and service quality.



## **2.6 QUALITY JOBS, QUALITY SERVICES: KEY FINDINGS**

- 1.**  
There is interdependence between the quality of jobs in public transport, and the quality of services. This relationship is expressed, positively or negatively, in every public transport system, formal or informal, around the world. The policy and regulatory environment that structures and shapes the public transport industry is the most important factor in determining the quality of public transport services.
- 2.**  
Unregulated disguised employment creates a perverse incentive to the safety and service quality problems that are endemic to informal public transport services. Unregulated disguised employment (where the income of crew workers is directly linked to fare revenue and vehicles compete for passengers in an un- or under-regulated market of service provision) leads to speeding, road safety violations and overcrowding as economic survival strategies of the working poor.
- 3.**  
The safety and service-quality problems that plague informal public transport are systemic. Their root cause is informality itself. Individualising blame and vilifying the working poor for their economic survival strategies simply passes the buck to the most vulnerable actors. Government and international policy makers and transport planners need to understand the dynamics that produce unsafe, poor quality services in order to change them.
- 4.**  
Regulation of employment in informal public transport removes the perverse incentive to unsafe driving and overcrowding as economic survival strategies of the working poor. Regulation of employment is essential to pro-poor public transport modernisation and reform. Regulation of employment is a step that enables further measures to regulate and formalise informal public transport.
- 5.**  
Informality creates opportunities for corruption and extortion that are bad for workers, bad for passengers, and that undermine the economic sustainability of the public transport industry. Cracking down on harassment by corrupt police and traffic officials is an important worker health and safety issue. Improved regulation and transparency regarding vehicle ownership is essential to formalising informal services and regulating employment in the industry.
- 6.**  
The low and insecure productivity of informal public transport enterprises is a barrier to adequate investment in maintaining and upgrading the public transport fleet in order to reduce carbon emissions as part of a transition to a green economy.

## **2.6 QUALITY JOBS, QUALITY SERVICES: KEY FINDINGS** continued

**7.**

Formal employment enables workforce management for service quality and creates a structure for best practice in service provision, including the promotion of gender equality. However, the links between quality jobs and quality services depend on whether service quality is the priority for those managing the workforce, and on the mechanisms that exist for the day-to-day experience of the workforce to inform and influence decisions about how public transport services are planned and operated.

**8.**

Public ownership and direct management of public transport with unionised workforces is a system where quality jobs and quality services can go hand-in-hand. Service quality is the priority of managers, with no external interests coming into play. The knowledge of the workforce about the realities of day-to-day service operation informs service planning and operation. Social ownership – for example, service operation by a not-for-profit workers cooperative – can offer similar virtues.

**9.**

When a private operating company puts shareholder dividends ahead of service quality in decisions about how to manage the workforce, both workers and passengers lose.

**10.**

The contractual relationships in a PPP lead to complex lines of responsibility and accountability. In order to effectively monitor the contractual compliance of private operating companies, and the quality of services they provide, the local or national government public transport agency (with ultimate responsibility for service provision) needs to understand the experience of the workforce in day-to-day service operation. This means developing monitoring mechanisms that involve direct consultation and negotiation with workers organised in independent trade unions.

**11.**

There is a duty on the state to ensure that national laws and international conventions relating to labour and gender rights are upheld within PPPs. The contractual agreement underpinning public service delivery through a PPP must include both a labour and a gender clause to safeguard the labour, gender and reproductive rights of the workforce. In order to be effective, these clauses must be published and made freely available to the public, and provide redress mechanisms based on channels of direct communication between workers' representatives and the government public transport agency.

### **3.**

## **A JUST TRANSITION FOR INFORMAL PUBLIC TRANSPORT WORKERS**

Working poverty is the driving force of informal public transport in the global south. Workers in exploitative, disguised employment relationships, and own-account workers striving to survive, are the dominant groups providing an essential public service without which much formal economic activity could not take place.

The end of the 20th century marked the beginning of renewed government investment in public transport in the global south. The international financial institutions that promote and enable this investment, most commonly in BRT, exist to reduce poverty and promote inclusive economic development. The World Bank, for example, describes: “Better transport has the potential to improve the lives and livelihoods of billions of people by facilitating access to jobs, markets, and essential services such as healthcare or education. The World Bank provides financial and technical assistance to help countries implement sustainable mobility solutions that create lasting development benefits.”<sup>15</sup>

Their consideration of poverty, however, is blind to the devastating poverty that exists within informal public transport systems. Efforts to improve lives and livelihoods in the global south through transport reform need to include and prioritise a focus on the lives and livelihoods of transport workers themselves. Regulating employment in public transport is essential to improving the quality of services. It is also the pathway to a just transition to sustainable mobility.

### **3.1**

#### **VISIBILITY AND VOICE FOR THE EXISTING WORKFORCE**

Urban policy makers and transport planners often have a very one-dimensional understanding of the stakeholders in the informal public transport industry when they embark on a programme of modernisation, restructuring or reform. In many circles, the assumption prevails that workers in the informal economy are self-employed ‘micro-entrepreneurs’ – the relationships of dependence and the exploitative distribution of risk and responsibility that define the livelihoods of the majority of the informal public transport workforce are invisible to those making decisions. One reason for this is the way that labour statistics are collected.<sup>16</sup>

A decisive step forward in recognising the reality of work in the informal economy was taken in October 2018 with the International Labour Organisation (ILO) International Conference of Labour Statisticians (ILSC) resolution concerning statistics on work relationships. Recognition that most employment relationships in the informal economy fall somewhere between the traditional categories of paid/wage employment and self-employment has led to the introduction of new statistical categories based on understanding the different levels of autonomy, authority and risk carried by workers. A new category has been introduced for ‘dependent contractors’ – workers who are not employees but are dependent on another economic unit (such as a vehicle owner, or work platform) for the execution of work, income and access to the market. There is a risk that this third category could exclude workers from vital employment protections when employment relationships are disguised.

The ITF Informal Workers Charter begins with a demand to respect workers’ fundamental rights, through the implementation of ILO



Recommendation 204 (concerning the transition from the informal to the formal economy) and through the revision of labour and employment laws to ensure that all workers, irrespective of employment relationships, have equal rights under the law. One strategy for advancing this goal is for trade unions to demand facts-based employment status tests in the informal and gig economies, and to demand the rights of these non-standard workers be protected within the existing labour law frameworks (ILO recommendation 198). Sharing the institutional power that the trade union movement has built over two centuries of struggle with these excluded workers is an essential part of ensuring that these rights survive the technological revolution.

The Informal Workers' Charter goes on to demand:

- the right to be a member of a trade union of our choice, with equal democratic rights and benefits as members in formal employment
- the right to collective bargaining and consultation with national and municipal governments and related agencies on all issues and policies affecting transport workers
- the right of informal transport workers to represent themselves to the relevant authorities through their unions and democratic associations, rather than others making representation on their behalf

Supporting informal public transport workers – and non-standard workers in the gig economy – to develop a collective understanding of their marginalised situation in the economy, and a voice to influence decisions and developments that affect them, is essential. It is the road from informality to decent work:

“

**The ability of informal economic actors to exercise the right to freedom of association... is critical to shaping regulatory frameworks and institutional environments that ultimately help informal workers and economic units move into the formal economy. Lack of voice is marginalizing informal economic actors in the labour market and in society at large.<sup>17</sup>”**

### 3.2

#### THE JOURNEY FROM INFORMAL WORK TO DECENT WORK



**There is no single, easy, one-step way to formalize informal employment. Rather, it should be understood as a gradual, on-going process of incrementally incorporating informal workers and economic units into the formal economy through strengthening them and extending their rights, protection and benefits.'**

#### WIEGO NETWORK PLATFORM

ILO recommendation 204, passed in June 2015, provides detailed guidance to governments and an institutional tool for organisations that demand decent work for the billions of workers worldwide in the informal economy.

The WIEGO Network Platform (an international participatory process in coordination with informal worker organisations and supporters organised by the organisation Women in Informal Employment: Globalising and Organising) made an important contribution to the elaboration of ILO recommendation 204. WIEGO is widely respected for its work documenting the reality of the informal economy. The WIEGO framework policy response to informality to consider four goals on the journey from informal work to decent work in public transport:

- create more formal jobs
- regulate informal jobs, increase the incomes and improve the conditions of informal workers
- regulate informal enterprises and increase their productivity
- extend social protection to the informal workforce



While the direction of travel for a social model of public transport – away from informality and towards economic inclusion and decent work – is clear, the path of change ahead is more difficult to make out. At this point in time there are two powerful forces that will shape the evolution and reform of public transport in any given city.

The first is investment in new modes of mass transport, made possible by financial support from global financial institutions or bilateral grants and loans. Many cities in the global south are choosing to invest in BRT as the main focus of transport reform and modernisation. The Institute for Transportation and Development Policy (ITDP) is a Washington-based NGO that promotes BRT and produces resources including the BRT standard – an evaluation tool based on ‘international best practices’ that also aims to strengthen the BRT brand. The BRT ‘gold standard’ conceives of BRT as a ‘big bang’. A huge injection of investment enables pre-existing informal services on the busiest – and most profitable – routes in the city to be replaced with bigger vehicles running on a new infrastructure of dedicated lanes and stations with platform-level boarding. This model of BRT implementation is top down, and is uniformly met with resistance by displaced operators and workers. The financial sustainability of BRT services, and the problems and limits of efforts to incorporate informal public transport stakeholders into new BRT systems, are leading some cities to reconsider their approach to BRT reform.

