

NAIROBI BUS RAPID TRANSIT

Labour Impact Assessment Research Report
January 2019



Executive Summary

This is a summary of the report from research commissioned from GLI by the International Transport Workers Federation (ITF) as a contribution to the ITF *Our Public Transport (OPT)* programme. The research built a detailed understanding of the matatu workforce in the context of the development of BRT in Nairobi; identified policies and analysis on the matatu workforce engagement in BRT consultation, planning and implementation; and provided case studies on informal transport workers' engagement in BRT elsewhere in sub-Saharan Africa.

In October 2017 and November 2018 research teams of union representatives, led by the University of Nairobi, undertook questionnaire surveys among more than six hundred workers in the Nairobi matatu industry, backed up by a sequence of focus group discussions, in-depth interviews and desk research.

A preliminary report was published in March 2018, launched at a seminar in Nairobi organised by the Kenya Transport Research Network, attended by fifty representatives of government and intergovernmental agencies, academic transport specialists, consultants, NGOs and transport trade unions. This provided invaluable feedback to the research team and assisted us to refine and improve our survey methodology and research questions.

Key Findings

The Matatu Workforce

Those working in the matatu industry are relatively young and well-qualified. They are in long-term employment, in a wide range of occupations with complex employment relationships. They work exceptionally long hours, and are highly precarious. Most have very low pay, although there are major differences in net income, especially for on-board crews and vehicle owners, depending on the size and age of the vehicles. The working environment is bad for health, and there are frequent accidents.

The industry is dominated by men, but there are some indications that the numbers of women are increasing, although mostly in the most precarious of occupations, such as street vending.

The major issues faced by all workers are the endemic problems of **police and local authority corruption and extortion**, and the so-called **target system of daily payments** to vehicle owners, which drives long working hours, accidents, corruption and violence.

Matatu workers – on-board crews, off-road service workers and stage workers – are fully aware of the urgent need to reform Nairobi's public transport, requiring **formalisation of employment**, reduction in **crime and corruption**, and action to reduce **congestion and pollution**.

Implications of BRT

Awareness of BRT among the matatu workforce is low, although noticeably improved over the year between the 2017 and 2018 surveys. Although awareness is growing, the reaction to proposals for BRT in Nairobi is **increasingly negative**, particularly concern at the potential job losses in the matatu industry.

There are an estimated **70,000 people employed** in Nairobi's matatu industry. We calculate that half of these jobs are at risk from BRT. Assuming that BRT will create 5-6,000 new formal jobs, and unless action is taken to protect livelihoods, there will be a **net loss of 30,000 jobs**.

Engagement and Inclusion

It is widely appreciated that BRT planning authorities need to consult and include all stakeholders in the process of planning and implementation.

Representatives of matatu vehicle owners are already included in the consultation process, but it would be wrong to assume that they represent the matatu industry as a whole. Although there may be some convergence between owners and the workforce in protecting the matatu industry, there are many clear and major differences in interests.

It is also obvious that the matatu industry will continue to play a crucial role in Nairobi's transport system after the introduction of BRT, providing feeder routes and transport services in those parts of the city not served by BRT. Thus, the question of how this critical part of the public transport system will be improved and integrated properly with BRT needs to be addressed.

Nairobi urgently needs an efficient, affordable, and environmentally sustainable urban transport system which promotes economic growth and decent employment. To be sustainable and achievable, BRT needs to be conceptualised, planned and delivered with the maximum engagement and inclusion of all stakeholders, including the workforce.

A good passenger transport system in Nairobi is not just the result of good engineering but requires innovative and inclusive business models that address the underlying problems of the matatu political economy.

The common practice of including 'operators' in consultations and policy discussion is insufficient to describe or engage the current urban transport workforce – those whose livelihoods depend on the matatu industry. 'Operator' is not a useful term. It is a catch-all, covering an estimated 70,000 people who depend directly on the Nairobi matatu industry for their livelihoods, but frequently with very different economic interests and involving a complex set of employment relationships.

