

Research Report

Investigating Labor Policy Frameworks for Ride-Hailing Platforms

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Investigating the Operational and Labor Policy Frameworks for Ride-Hailing Platforms: Case of Uber and Taxify in South Africa

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1. Executive Summary

This research project, with generous financial support from IDRC, sought to investigate the institutional, policy and operational dynamics of ride-hailing platforms in South Africa focusing specifically on Uber and Taxify. Despite the burgeoning body of research (see for instance, Keany 2015; Meyer & Shaheen 2017; Ciari & Becker 2017; Healy, Nicholson & Pekarek 2017) on ride-hailing platforms like Uber, Taxify and Yellow Cab in the global North, there is a disconcerting dearth of literature on the operational and policy frameworks governing the conduct of these new entrants in the transport ecosystem in the global South. A limited number of studies (Chimuro, 2017) on platform economies in African nations have been conducted from business and economics perspectives that often do not focus on issues of inequality, poverty, economic inclusion and social justice.

This study endeavored to fill this gap by focusing on the operational dynamics of Uber and Taxify in the South African context. The study problematizes the institutional-legal arrangements that are adequate for the realization of an inclusive ride-hailing platform economy in South Africa. It also explores the social-relational aspects of the transport platform ecosystem, looking at how interests are ordered, and power is structured among actors (especially between platform owners, drivers, metered taxi operators, government authorities in an African context). Foregrounding insights from drivers, clients, taxi operators' associations, government authorities and platform owners, this study contributes immensely to the knowledge and policy discourse that can lead to the realization of ride-hailing platform policies that are inclusive and technology-neutral.

There is a disconcerting dearth of literature on the operational and policy frameworks governing the conduct of ride-hailing platforms in the transport ecosystem in the global South

Drawing on a qualitative research methodology design, the study used a combination of data collection techniques. These include: semi-structured interviews, focus group discussions, qualitative policy analysis and content analysis. The respondents were identified via non-probability sampling techniques. Interviews sought to get a sense of the operational context, attitudes and experiences of various stakeholders in the domain.

We found that the conditions of service in the ride-hailing platforms in South Africa leave a lot to be desired. Drivers complained about exploitation by both their 'employers' and owners of the cars. They indicated that it was difficult to unionize so that they can speak with one voice. They pointed out that they could easily be blocked and deregistered from the platform for raising issues related to their conditions of work. Issues like precarity, xenophobia, 'foreignization' of ride-hailing work and turf wars between ride-hailing drivers and the metered taxi operators reigned supreme in the South African context. Safety and security issues were also rampant with drivers expressing concerns about operating in certain pick up spots and also carrying cash only customers on weekends.

Our findings corroborate studies (see van Belle, Heeks and Graham, 2019; Fairwork Foundation, 2019), which have shown that Uber and Taxify in South Africa could do more to improve working conditions for their driver partners. The companies can do more by addressing issues like fair pay, working conditions, awarding of fair contracts, management and ensuring fair representation as espoused by Fairwork Foundation. Taxify scored 4/10 while Uber had 5/10 in terms of the Fairwork Foundation report (2019). There is a need to develop a progressive code of practice or conduct in the ride-hailing services in South Africa.

For its part, Uber has launched the Partner Injury Protection Program with new safety features and access to quality and affordable private healthcare cover for driver-partners and their families on voluntary basis.

The current policy discourses around ride-sharing platforms in South Africa have centered on how companies like Taxify and Uber define themselves not as a transport company, but as intermediaries and how competitors in the traditional taxi industry and some in government view these ride-hailing services. Our findings suggest that there is a need for the creation of an institutional-legal context, unique to suit the socio-economic needs of South Africa, that encourage innovative labor market arrangements, provide protection for workers and promote decent, sustainable lives for citizens. This requires new governance models and policy frameworks that will effectively regulate the platform economy, tackle inequality, promote inclusion and advance development justice.

2. Rationale & Context

South Africa's digital economy is growing and stands out among the emerging markets. Platform business models like Vitality, Uber, Airbnb, Bitcoin, Takealot, BidorBuy, Superbalist.com and Momentum's Multiply are beginning to occupy an important place in the digital economy landscape. Although South Africa has one of the highest density of digital platforms within sub-Saharan Africa, the country has yet to adequately capitalize on the opportunity presented by the platform economy as digital adoption has not yet translated into industrial growth. According to the report, *The Rise of African Platforms: A Regional Survey*, South Africa ranks 14th out of 16 countries, which are part of the G20 on the Platform Readiness Index and is expected to remain in this position. Some of the factors constraining the development of an effective platform economy in the country, according to the report, relate to poor physical infrastructure, low number of digital users, payment systems impediments (as many people still rely on cash), a relatively small customer base and lack of supportive policy and regulation that would substantially help raise the country's readiness to embrace platforms.

This study aims to investigate the institutional, policy and operational dynamics of ride-hailing platforms in South Africa through a case study of two ride-sharing services - Uber and Taxify. The study achieved this through two methods: (1) examination and analysis of the institutional-legal context in which ride-sharing platforms operate; (2) examining the views and experiences of ride-hailing services drivers and metered taxi drivers. The overall goal of the study is to recommend labor and operational policy frameworks that tackle inequality, promote inclusion and advance development justice in the global South.

The platform economy has emerged rapidly as a form of product and service delivery that challenges existing business models, labor relations and conditions, work arrangements and management. In particular, the ways in which platform companies transact with workers has deconstructed and decentered the relationship between the employer and employee have traditionally been theorized in mainstream literature. The traditional paradigm of full-time, stable individual employment is being challenged by on-demand freelance/contractor work. For instance, certain protections and benefits that employees usually enjoy are not afforded to workers in the platform economy. Consequently, a significant body of literature (Gandini 2018; Healy, Nicholson & Pekarek 2017) has started to emerge, examining the platform economy's impact on labor relations.