The second force to be reckoned with is what academic Jacqueline Klopp describes as “the technological revolution that is brewing around information and transit”<sup>18</sup>. Examples of information and communication technology (ICT) innovation in public transport include: digital payment systems; digital mapping and open data projects; digital tracking, scheduling and integrated routing; platforms for managing bus and taxi fleets, aggregating

demand and monitoring drivers; and platforms for co-ordinating motorcycle taxis. The ICT transport revolution is business-led. Fair terms of digital inclusion for informal workers affected by ICT innovation need to be negotiated or created, not assumed.

Finally, the links between these two forces will inevitably strengthen. A recent World Bank blog asks whether tech initiatives are capable of offering a coherent alternative to formal transport reform<sup>19</sup>. Opportunities for informal workers as well as powerful industry players will inevitably evolve as the transport reform landscape changes. It is the role of informal workers organisations and trade unions to shape this future favourably, ensuring both equitable jobs for workers and equitable transport solutions for passengers.

### **3.3**

#### **CREATE MORE FORMAL JOBS**

BRT and other infrastructure-driven reform programmes that introduce a new mode into the public transport mix, create formal jobs. Whether or not this is good for informal public transport workers depends on the answers to four questions:

- 1.** Have as many formal jobs been created as informal jobs displaced?
- 2.** Are the displaced informal workers actively supported to access the new formal jobs, or retrained to access equal or better alternative work?
- 3.** Do the new formal jobs offer decent work?
- 4.** Are public transport workers in the services that feed and co-exist with BRT supported in a just transition to decent work?

The first challenge that faces trade unions and informal workers organisations is for the existing workforce to be recognised as a stakeholder in the implementation of BRT. Informal economy workers in disguised

employment relationships are rarely visible to transport planners and policy makers at the outset of a programme of modernisation and restructuring. The ITDP produces the BRT Planning Guide, an influential reference for planners in any city considering or introducing BRT. The guide includes a section on Informal Transit Transition to BRT, which focuses predominantly on the livelihood claims of impacted vehicle owners and route licence holders. While it does include the improvement of working conditions in the list of ideal outcomes of BRT, it goes on to state:



**The BRT project team and the policy makers in the government in each city need to carefully consider the degree to which they can or should socially engineer the employment outcomes of the project.'**

By leaving an open question as to whether government policy makers 'should socially engineer' the employment outcomes of BRT, the ITDP guide suggests that government responsibility to workers displaced by BRT is an optional extra. The subtext of the guide is that the vulnerable are expendable.

The ITDP's BRT Planning Guide directly contravenes ILO recommendation 204. Surprisingly, given the close links between the institutions, it is also at odds with the World Bank's new Environmental and Social Framework (ESF): a set of conditions that borrowers (governments) must observe in order to access World Bank loans, approved after a four-year consultation process in August 2016.

Environmental and Social Standard 5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement – recognises economic displacement, requires governments to carry out a social impact assessment, and provides for additional measures relating to livelihood restoration, improvement, transitional support and support for alternative livelihoods. The ESF

applies only to new World Bank investment project financing contracts agreed after 1 October 2018. However, the framework may still be useful as a measure of good practice and a negotiating tool for trade unions and informal workers organisations responding to World Bank BRT projects initiated before this date. Other international financial institutions have similar frameworks and guidelines that borrowing governments are required to follow.

The ITF Informal Workers' Charter demands 'the right to collective bargaining and consultation on the introduction of Bus Rapid Transit systems, anti-congestion measures, re-routing and fleet modernisation' as part of the democratic oversight of BRT planning processes, in order to ensure 'formalisation of informal employment without loss of livelihoods.'

A just transition to BRT and the formal jobs it creates requires trade unions to engage in outreach and education with the existing informal workforce. In Kenya, a preliminary Labour Impact Assessment conducted in 2018 found that more than 80 percent of the matatu workforce had never heard of BRT or plans to introduce it in Nairobi. While representatives of matatu vehicle owners were already included in the BRT consultation process, there had been no efforts to engage matatu workers, discuss how they would be affected, or mitigate potential negative impacts.

The Public Transport Operators Union (PUTON), Transport Workers Union of Kenya (TAWU) and the Matatu Workers Union (MWU) were involved in researching the follow-up Labour Impact Assessment into Nairobi Bus Rapid Transit<sup>20</sup>. With ITF support, they committed to ensuring that the democratic voice of the matatu workforce is included in the planning and development of a good-quality transport system in Nairobi, whether through the BRT reforms planned, through other major infrastructure projects, or through reform of the matatu industry.



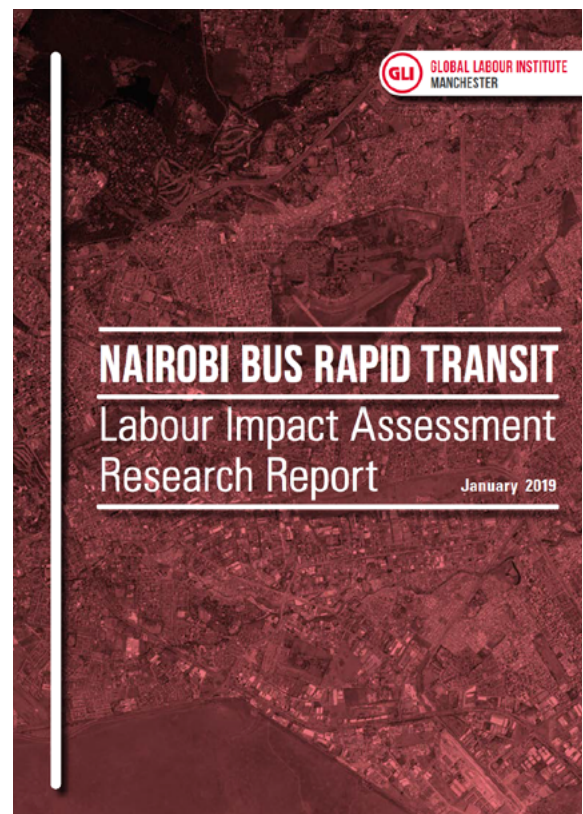
The findings of the Nairobi Labour Impact Assessment paint a stark picture of the levels of economic displacement that will result from the planned BRT system. The report finds that 35,193 jobs are at risk. On-board crew workers represent a little over half this total, with vendors, food vendors, loaders, stage attendants and *boda-boda* (taxi motorcycle) drivers based at matatu stages (stations/stops) also particularly at risk. The BRT operations are anticipated to create 5,760 jobs within the bus operating company, in the stations, in security, cleaning and administration. This would result in almost 30,000 jobs at risk.

Some information is also available on the levels of economic displacement resulting from the implementation of phase 1A of the Rea Vaya BRT line in Johannesburg, South Africa. From inception, Rea Vaya aimed to be employment neutral, creating at least as many jobs of equivalent or better quality as it directly removed. A total of 585 taxis were withdrawn along the first BRT corridor. A total of 536 permanent jobs were created within Rea Vaya and its support structure (operations, stations, security, cleaning, administration). All taxi drivers were offered the chance to gain employment in the new system, which led to the employment of 200 as BRT drivers. The full number of informal economy workers crewing and providing services to the 585 mini-bus taxis, and those earning a living at the stations/ stages on the route before it was upgraded to BRT, is unknown.

It is clear that the answer to the first question in determining whether BRT is good for informal public transport workers is a resounding no. While a small proportion of the workforce may access formal jobs as a result of infrastructure and investment-led public transport reform, BRT rationalises service provision and creates far fewer jobs than it destroys.

Worker-led workforce mapping can mitigate against the collection of partial or distorted information and bring less visible sections of the informal public transport workforce into transition planning. Given the twin imperatives to educate and document the informal public transport workforce in the face of transport reform, larger trade unions could explore how technology – for example, the design of a mobile phone app – could be used to provide informal public transport workers with information or services that help them, while also gathering valuable information about the workforce.

When BRT or other infrastructure-led transport reform goes ahead, the focus must be to ensure that existing workers access the new formal jobs and displaced workers secure training to find new employment opportunities.



**Case study:**  
**SOUTH AFRICA**

In South Africa, the level of political motivation to ensure a just transition for *kombi* (mini-bus taxi) owners and drivers reflects the post-apartheid landscape and the fact that informal public transport represents one of the few black-owned industries in the country.

Operators displaced by phase 1A of Rea Vaya in Johannesburg were consolidated as shareholders in a new Bus Operating Company (BOC). An Employment Framework Agreement (EFA) was signed which gave each shareholder the right to nominate one employee to a database which would be used by the city and the BOC to recruit for formal jobs within Rea Vaya (to the extent that applicants were qualified and suitable for the positions). The BOC was required to draw at least 80 percent of its unskilled staff from the database.

As a result of the EFA, a total of 414 drivers registered on the employment database, while an additional 200 *kombi* drivers had already gained employment as drivers on Rea Vaya buses. The EFA represents good practice in ensuring a just transition for drivers displaced by BRT implementation. However it is limited in scope, leaving the majority of workers in the informal public transport economy – part-time and casual crew, service providers and stage workers – outside of consideration and unsupported in finding a new means of economic survival.