When referring to 'operators', those in transport policy, planning and implementation should include both vehicle owners and democratically accountable representatives of (informal) employees or own-account workers dependant on the matatu industry and recognise that they have distinct and frequently divergent interests.

Yet at the time of writing, matatu workers and their representative trade unions have been given no opportunities to have a voice in the planning of BRT in Nairobi.

Lessons from African Experience

There are at least twenty BRT systems at various stages of development in African cities. A handful (including Johannesburg, Lagos and Dar es Salaam) are operating and recognised by the BRT Centre of Excellence. Others are in early planning stages, yet to become operational, not operating to a full BRT specification, or failed in implementation (e.g. Accra).

Successful or part-successful systems certainly included the informal transport workforce in planning and implementation to a certain degree. In some cases (Lagos, Accra), trade unions representing the industry – both owners and workers – were centrally involved in establishing BRT operating companies. In others (Johannesburg, Dar es Salaam), associations of owners did the same.

Yet in each case, after a few years of operation, BRT did not live up to expectations. An analysis of the underlying causes of failure or major problems in the introduction of BRT were beyond the remit and scope of this study, but the literature and discussions with transport specialists and workers suggest problems in the core business model of BRT operations in the African urban context, the inability or unwillingness of governments to subsidise public transport, lack of sufficient capital, rising debt, corruption and powerful interests in the informal transport economy.

It is clear that positive engagement with unions representing transport workers at an early stage of BRT planning is essential to build awareness and understanding in the informal workforce, to gain their involvement as key stakeholders, and to include them in the development of a comprehensive plan for an integrated and efficient passenger transport system.

Key Issues

Formalisation: the target system and alternatives

The fundamental problem in Nairobi's passenger transport is the so-called 'target system' in the matatu industry, whereby vehicle owners charge high daily rental fees to drivers. This business model has profound consequences for the workforce and passengers. It impoverishes the workforce: not just the drivers, but the large numbers of workers that depend on the matatu industry; it leads to exceptionally long working hours, competitive and aggressive driving and high accident rates. It produces congestion on the streets. It encourages corruption and organised crime. It leads to poorly maintained vehicles, poor relationships with passengers, and popular media images of matatu workers as rude, uncooperative and violent.

Matatu workers and their representative trade unions have serious and practical proposals towards the formalisation of the industry, potentially forming an important contribution to policy development. These deserve and require further exploration.

Police corruption and extortion

Corruption and extortion by police and local government *askaris* is endemic in the matatu industry. It is a major factor in the matatu economy, fuelling poverty, lawlessness, accident rates, and social unrest on the streets. The effects are well-known. A detailed analysis of causes and potential solutions is beyond the scope of this report, but clearly very little can be achieved in the

development of a well-regulated, efficient and safe passenger transport industry without serious action to eliminate corruption and extortion from law enforcement agencies on the streets.

Congestion and Pollution

Workers in the matatu industry are fully aware and supportive of the need to dramatically reduce the levels of congestion and pollution – which directly impact their livelihoods and health. Matatu workers have practical proposals to address the problem which deserve serious consideration as a contribution to Nairobi's urban policy development.

Inclusion and Integration

Most importantly, a strong representative voice of the matatu workforce is a precondition for reform and development of an achievable efficient integrated public transport system for Nairobi. The Kenyan transport unions, supported by the International Transport Workers Federation, are committed to support and represent the matatu workforce, and to ensure that their democratic voice is included in the planning and development of a good quality transport system, whether BRT or other major infrastructure projects, and through the reform of the matatu industry, while improving the livelihoods of the many thousands of women and men who depend on it.

New approaches and policies are required to encourage integrated public transport networks and "hybrid systems" that focus on complementarity between new formal economy passenger transport services and matatu operations, as well as innovations to improve, restructure and engage, rather than simply replace, the matatu industry.

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