**Case study:**  
**COLOMBIA**

Transmilenio in Bogotá, Colombia, inaugurated in 2000, was for many years promoted by the World Bank as an exemplar for BRT.

However, implementation of Transmilenio and the Integrated Public Transport System around it provides an example of bad practice, where local government planners, and their international funders, failed to consider the social and labour impacts of their programme of reform. The transition to BRT was devastating for the micro-enterprises, including owner-drivers that make up the informal TPC (*colectivo* transport system). There was no targeted recruitment campaign to support workers in the TPC to access the new formal jobs with the Transmilenio operating companies. In fact, many informal public transport workers found themselves excluded from the new jobs as a direct result of their service under the TPC.

TPC drivers and owner-drivers were excluded from the Transmilenio recruitment process due to unpaid fines relating to traffic violations. While it is normal for drivers to be held individually responsible for traffic offences, there was no recognition that the system of unregulated market competition converted reckless driving into an economic survival strategy. The possibility that drivers would behave differently under a different system was not considered. Neither was the possibility of a training programme and test to establish aptitude and attitude in relation to the formal jobs in the new operating companies.

Another key issue was the impact of poor occupational safety and health under the TPC. Long days behind the wheel led to back and kidney problems for *colectivo* drivers who then failed the medical exams that were part of the selection process for the new formal driving jobs. There was no support for these workers to access jobs in other parts of the Transmilenio system.

Best practice for a just transition to formal jobs in BRT includes:

- targeted recruitment campaigns
- the creation of an employment database of displaced workers, which the new formal employers are required to use
- retraining for workers to access work that is equal or better than the informal job that has been destroyed by BRT

When negotiations begin early enough, trade unions and organisations of informal workers can demand these measures as integral to the transition to BRT. However, exclusion from new jobs due to the scars of old service provision is a problem for informal public transport workers faced with programmes of reform and modernisation. A just transition requires challenging the dominant narrative that blames workers for the problems that characterise informal public transport systems and supporting these workers to make a fresh start in formal jobs.

Whether new formal jobs created through BRT meet decent work standards has been considered in the section on quality jobs and quality services. However, in short, accessing formal employment should extend social and legal protections, including labour rights, to informal public transport workers. The creation of formal jobs offers an opportunity to promote best practice in workforce management for service quality, and to address the problems of gender inequality and sexual harassment that predominate in informal public transport services. However, these outcomes need to be defended or won; they are never handed over voluntarily.

The final question in determining whether public transport formalisation through BRT is good for informal public transport workers considers the situation of workers at the margins of these centralised reforms. BRT is a system designed for the busiest

routes with the highest passenger traffic and needs to be integrated with public transport services provided by smaller vehicles that reach into all neighbourhoods and use existing road infrastructure to take people closer to their homes. The process of integrating feeder routes into BRT is a process of formalising existing informal public transport, and is not bound to timescales determined by the construction of road and station infrastructure. The following sections consider the creation of formal jobs within existing informal public transport structures and the regulation of the industry to improve services.

### **3.4 REGULATE INFORMAL JOBS, INCREASE THE WAGES AND IMPROVE THE CONDITIONS OF INFORMAL WORKERS**

Workers in the informal public transport economy survive on low and precarious incomes and are excluded from the social and labour protections that are the right of all working people. A just transition to formal public transport services, in line with ILO recommendation 204, is one that protects vulnerable livelihoods and guarantees fair terms of inclusion for informal economy workers in new reformed and integrated systems. It is important to recognise, however, that the regulation of employment and other measures to increase wages and improve conditions for the informal public transport workforce, are also a powerful means of formalising public transport. Regulating employment and improving income and conditions for workers is favourably linked to regulating enterprises and the industry as a whole.

Although the rights of workers in informal public transport services and in the gig economy to freedom of association and collective bargaining are contested in many places, there are a growing number of examples of trade unions overcoming the challenges and successfully supporting

informal and gig-economy public transport workers to exercise these rights. In some cases, worker-led efforts for formalisation have focused on the recognition and regulation of disguised employment relationships. In others, strategies that challenge the distribution of the money, risk and responsibility between different stakeholders in the industry, or that improve terms and conditions of work in other ways, have been considered more pressing or more pragmatic.

### **REGULATION OF EMPLOYMENT**

As discussed in the section on the links between quality jobs and quality services, the dependent contractor relationship – in the guise of a vehicle rental fee, or a ‘target’ to be met by the driver/crew – is a powerfully perverse incentive in informal public transport systems. When income depends on fare revenue generated by competing in a weakly regulated public transport market, necessity turns speeding, road safety violations and over-crowding into economic survival strategies for exploited workers.

There is a pressing need, therefore, for transport planners and policy makers at city, national and international level to recognise the working poverty that drives informal public transport – and to challenge it. However, this should not result in the criminalisation of the poor. Rather, public transport employment must be regulated and decent jobs created in order to ensure workers have a regular and secure income, based on safety and health. Regulating employment would tackle many of the service quality problems endemic to informal public transport. It would also be an important strategy to end working poverty in public transport, as well as achieving socially sustainable mobility and pro-poor ‘development’. However, efforts to regulate employment within informal public transport will encounter two main sources of resistance.

First, the regulation of employment would require either a redistribution of the money circulating in informal public transport services, or an increase in investment in the sector directed towards workers. Private vehicle owners would be resistant to the higher employment costs required by regulated employment. They would prefer to continue putting profit ahead of worker safety and health, and ahead of service safety and quality. Vehicle owners may resist being recognised as employers. As a recent example, Uber’s 2018 White Paper on Work and Social Protection in Europe asserts ‘Uber is not an employer of the drivers and couriers who use our app’. From a trade union perspective, when regulation of employment is worker-led, a common difficulty is to identify and secure a relationship with a bargaining counterpart. The way that informal public transport workers are classified may need to be challenged. Labour ministries and courts must play a strong role in supporting informal workers fighting for formal employment.

Regulation of employment in informal public transport requires a strong commitment by local and national governments. Actors that deal with the licencing and regulation of public transport vehicles and routes have an essential role to play in holding employers to account. However, informality breeds corruption: bureaucrats may be accustomed to illicit financial benefits made possible by the informal provision of public transport services. This situation reproduces informality, and may create resistance to regulation of employment from within government institutions where corruption has taken hold, as well as from vehicle owners and their associations.



## Case study: TANZANIA

When *daladala* minibus drivers in Tanzania's capital Dar es Salaam organised collectively as UWAMADAR, their priority was to secure recognition of their employment relationship with vehicle owners.

Umojawa Madereva na Makondakta Wa Mabasi ya Abiria Daladala Mkoawa Dar es Salaam (UWAMADAR) was originally formed as a mutual aid society in the mid 1990s, but over time its focus changed to challenging the causes of their low incomes and precarious employment. The small group of drivers and conductors found out that according to Tanzanian law, it was trade unions that have the right to represent workers with employers or the government, and they approached the Communication and Transport Workers Union of Tanzania (COTWUT). The two organisations worked to build a shared understanding of the exploitation of the drivers and conductors. COTWUT demonstrated strong solidarity and navigated the maze of legal registration for UWAMADAR. Three years later, in 2000, UWAMADAR was legally constituted as an association in itself and as a branch of COTWUT.

By 2013, UWAMADAR's organising efforts had raised the political awareness of the workforce and achieved a membership of 5,236 *daladala* workers. The collective bargaining counterpart for the UWAMADAR-COTWUT coalition was the association of bus owners, DARCOBOA, who were unwilling to consider themselves employers. A series of wildcat strikes and localised walkouts around this time attracted the attention of Dar es Salaam transport policy makers and gentle but firm pressure forced DARCOBOA to the negotiating table in 2003.

Despite DARCOBOA's uncooperative attitude, the negotiations to secure employment contracts for workers proceeded. A collective agreement recognising the employer/employee relationship, established a wage level and number of working hours per day, and granted employees the right to paid leave, became legally binding in March 2004. The UWAMADAR-COTWUT coalition had achieved something that had seemed impossible – they had spelled out the employment relationship between drivers and vehicle owners, taking the fundamental first step towards formal employment for *daladala* drivers and conductors.

Formality on paper and formality in practice are different things. The coalition achieved recognition of the simple truth of the employment relationship but they were not able to also focus on a just transition for the existing workforce. DARCOBOA secured a clause in the collective agreement that required possession of a class C driving licence as a pre-requisite to qualify for a contract. However, many of the men (and women) that DARCOBOA members trusted to crew their vehicles held only a class B licence. As a result, a significant group in the workforce and the UWAMADAR membership were unable to demand their contractual rights.

Also absent from the first collective agreement was any mechanism to monitor implementation and enforce the contract when vehicle owners were not compliant. After the agreement had been signed, the coalition focused on demanding a stronger intermediary role by government actors in enforcing widespread adoption of the new employment contracts. Initial responses to the coalition's proposals were not encouraging but sustained pressure led to progress. In 2009, bus

owners seeking a passenger transport licence were required to register workers' contracts, inclusive of photos and signatures. In the words of COTWUT's general secretary, the *daladala* workers now "had a place to start" – that is, they had institutional power and labour rights to claim and defend<sup>21</sup>.

The experience in Tanzania demonstrates the need for a strong government commitment to challenge powerful interests in informal public transport in order to regulate the industry. While difficulties in holding employers to account and internal tensions led to the dissolution of the UWAMADAR-COTWUT coalition, the bridge of solidarity and respect between formal and informal workers created a political awakening among informal public transport workers. In May 2015, a nationwide strike of bus drivers, organised by a voluntary association of drivers in Dar es Salaam, led the prime minister to establish a special committee on transport. The striking drivers demanded formal employment, respect for their work, and recognition of their contribution to the national economy.

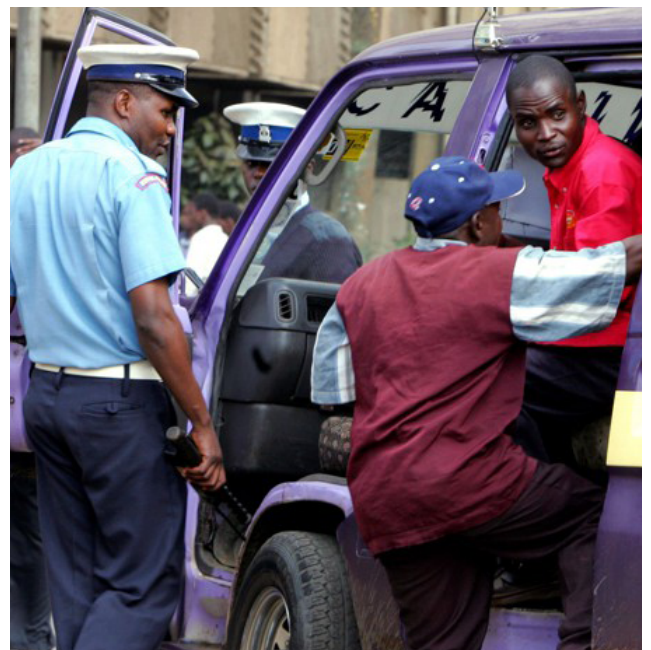
The committee required the drivers to register as a trade union in order to participate in tripartite negotiations. In response, the Tanzania Drivers Workers' Union (TADWU) was formed within the space of two months. The labour courts, however, failed to support TADWU in securing recognition agreements with employers. Trade union persecution was widespread and disgruntled vehicle owners fired many workers who had joined a union.

The experience to date of informal public transport workers in Tanzania is that government actors lack the capacity or political will to regulate employment. UWAMATA and TADWU express great frustration at the lack of political commitment to change.



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**The only way to liberate the Tanzanian driver is for us, the drivers, to start our own cooperative union so that we can own our own buses through the cooperative. Through collective ownership, we will be able to pay ourselves a decent wage, secure all associated entitlements and pay the government its share of tax.”<sup>22</sup>**



There are many steps in the formalisation of informal public transport services, and the regulation of employment is at the beginning of the journey. Regulation of employment is necessary to ensure just terms of inclusion in public transport reforms, whether these are led by investment and infrastructure or by ICT innovation. And regulation of employment is necessary to remove resistance that could otherwise disrupt other formalisation measures. An example of this would be crew workers fearing the negative impact of (more transparent) cashless payment systems upon their already fragile livelihoods.

The landscape of informal public transport is one of powerful stakeholders and entrenched financial interests. In situations where government institutions evidently lack the capacity or the will to regulate employment, the only solution is to bring public transport into social ownership – via public ownership and management of formal services providing decent jobs, or through collective ownership by the workers themselves. The workforce has the clearest understanding of the day-to-day operation of informal public transport services. With the necessary financial support and training in relevant aspects of business management, there is every reason to believe that a workers' co-operative could function as an efficient public transport operator founded on the positive links between quality jobs and quality services.

## **OCCUPATIONAL SAFETY AND HEALTH**

Occupational safety and health is an area where the links between what is good for workers and what is good for passengers and service quality are extremely clear.

There is an urgent need to enforce driving times and rest periods for drivers of informal public transport vehicles. Regulating the employment of drivers is the only way to achieve this essential safety and health measure in order to protect the public transport workforce, public transport

passengers and other road users. Matatu workers that participated in a Labour Impact Assessment into BRT in Nairobi<sup>23</sup> proposed the introduction of a two-shift system for crews, which would create more jobs while reducing working hours. The ITF Informal Workers Charter includes a demand for enforced limits on working hours as part of the right to a safe and healthy working environment. ILO Convention 153 provides an international standard for road transport driving times and rest periods.

The quality of the facilities and infrastructure used by informal public transport services affect the safety and health of workers and passengers alike. Improving facilities and infrastructure are also an essential part of formalising the industry as a whole, changing both the perceptions and experiences of passengers, and improving the productivity of informal public transport enterprises.

The Informal Workers' Charter includes demands for adequate parking, rest areas, sanitation, shelter, lighting, and food preparation facilities in transport workplaces; adequate rest, sanitation and personal security facilities for women in transport workplaces; and protection from exploitation for vulnerable people in transport workplaces, including women, children and people with disabilities. An example of success comes from the work of the Amalgamated Transport and General Workers Union (ATGWU) in Uganda. Gains made by informal airport taxi drivers engaged in collective bargaining with the airport management included an office and sales counter for the association, a properly organised parking and rest area, as well as standardised branding and a uniform to increase the visibility and respectability of the service. These changes have clear service-quality benefits for passengers while they strengthen the livelihoods of workers.

Standards of vehicle maintenance are another important safety and health issue with a direct impact on service quality. This is

discussed below in 'redistribution of risk and responsibility'.

### **STRENGTHENING INCOMES**

Regulated employment, with a workforce that is organised in a membership organisation that bargains collectively for wages, terms and conditions, is the most effective mechanism for achieving decent work – including regular, secure and fair wages – for the informal public transport workforce.

There is a range of other regulatory and investment possibilities that can strengthen livelihoods in informal public transport, some of which have been successfully demanded by owner-drivers of informal public transport vehicles. These are considered below in the section on increasing the productivity of informal public transport enterprises. Workers in disguised employment have little or no negotiating power when it comes to their main daily overhead – the 'target' or vehicle rental fee. This means that measures, that increase the money circulating in the informal public transport industry without challenging the exploitative power dynamics, are most likely to result in increased targets and income for owners, leaving the workforce in the same acute poverty.

### **REDISTRIBUTION OF RISK AND RESPONSIBILITY**

In the absence of regulated employment, workers carry all the risks and responsibilities of day-to-day service provision. Strategies aimed at the redistribution of risk and responsibility between vehicle owners and workers begin to challenge the power dynamics that leave the informal public transport workforce in poverty.

Drivers of informal public transport services are routinely held responsible for all traffic violations, whether they relate to driving conduct or to the maintenance and registration of the vehicle – for example,

worn tyres, a broken hand-brake, no licence to carry passengers, no vehicle insurance. The Informal Workers' Charter demands 'enforced legal responsibilities of vehicle-owners in the maintenance and safe operation of their vehicles and the provision of adequate insurance to protect drivers in the event of accident, theft or disaster'. The proposals for formalisation of the matatu industry in Nairobi suggested by workers participating in the BRT Labour Impact Assessment include: "Vehicle owners, through SACCOs<sup>24</sup> or independently, to be held responsible for the good maintenance and upkeep of the vehicles."

In South Africa and Tanzania, organised informal public transport workers have lobbied for a distinction between traffic violations for which drivers and vehicle owners are responsible, securing a fairer distribution of costs and risks in service provision. This measure also addresses safety and health in public transport – workers and passengers both benefit from better-maintained vehicles.

### **POLICE CORRUPTION AND EXTORTION**

The transition to safe and efficient formal services cannot be achieved without serious action to eliminate corruption and extortion by law enforcement agencies on the streets. As discussed in the section on quality jobs and quality services, bribes and negotiated fines are a major additional cost in service operation. They also have a profoundly negative impact on the safety and health of workers, and passengers. The Nairobi BRT Labour Impact Assessment states:





**Corruption and extortion by police and local government is... a major factor in the matatu economy, fuelling poverty, lawlessness, accident rates, and social unrest on the streets.'**<sup>25</sup>

The Informal Workers' Charter demands the end to arbitrary harassment and extortion from police, military, border officials and other authorities, and protection from organised crime.

Improved regulation and infrastructure for informal public transport services removes opportunities for extortion. One example of improved infrastructure would be the provision of clear stopping and picking up points. Once these are defined, public transport vehicles using them cannot be fined for stopping illegally or loitering. In some countries, informal transport workers have found that membership (individually or by their organisations) to well-established trade unions known to authorities has been effective in challenging police harassment.

In Uganda, for example, police occupied the offices of the Amalgamated Transport and General Workers Union (ATGWU) because of the meetings held there by the Kampala Operational Taxi Stages Association (KOTSA), a membership association representing 36,000 informal economy minibuss drivers and conductors.

ATGWU members demonstrated strong solidarity, defending the organisation of the drivers and conductors as a bona-fide trade union activity. The threat of a strike across the membership of both organisations, combined with a political intervention by the ITF, led the Police inspector general to change his view about the KOTSA meetings, with immediate results for informal public transport workers: three informal worker association affiliates reported a sharp decline in police harassment following the confrontation.

ATGWU t-shirts and membership cards helped to consolidate this change of status, granting greater respectability to informal public transport workers and making them less vulnerable to the whims of police and traffic officials. In Pakistan, informal public transport workers also found that union membership cards with photos were effective in challenging police harassment.<sup>26</sup>

## **POLLUTION AND ENVIRONMENTAL IMPACT**

The goal of green mobility requires the improved regulation of informal public transport services. The poor state of informal public transport fleets is detrimental to the safety and health of workers and passengers in the short term. Combined with traffic congestion, it contributes to levels of air pollution and carbon emissions that harm everyone in the medium to long term, posing a serious threat to the well being of future generations.

Inadequate regulation of vehicle owners coupled with the exploitative distribution of cost in unregulated employment relationships, and the low productivity of many informal public transport micro-businesses, are the main barriers to tackling inadequate vehicle maintenance and the resulting problem of high levels of pollution.

The Informal Workers' Charter includes the demand for a reduction in emissions harmful to vehicle operators, passengers and the environment. Worker proposals to formalise the matatu industry in Nairobi include ensuring "better regulation of SACCOs on the condition of vehicle fleets", improving fuel quality to enhance air safety, reducing traffic congestion and introducing high-capacity buses.

## ICT-LED FORMALISATION

So far we have focused on examples of worker-led demands for regulation of employment and improvements to wages and conditions in informal public transport systems. However, the incremental formalisation of informal public transport is happening independently of the efforts of informal workers and trade unions. It is both an aim and an impact of innovation in transport.

The lack of information about the informal public transport workforce in general, and the relatively recent arrival of ICT innovation in transport, combine to form an absence of information with which to evaluate the social and labour impacts of ICT initiatives aimed at improving informal public transport services in the global south. Like the services themselves, market forces and passenger demand drive most of these initiatives, leading to business-led solutions to entrenched transport problems.

While ICT innovation does formalise areas of informal economic activity and increase the visibility of groups of informal workers, it can also exacerbate and amplify existing inequalities. A white paper from a multi-stakeholder conference entitled 'Connectivity at the Bottom of the Pyramid: ICT4D and Informal Economic Inclusion in Africa' challenges the assumption that ICT-led solutions are wholly positive for vulnerable workers in the informal economy:



**ICTs are not a magic bullet. Unintended effects and new vulnerabilities may [...] emerge. Positive outcomes depend on broader understandings of how pro-poor outcomes can be realized and on active engagement with the perceived beneficiaries of change.'**

Most ICT innovation does nothing to formalise employment or challenge the unfair distribution of risk and responsibility that creates working poverty in informal public transport services. The protagonists of ICT innovation in public transport are unlikely to understand the internal dynamics and fragile livelihoods that characterise informal public transport services, and fair terms of digital inclusion for a just process of formalisation cannot be assumed.

In Nairobi, Kenya, the company MyRide Africa describes itself as 'unique in that it solves problems for all players in the public transport industry from the commuters, crew and owners'. MyRide Africa aims to formalise public transport and reduce road accidents (initially in Nairobi), and provides a mobile phone app for passengers to share positive or negative information about a journey. Associations of bus owners (SACCOs) can register and sign up to the dashboard or Complaints Handling Platform, where they can view and respond to reports, for example, of harassment or reckless driving. Reports of critical incidents – for example dangerous overtaking or demands for bribes from corrupt officials – are escalated and sent directly to the transport authorities. MyRide certainly brings greater visibility to the matatu industry and is unusual in recognising workers as stakeholders. The website's blog shares positive stories of experiences on matatus. It seems likely that the app will have both positive and negative impacts on matatu drivers and crew.

In Johannesburg, South Africa, FairPay (a pilot initiative that linked the introduction of cashless fare payment to formal employment contracts), is one of several attempts by the minibus taxi owners association (SANTACO) to introduce cashless payment. A 2019 report states: 'reasons for the current absence of cashless fare payment systems include the complexity of the labour relations reorganisation needed to take cash fare collection out of drivers' hands, as well as the high cost of mobile data that limits the use of cell phones'<sup>27</sup>. The white paper on connectivity at the bottom of the Pyramid states:

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**Digital innovations could potentially be used to formalise employment relations, improve working conditions, rationalise transport routes and limit corruption, but they could also be used to further informalise labour, reduce the number of workers, and transfer organisational control to state planners and regulators.'**

The conference found that, currently, the focus on for-profit business models in ICT innovation distracts attention from the needs of informal economy workers, from the poorest customers and service users, and from the important role of state subsidies in developing viable mass transport systems.

The informal public transport workforce in the global south, and gig-economy workers across the globe, are already experiencing the opportunities and challenges presented by ICT innovation. Successful business models will spread. Regulating employment in the informal and gig economies in order to extend social and labour rights to these workers is a fundamentally important strategy. Demand for and participation in democratic processes to decide how technology is used in public transport is another area of work in which the trade union movement has experience, skill and expertise.

While much trade union activity is reactive to the problems experienced by the membership, the technological revolution that has begun in transport creates opportunities for the trade union movement to act and become protagonists of positive change. The costs of digital innovation is not prohibitive, with many early initiatives coming from small start-ups. There is a strong argument for trade unions to invest in new skills and relationships and to take power by participating in the social design of ICT innovation in public transport and by pioneering worker-led initiatives. Technology can empower workers if they are involved in designing it, and this can happen at a grassroots level.



### 3.5

#### **REGULATE INFORMAL ENTERPRISES AND INCREASE THEIR PRODUCTIVITY**

Cities have attempted to regulate their informal economy private bus operators but such efforts have frequently been met with resistance or sabotage. One significant factor behind this resistance is that formalisation brings about an end to opportunities to generate untaxed income for the vehicle owners, route associations, corrupt officials and criminal cartels accustomed to benefiting from the informal status quo. The other is that badly designed regulation – or formalisation through ICT – may threaten rather than strengthen legitimate livelihoods in public transport provision.

Measures to formalise informal public transport must crack down on corruption and extortion, strengthen the productivity of informal operators, and ensure a fair distribution of money, risk and responsibility between different stakeholders in the public transport supply chain. As discussed above, employment regulation is the most effective way to ensure that a fair share of the benefits of service provision reaches the workforce, and that the workforce can be managed for quality services.

The regulation of employment is a means of formalising the public transport industry. The example from Tanzania demonstrates how the struggle of *daladala* workers for regulation of employment led to regulatory measures targeted at vehicle owners. The workforce is, therefore, an ally to stakeholders who wish to regulate the informal public transport industry. Sadly, the struggle of Tanzania's informal drivers also demonstrates the other side of the coin: a failure by the relevant agencies of government to hold vehicle owners to account has obstructed the implementation of the new legal requirement for formal employment contracts. Achieving formal employment within existing structures of ownership requires strong regulations to underpin and drive the transition effectively.

Matatu workers in Nairobi have offered a range of proposals toward the formalisation of their industry. Vehicle owners are legally required to be registered with a Savings And Credit Cooperative Organisation (SACCO) in order to operate public transport services in the city, and workers have stated the need to “strengthen the democratic accountability, governance and management of SACCOs, restructure to enable the workforce to have equal representation to vehicle owners or support the development of new SACCOs under the management of workers’ cooperatives”. Another priority concern expressed by this group of workers, which affects safety and health as well as the distribution of risks and costs in service operation, is enforcing the responsibility of vehicle owners, through SACCOs or independently, for vehicle condition and maintenance.

#### **GOLD STANDARD BRT OR INCREMENTAL IMPROVEMENT AND FORMALISATION?**

Reform programmes such as BRT require huge levels of public investment (often financed as debt to international institutions), but evidence to date suggests that neither the informal public transport workforce, nor the poorest sections of the community, benefit from this use of public funds. There is also the very real prospect of failure. A consideration of the viability of BRT in different city contexts is beyond the scope of this chapter, however evidence suggests that demographics and political economy in African cities combine to create insurmountable problems for the BRT business model. In Colombia, Transmilenio and its Integrated Public Transport System, once promoted by the World Bank as a world-class example of BRT, has fallen from grace and is subject to widespread criticism over affordability, environmental impact and service quality.

In South Africa, policy makers and transport planners have embraced BRT as a model for public transport reform, with implementation aiming to support



the black-owned minibus taxi industry to become prosperous formal public transport businesses, in line with the policy of 'broad based black economic transformation'<sup>29</sup>. The South African experience is an important example of best practice in the social design of BRT implementation aligned to ILO recommendation 204 on Transition from the Informal to the Formal Economy.

However, Rea Vaya in Johannesburg, MyCiti in Cape Town and BRT projects across the country are finding that implementing BRT in a way that is both financially sustainable, and that reconciles the reform model with economic empowerment for informal operators and workers, is extremely difficult in practice. Academics Schalekamp and Klopp observed that faced with the challenges, a policy shift was made at national level:

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**... To encourage integrated public transport networks and 'hybrid systems' that focus on complementarity between scheduled services and unscheduled minibus operations, as well as innovations to improve, restructure and engage, rather than simply replace, minibus services. Indeed, some cities are working to improve minibus services or upgrade them into bus services outside of the BRT process altogether.**<sup>30</sup>

A look at the ITDP's BRT recommendations reveals that many criteria used to define and evaluate BRT could be applied to existing informal public transport operators without requiring either the same levels of investment/ debt as full-scale BRT implementation, or the radical changes to industry ownership and organisational structures that plague BRT and the livelihoods of existing operators in many cities. Neither would such an application drastically reduce the number of jobs available in public transport provision.

What follows is a brief overview of measures to formalise informal public transport enterprises, improve productivity and strengthen livelihoods that can be implemented alongside BRT as part of organising service provision on feeder routes, or without BRT altogether. We also consider some experiences of industry transformation within BRT projects from the perspective of owner-drivers and other informal micro-enterprises providing the pre-existing public transport services.

### **INCREASING THE PRODUCTIVITY OF INFORMAL PUBLIC TRANSPORT ENTERPRISES**

The enterprises that operate informal public transport services are diverse. Wealthy and powerful individuals, who extract a large tax-free profit from exploitative, disguised employment and a fleet of vehicles, co-exist with workers who have managed to scrape together the funds to get a loan on an old bus in the hope of greater autonomy and income security. Testimonies from Dar es Salaam and research into the economics of the matatu industry in Nairobi suggest that business productivity for owner-drivers of small buses is so low that often the individual finds it unsustainable and is forced to sell the vehicle and leave the industry.

A strong political commitment to end police corruption and extortion is essential in any effort to formalise and improve the enterprises and economic units providing informal public transport services. It is a measure that benefits all actors involved in direct service provision – workers, owner-drivers and larger enterprises – as well as passengers.

Improvements in infrastructure and facilities benefit crew workers, service providers and stage or station workers in informal public transport systems, as well as owner-drivers and other informal public transport enterprises. Criteria for BRT networks listed

by the ITDP, which would elevate the status of informal service providers and support the productivity of public transport enterprises without the introduction of BRT buses, include safe and comfortable stations and the construction of dedicated lanes.

The low productivity and insecure income that characterise informal public transport is a result of the policy decision to leave public transport provision to unregulated or under-regulated competition in a service market. Ghana's 1983 Economic Recovery Programme, for example, launched under the guidance of the World Bank and IMF, supported free entry into the road transport market and the official deregulation of fares. Regulation to improving terms of trade for informal public transport enterprises formalises service provision and strengthens productivity. Operators need reliable access to routes and passengers, including controls on market entry, to prevent the over saturation that feeds competitive driving and can result in violent conflicts over routes between different associations of operators. All measures that strengthen the productivity of enterprises without regulating employment are, however, unlikely to challenge unsafe driving, overcrowding, or the working poverty that drives informal public transport services.

Where local government establishes fare levels for informal public transport services, affordability to passengers needs to be balanced against the economic sustainability of the industry. The Informal Workers' Charter demands rises in tariffs and fares to compensate for rises in fuel prices. In the Philippines, sustained increases in fuel prices during 2004 led to strong organisation and protest from jeepney drivers who argued that it was no longer possible to operate the services at the established fare levels. The protests were successful in getting the government to significantly increase the minimum fare<sup>33</sup>.

The most successful informal public transport enterprises are those operating larger, newer vehicles on busy routes. Upgrading the public transport fleet can strengthen the productivity of informal public transport operators. Newer vehicles can introduce technological innovations – such as Global Navigation Satellite System receivers – that enable services to be run more efficiently and support further formalisation. Vehicles with electric engines or lower emissions are an essential part of the environmentally sustainable public transport of the future. Pro-poor transport reform recognises that owner-drivers and micro-enterprises operate on low and insecure incomes and that investment in the maintenance of their vehicle is limited to the minimum. Small-scale operators providing informal public transport are unable to upgrade without financial assistance.

Quality public transport services in industrialised northern countries benefit from public subsidy. Targeted public investment is part of regulating and formalising the informal public transport industry to improve service quality. Public funds can be invested in improved enforcement of regulation, particularly with regard to employment. Subsidy can be used to bridge the gap between affordable fares and the economic sustainability of the industry. Subsidy or exemptions from duty or taxes on fuel, vehicles and parts reduce costs to informal workers and operators, boosting the productivity of informal micro-enterprises. Lastly, public investment is needed to upgrade the public transport fleet.

## **POLLUTION AND ENVIRONMENTAL IMPACT**

A transition to a green economy requires upgrading the public transport fleet to electric or low-emission vehicles. Reducing pollution and improving air quality is a goal that unites workers, citizens and transport planners. A newer vehicle fleet can also strengthen the productivity of public

transport enterprises and enable ICT-led formalisation. However, the transition needs to be a just transition.

Regulation requiring informal public transport enterprises to upgrade their vehicles must include financial assistance. Access to finance that will increase monthly overheads is negative for informal enterprises unless it is accompanied by measures that guarantee a corresponding increase in income. Given the urgency of climate action, there is a strong argument for public subsidy to support those owner-drivers and micro-enterprises unable to upgrade their vehicles at current levels of productivity. The timescale for the transition must be negotiated to ensure that it is considered reasonable by all parties. The opportunity to access subsidy or financial support could be used to bring profitable fleet owners under greater regulatory control.



### **Case study:** **THE PHILIPPINES**

In the Philippines, the Public Utility Vehicle Modernization Program (PUVMP), launched by the Philippine Department of Transportation in 2017, has been widely denounced as 'anti-poor'.

The PUVMP requires the compulsory scrapping of vehicles over 15 years old, and compulsory upgrading by operators to modern 'e-jeepneys'. The new vehicles have engines compliant with international standards or electric engines, are equipped with ICT technology including a global navigation satellite system receiver, an automatic fare collection system, a speed limiter, and a dashboard camera, and cost nearly twice as much as a traditional jeepney. Unions and jeepney drivers associations are united in declaring it impossible for owner-drivers and family micro-enterprises to comply with the requirement to upgrade. Their demands include a five-year transition period for implementation of the phase out of old vehicles, and subsidies to present operators to enable them to purchase new vehicles.

The PUVMP requires immediate industry consolidation to secure a franchise to operate in the new modernised public transport system, with a minimum investment by operators of 10 jeepneys in the first year, 10 more in the second, and a further 20 by 2019. It is clear that owner-drivers and micro-enterprises would be financially and organisationally unable to meet these requirements in the given time scale, if at all. The PUVMP is in direct contravention of ILO recommendation 204.



Rather than using public money to invest in the local economy and support existing operators to upgrade public transport vehicles, the BRT reform model recommends opening a market in public transport for international investment. BRT also requires a reduction in the public transport fleet, the social and labour impact of which is devastating unless there is a comprehensive programme of support to operators and all groups of workers affected. Demands from existing operators faced with fleet rationalisation due to BRT include compensation for scrapped vehicles that reflects the value of the informal public transport business as well as the market value of the vehicle, and fair terms of inclusion in the new public transport system.

### **INDUSTRY OWNERSHIP STRUCTURES**

The dominant approach to include informal public transport enterprises in reformed public transport systems has been a top-down requirement of industry consolidation. Members of vehicle owner and route associations from the informal public transport industry become shareholders in new operating companies, with whom a contract is agreed to provide the new service – as a BRT operating company, or as a bus operating company on BRT feeder routes. The main lesson to date is that consolidating informal economy micro-businesses into public transport operating companies is a complex process that requires a different timescale to implementing the technical and infrastructure aspects of public transport reform, if it is to be sustainable and successful.

#### **Case study: COLOMBIA**

In Bogotá, associations of owner-drivers and micro-enterprises from the informal *colectivo* transport system (TPC) were forced to consolidate and participate in a managed tender process to operate Transmilenio BRT services and SITP feeder routes, on the condition that 'experience in the corridors' would be 'heavily weighted' among the selection criteria. EGOBUS and COOBUS, the two hastily formed operating companies that together represented the 'democratisation' of the new transport system, faced severe governance problems from the outset and struggled to meet its contractual obligation of financial compensation to the shareholders who had participated in the vehicle scrapping scheme that was part of the fleet renewal process. Four years into the SITP these vehicle-operating companies had both declared bankruptcy and had defaulted on redundancy payments to their workforce.

Given the conditions of imposed consolidation over a short period of time, and the requirement to operate at a very different scale, with larger fleets and a higher turnover, the failures of EGOBUS and COOBUS are not surprising. It could be argued that they were set up to fail. A prolonged political struggle succeeded in a 2018 agreement that the public transport agency Transmilenio pay compensation to the displaced vehicle owners who were forced to participate in the failed operating companies. Most owner-drivers and micro-enterprises are still waiting to receive their payments at the time of writing.

ITF affiliate the SNTT estimates that more than 14,000 family businesses were removed from public transport in Bogotá through the initiative to consolidate exiting operators.



In South Africa, BRT implementation has been characterised by conflicting relationships between minibus taxi (MBT) operators and local government. In Johannesburg, for example, MBT owners, affected by the Rea Vaya BRT, were brought into bus operating company Piotrans as shareholders, however violent clashes continue because of the impact of BRT on other informal public transport providers:

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**Even today there is no peace in the BRT because it is affecting their [taxi] business so much... They [drivers] are going to overload, because it won't be the same – they were getting ZAR1000 a day and now they are getting only ZAR400 or ZAR500 a day.”<sup>34</sup>**

The experience in Cape Town is interesting for the way that the goals of the municipality with regard to existing operators migrated over time. Herrie Schalekamp describes the first phase of BRT implementation in 2007:

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**A critical reason for the delayed completion of the first project phase of the MyCiTi system was that the process of corporatising paratransit operator groupings, negotiating 12-year gross-cost contracts with them, and educating them to become scheduled bus operators, was significantly more complex than initially anticipated...in effect...affected operators had to be rushed into forming MyCiTi vehicle operating companies (VOCs) so that they could start running buses on infrastructure that otherwise would run the risk of standing unused”.**<sup>35</sup>

In phase 2, the municipality shifted its approach towards a more incremental reform process including a three-year capacity building programme (2014-2017) for existing informal service operators to equip them to run and take ownership of the new BRT VOCs. In 2015, expectations were revised to support existing operators to form TOCs (transport

operating companies) to run minibuses ‘as an integral part of the MyCiTi system’. It is clear that even with political commitment, the transformation of atomised micro-enterprises into medium, or large, bus-operating companies is a process that cannot be achieved in a timescale of a few years. It is a process that requires commitment, resources and long-term support and that often means facing head-on the social injustice that has led to individuals working in the informal economy in the first place.

A transition for informal economy public transport workers to jobs and management positions in the public sector – in line with the vision of Our Public Transport – would be an altogether different proposition. So too would a process of reform in which existing stakeholders are protagonists.

It is interesting to reflect on how long bus operation by large companies will be regarded as a necessity? Quality public transport has hitherto depended on sophisticated centralised management – and corresponding levels of investment. However, advances in ICT create new possibilities for de-centralised and responsive real-time service management and coordination: digital innovation enables the collection of real-time information and the aggregation of demand like never before, as well as greater financial monitoring. Is it futuristic to imagine a responsive, high-quality public transport service where local economy micro-enterprises are crowd-coordinated in the cloud? Or is Uber an example that this is already starting to happen?

## **BOTTOM-UP INCREMENTAL REFORM**

The short history of BRT suggests that it is difficult to reconcile the international transport policy environment, which promotes and funds top-down public transport modernisation and reform, with a just transition for existing workers, owner-

drivers and micro-enterprises in the informal economy. In contrast, the incremental reform and regulation of informal public transport is compatible with the processes of negotiation and democratic decision making that are at the heart of a social model of public transport.

This chapter has shared examples of formalisation achieved by organised workers, many of which have clear service-quality benefits. Owner-drivers and micro-enterprises are similarly able to organise and innovate to strengthen their businesses and improve service quality. One example that has been recorded comes from a co-operative of bus owners in Bogotá's old *colectivo* public transport system that was displaced by Transmilenio:

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**We did a pilot project in the coop...very similar to the system Transmilenio is using [in it's management of the SITP]. The Transport Secretariat visited to see. The pilot project was to run a route where we wanted to end the penny war. We knew why the war comes about. The penny war happens because four or five buses leave the patio and some go faster and others slower, and so a gap of more than what should be four, five minutes opens in the service. If you are 10 minutes behind the bus in front, you are going to pick up more passengers than the guy behind you. So we invented a route with satellite control which monitored the drivers, saying, go faster, or go slower, so that route coverage was more steady. We calculated the frequency so that the route was financially viable for the drivers and so that we provided a good service.”<sup>36</sup>**

South Africa also offers examples of bottom-up reform. A paper part funded by the World Bank to identify and analyse emerging initiatives to reshape minibus taxi (MBT) operations and infrastructure across the country describes:

- an MBT association that centralised fleet management and daily cash fare collection, and paid fixed wages to drivers and profit shares to owners. The initiative, which lasted one and a half years, led to a reduction in the fleet needed so that vehicles were leased out to higher-demand routes
- the use of a monthly operational subsidy by a municipal council to incentivise immediate service improvements by MBT operators, in pilot stage at the time the paper was published
- two examples of MBT operator capacity building. In Cape Town, outcomes included enterprises tracking vehicle movements and revenue, introducing written driver employment agreements and forming alliances and sharing information across association boundaries

It is possible to achieve formal jobs and decent work in regulated micro-enterprises within existing industry structures. A policy environment that promotes bottom-up incremental reform is more supportive of democratic decision-making. Trade unions and organisations of informal public transport workers can play a strong role in negotiating a step-by-step transition from informal public transport to decent work in safe, green, quality public transport services.

## **EXTEND SOCIAL PROTECTIONS TO THE INFORMAL WORKFORCE**

This last component of the journey from informal work to decent work is less complex than the previous three considered.

The ITF Informal Workers' Charter includes two demands regarding access to social protection:

- the right to social security, health care, maternity protection, decent working conditions and a minimum wage

- extend the coverage of social insurance to those in the informal economy and adapt administrative procedures, benefits and contributions, taking into account their ability to pay

In most countries, social security and protection, including essential services such as health care and education, unemployment and maternity benefits, accident/life insurance coverage, disability grants, and pension, are tied to formal employment. The regulation of employment is the best way of extending social protection to the informal public transport workforce.

In some countries, workers in the informal economy are eligible for voluntary membership in a government scheme. While such prospects of inclusion are admirable, in practice, the low, insecure incomes of informal transport workers render this voluntary membership unaffordable. Were their employment regulated, these workers would be automatically included in government social protection schemes. Regulatory measures would also enable such workers to access essential services and the social welfare safety net.

In countries where the provision of public transport is informal, the provision of social protection may be so weak that trade unions and representative organisations do not view it a useful objective to be demanded. In this scenario, access to privately run essential services is dependent on increased income and income security.

Where no social safety net exists, informal workers come together to create one. Among the independent worker organisations that provide some order and structure to informal public transport services, there are many mutual aid associations and cooperatives where members pay or earn a contribution to a welfare fund that provides social protection for the most serious problems that workers experience – for example, the need for

hospital treatment following an accident, or funeral expenses for a family member.

The experience of trade unions with regard to occupational safety and health can be a bridge for building relationships with these associations, for example, by identifying strategic goals for formalisation that chime with the original motivations of members. Regulation of employment, including the payment of social security contributions, is the best outcome of worker organisation and negotiation. Other demands that may feel more achievable in the short term include demands for accident insurance or for enforced legal responsibilities of vehicle-owners in the maintenance and safe operation of their vehicles.

It is also important to consider how mutual aid cooperatives can be supported and strengthened, and what role trade unions can play. Matatu workers in Nairobi request support to 'assist the development of formalised social protection cooperatives under the democratic governance of members, through SACCOs or independent organisations'<sup>37</sup>. Formalising the organisations of informal public transport workers strengthens their presence and takes another step on the journey from informality to decent work in the formal economy.

## 3.6 A JUST TRANSITION FOR INFORMAL PUBLIC TRANSPORT WORKERS: KEY FINDINGS

Credible measures to formalise informal public transport need to create decent work, ensure a fair distribution of money, share risk and responsibility between stakeholders in service provision, crack down on corruption and extortion, and strengthen the livelihoods and productivity of informal operators.

Recent improvements to the ILO framework for collecting labour statistics mean that the disguised employment relationships that predominate in informal public transport services can now be officially recognised. This is a significant change, as government policymakers have often assumed that the informal economy is comprised of micro-entrepreneurs in gainful self-employment. The truth – as outlined in this chapter – is very different. The adoption of a facts-based employment-status test in both the informal and gig economies is needed, along with the extension of employment protections to include these workers within existing labour law frameworks.

### 1.

Informal public transport workers concerned about the impact of World Bank-supported programmes of reform may be able to use the bank's new Environmental and Social Framework to lobby their governments for measures to protect their livelihoods or to access new, better jobs. The framework applies to projects where an investment project-financing contract was agreed after 1st October 2018.

Efforts to monitor the social and labour impact of BRT have been weak to non-existent. The limited statistical information that exists, suggests that levels of economic displacement in the informal economy resulting from BRT are devastating. BRT rationalises the provision of road-based public transport services and creates far fewer jobs than it destroys.

### 2.

When informal public transport services are replaced by BRT, transition planning should consider all three groups of workers – crew, station/ stage workers and service providers. Demands for a just transition for these displaced workers need to challenge prejudices against the informal public transport workforce, as well as create structures and mechanisms to ensure access to the formal jobs created for these workers. Given the scale of economic displacement created by BRT, a programme of retraining to support displaced workers to access equal or better work in other sectors of the economy will remain a policy requirement.

### 3.

There is a pressing need for transport planners and policymakers at city, national and international level to regulate employment in order to end working poverty in informal public transport. The regulation of employment is necessary to achieve decent work for informal public transport workers. It ensures just terms of inclusion for the workforce in infrastructure or ICT-led transport reform. The regulation of employment is additionally a means of formalising public transport enterprises. It turns the workforce into an ally with other stakeholders who wish to regulate the informal public transport industry and removes barriers to further measures of formalisation.



Regulating employment is key to fundamentally addressing service quality problems endemic to informal public transport services. These include unsafe driving, overcrowding, and unaffordable fares. The regulation of employment is necessary to safeguard the safety and health of workers and passengers and to promote gender equality in public transport.

Employment regulation in informal public transport does require a strong commitment by local and/or national government to hold vehicle-owners and route associations to account, and to crack down on any internal corruption that sustains the exploitative status quo. Where agencies of government are unable to enforce widespread regulated employment in public transport, a shift to social ownership of public transport is the best way of ensuring a just transition for informal public transport workers to decent work.

**4.**

Strategies that aim to change the day-to-day distribution of risk and responsibility between workers and vehicle owners – for example, the application of fines for inadequate vehicle maintenance – begin to protect the interests of the workforce. However, measures that aim to strengthen the productivity of informal public transport operations, but fail to challenge the exploitative power dynamics of disguised employment (for example, improved licencing on routes to prevent market saturation), are likely to benefit vehicle owners but leave the workforce in poverty.

**5.**

The transition to safe and efficient formal public transport services cannot be achieved without serious action to eliminate corruption and extortion by law

enforcement agencies on the streets. It is a measure that benefits all actors involved in direct service provision – workers, owner-drivers and larger enterprises. It is part of providing quality services to passengers.

**6.**

Improvements in public transport infrastructure and facilities – such as safe transport hubs/stations with separate toilets for men and women – benefit everyone. These investments improve safety and health for the public transport workforce, improve the passenger experience and bring respectability to informal public transport services. Improvements in infrastructure and facilities can contribute to strengthening the productivity of informal public transport enterprises.

**7.**

Reducing pollution and improving air quality is a goal that unites workers, passengers, citizens and transport planners. The inadequate regulation of vehicle ownership coupled with the exploitative distribution of cost in unregulated employment relationships, and the low productivity of many informal public transport micro-enterprises, are barriers to tackling inadequate vehicle maintenance and the resulting problem of high levels of pollution.

**8.**

Innovation in information and communication technology (ICT) is a considerable potential force in the formalisation of public transport services. Examples include digital tracking and platforms for aggregating passenger demand and monitoring drivers. Most ICT innovation is business-led. However, while ICT has the potential to formalise employment, limit corruption, and challenge the unfair distribution of risk

and responsibility that underpins working poverty in informal public transport services, digital entrepreneurs are unlikely to comprehend the fragile livelihoods and internal dynamics within the industry.

**9.**

Employment regulation is one way of achieving fair terms of digital inclusion for informal public transport workers in services formalised through ICT. The other is the social design of ICT innovation that directly involves affected workers or is entirely worker-led. There is a strong argument for trade unions to invest in new relationships and skills in order to take power in the technological revolution.

The BRT-based business model is in flux. Widespread criticism of established BRT systems, combined with the failure of many BRT projects in the African urban context, open the way for new approaches to public transport reform. The political economy of post-apartheid South Africa has led to examples of best practice in BRT implementation aligned with ILO recommendation 204 on the Transition from the Informal to the Formal Economy. The sheer scale and difficulties involved in reconciling the established BRT model with empowering informal public transport workers and enterprises seems to be leading to a policy shift in South Africa first towards incrementally formalising the informal public transport industry and second integrating BRT into the existing public transport system – if BRT is introduced at all.

**10.**

Efforts to strengthen the productivity of informal public transport enterprises through investment and improved regulation and enforcement should be targeted towards measures that benefit all existing industry stakeholders – for example, cracking down on police

corruption and extortion, and improving infrastructure and facilities. Measures to formalise the industry without a widespread enforcement of regulated employment will fail to challenge entrenched service quality problems and will leave the workforce in poverty.

**11.**

Upgrading the public transport fleet to modern vehicles with electric engines or low emissions, and the compulsory scrapping of vehicles that are no longer road-worthy, is necessary for the transition to a green economy. The costs and benefits of this transition need to be fairly distributed. A pro-poor approach to public transport reform recognises the need for public investment to support existing owner-drivers and micro-enterprises to upgrade their vehicles, over a timescale that has been negotiated and that existing operators agree is reasonable. Where it is necessary to scrap old or surplus public transport vehicles, compensation should reflect both the value of the business lost and the market value of the vehicle, and just terms of inclusion in reformed public transport services must be assured for the vehicle owner and any affected workers.

**12.**

The dominant approach to integrating existing informal public transport stakeholders into modernised formal systems (such as BRT with a network of feeder routes) has seen industry consolidation, where vehicle owners become shareholders in new operating companies. Experience demonstrates that even with strong political commitment, the transformation of atomised micro-enterprises into medium, or large, bus-operating companies is a process that requires commitment, generous resources and an open-ended time-scale. Anything less risks setting up existing informal enterprises to fail.

**13.**

The international policy environment for public transport reform, including BRT, promotes a top-down approach. Consultation exercises seek consent to pre-defined plans and strategies and are normally limited to owners and route associations, excluding the perspective and needs of the workforce for a just transition to decent jobs. In contrast, the incremental reform and regulation of informal public transport is compatible with the processes of negotiation and democratic decision-making that are at the heart of a social model of public transport. Trade unions, organisations of informal workers, associations of micro-enterprises and other stakeholders in informal public transport provision can be protagonists in the transition to safe, green, high quality public transport services. Bottom-up innovation by the workforce and other organisations within the informal industry has much potential to transform informal public transport services, avoiding the conflicts that have resulted from the 'displace and replace' implementation of BRT.





## **4.**

### **POLICY PROPOSALS**

The public transport workforce numbers millions, perhaps billions, across the globe. Most visible among them are the people who drive vehicles and work at transport hubs and stations. There are, however, many more workers behind the scenes or providing services in the micro-economy that surrounds public transport.

The way that policy and regulation structure public transport is the most important factor in shaping the experience of the workforce and determining service quality. Neoliberal economic policies have led to the privatisation of public transport services – either through PPPs in service operation, or through deregulation that has led to the establishment of powerful private interest groups providing informal public transport services in cities across the global south.

There is a growing body of evidence to suggest that the public transport status quo is bad for workers and bad for passengers. Government monitoring and supervision of private operators is often too weak to challenge problems at the level of service provision. Programmes of reform and modernisation have been implemented without due concern for their social and labour impact in most cities and frequently fail to deliver promised benefits. It is time for change.

#### **1. Make decent work a central objective of sustainable public transport**

This means a change in the international policy environment to prioritise decent work as a goal of all efforts to reform, modernise and improve public transport systems; alongside universal access, system efficiency, safety and green mobility. The contribution public transport makes to the economy includes the creation of thousands of jobs for local people, as well as linking citizens

to places of work, education and family responsibility.

Sustainable public transport recognises that working poverty drives informal public transport systems and, in setting decent jobs as a key objective, seeks to challenge its control of the sector. Formal jobs that offer a fair, secure income and safeguard the safety and health of worker and passengers promises huge benefits to the local economy and can make a significant contribution to meeting the UN's Sustainable Development Goals.

Organisation and collective bargaining are the most effective mechanisms for achieving decent work in public transport. Respect for labour rights is essential for the creation of quality jobs operating and supporting quality services.

#### **2. Demand quality jobs for quality services**

Quality jobs for quality services would ensure that both workers and passengers' needs were met. It would mean setting safe, high-quality services as a priority when managing the public transport workforce.

The interdependence between the quality of public transport jobs and the quality of public transport services is evident either positively or negatively in every public transport system across the globe. The men and women who work in public transport are the people best placed to understand how the ways that the workforce is employed and managed impact on the quality of services provided.

Formal employment creates a structure for promoting best practice in service provision. A social model of public transport enables quality jobs and quality services to go hand-in-hand. Public ownership and direct management means service safety and quality are the priority for managers, with no external interests coming into play. When public transport is offered through a PPP,



however, the public partner must manage the risk, while the private partner prioritises extracting shareholder profit over service quality and decisions related to employment and workforce management. To do this, transport planners and contract managers need to understand the realities of day-to-day service operation as experienced by the workforce.

Respect for the labour rights of public transport workers to organise and bargain collectively with employers, and to enter into consultation and negotiation with local government policymakers and transport planners makes it possible to link quality jobs and quality services.

In short, it is impossible to manage a workforce for service quality where employment is not regulated and jobs are informal.

### **3. Regulate employment in the informal public transport industry**

The regulation of employment is essential for pro-poor reform and the formalisation of public transport services.

Employment regulation is fundamental to achieving decent work in public transport. It is necessary to safeguard the safety and health of workers and passengers, and to promote gender equality and challenge violations of the rights of women workers and passengers.

Many of the service quality problems endemic in informal public transport services – including unsafe driving and overcrowding – are the economic survival strategies of an exploited workforce in unregulated, disguised employment. Employment regulation is key to addressing these problems at root level and then allows the workforce to be managed for service quality.

Employment regulation in informal public transport needs to be the first step of any

process of reform and formalisation – whether infrastructure or technology-led – because it enables a just transition for the workforce. Regulated employment makes the workforce an ally of stakeholders who wish to formalise public transport, and removes barriers to further formalisation.

Employment regulation brings vehicle owners and route associations under regulatory and legal control. A strong government commitment is needed to hold employers to account and to crack down on any internal corruption that may seek to defend itself against reform. Where government agencies are unable or unwilling to enforce the regulation of employment, social ownership offers a credible alternative.

### **4. Involve informal workers in democratic and incremental reform**

This means that trade unions, organisations of informal workers and associations of micro-enterprises providing public transport services informally are directly involved in a democratic process of social design to formalise and modernise public transport. Negotiation advances alongside the promotion of bottom-up innovation by existing actors, who are able to access financial, organisational and/or technological support.

Worker-led change is pro-poor. The demands and innovations of the workforce will challenge the unsustainable distribution of income, costs, risks and responsibilities that characterise informal public transport services and incentivise entrenched problems such as unsafe driving and overcrowding. The statistics that exist, and anecdotal evidence, suggest that BRT implementation can have a devastating impact on the informal public transport workforce. There is a need for policymakers and transport planners to learn from proposals and examples of bottom-up reform led by workers and owner-drivers in the informal economy.

Technological innovation is a growing force in the transformation of informal public transport services. Worker participation in the social design of technology can end the working poverty that drives informal public transport, and establish decent work as one of the pillars of sustainable public transport in the 21st century.



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