In many developed economies, work has been radically overhauled since the 1980s in pursuit of greater 'flexibility' and cost savings (Stanford, 2017). The result for many workers has been increased insecurity of employment and earnings, the loss of in-work benefits, and the splintering of internal and external career paths. The rise of the gig economy creates new complications for employment relations. Many academics, trade unionists and current or former gig workers have voiced concerns about the possible negative effects of platform companies' business and labor practices (Wood, Graham and Lehdonvirta, 2019; Alamyar, 2017). Today's anxious, disenfranchised workers wait for the next 'gig' to materialize on a smartphone, rather than waiting by the farm or factory gate (Sundararajan, 2016).

In the platform economy, the actual work provided can take the following forms: digital or manual, in-house or outsourced, high or low-skilled, on or off-site, large or small-scale, permanent or temporary, all depending on the specific situation. Platform work has been described as a three-sided architecture, or a three-sided market (Schmidt, 2016). Three types of actors can be discerned in platform work, namely 'client', 'worker' and 'platform' (Blohm and Zogaj, 2014). This entails that there is the party which sources or requests tasks ('client'). In this case, the client can be a company, an institution, a group, or an individual. Then there is the crowd (workers), which potentially could do tasks required in the platform economy. Finally there is the platform, which intermediates and partly also coordinates and manages interactions between the other two parties by providing the infrastructure for the exchange between supply and demand. This does not mean that the client and the worker are powerless. They also have different levels of control over the interactions. However, because platform operators lay the infrastructure, they tend to have a stronger controlling role vis-à-vis the client and the worker in the interactions that take place through the platform. Overall, the platform owners also function as labor brokers, and in 'some ways they act more as an employer' (Aloisi, 2015: 3). Most platforms like Uber and Taxify claim that they are simply intermediaries hence distancing themselves from the role and responsibilities of an employer.

It is noteworthy to highlight that platform work has a particular mode of operation consisting of several steps (Eurofound, 2015). The first step is the identification of needs. The client (individual or organization) realizes a need for skills or resources (that is, demand for a task/project to be realized), which one or several workers can supply and which can be matched through a platform. Similarly, workers identify their needs for tasks or projects that can be offered through a platform. The second step entails initiation. Thus, clients or workers advertise the required or offered skills, tasks or projects on the platform. The advertising process can happen in different ways. On a platform that allows contests, a client launches a call to a broad and unspecified audience. Alternatively, platforms with an infrastructure for direct procurement/offer allow the client to address a specific worker or group of workers, to invite them to deliver a service.

The third step consists of response. Here the client or worker responds to the advertisement by outlining the skills on offer, the requirements for the task, placing a bid, or commencing negotiation. The fourth step involves evaluation. Actors evaluate the offer through the information made available. Evaluation can be done by the client, the worker or the platform, with or without the involvement of an algorithm. The fifth step is selection. The client determines which worker or group of workers is awarded the task, or in the case of contests, which contributor is awarded the prize. In a worker-initiated process, the worker selects the tasks/projects offered by clients. An algorithm or a selection process designed by the platform can also be used to select. The sixth step is delivery. Once an agreement among the involved parties has been reached, the worker provides the service to the client. The seventh step is finalization. When the service has been rendered, remuneration takes place, either online through the platform or directly between the client and the worker (Eurofound, 2015).

Another in-built mechanism in the operation of platforms relates to the issue of rating. This mechanism allows the client, worker, or both, to rate or review specific and/or general aspects of the party they worked with. Ratings build into an online reputation that is generally confined to a single platform and that help the platform to recommend certain workers to certain clients (Silberman and Harmon, 2017). Platforms can exert much control over workers through rating mechanisms. Client ratings have become a 'major decentralized and scalable management technique' that puts the onus of quality control entirely with clients, and which creates 'a generalized culture in which the service providers are continually pushing to self-optimize and cater to the customer's every whim' (van Doorn, 2017: 903). The rating mechanisms are believed to have created a service mentality among providers, which results in an entanglement of emotional labor with the corporate endeavor to a new and more far-reaching extent in 'algorithmically-managed' transportation tasks compared with other types of employment (Raval and Dourish, 2016).

3. Literature Review

3.1 Labor relations and ride-hailing work

There is a large body of literature (see Keany, 2015; Meyer & Shaheen, 2017; Ciari & Becker, 2017; Healy, Nicholson & Pekarek, 2017) focusing on the social, economic and environmental impacts of ride-sharing platforms. Most of these studies on ride-hailing platforms have come from North America, Europe, Asia and Australia. They focus on the modes of operation, labor relations, rating mechanisms, mobility, digital work and the management techniques used by ride-hailing platforms in the era of outsourcing and subcontracting. Other studies have looked at the intrinsic and external motivations for ride-hailing platform use. Some scholars (see for instance, Alamyar, 2017; Kute, 2017) have examined the nature of the relationship between workers and platform firms, the role of digital communication in building and maintaining this relationship and the role of labor regulations in shaping the experiences of platform workers.

While platform work has been widely heralded as a liberating, progressive force it creates precarious work arrangements and a climate of informalized labor

Divergent positions are noticeable when it comes to evaluating the empowering and disempowering effects of platform work in the context of the gig economy (see for instance, Geitung, 2017; Hall & Krueger, 2015; Kute, 2017). On the one hand, platform work has been widely heralded as a liberating, progressive force, which provides workers with the opportunity to become micro-entrepreneurs and enjoy the freedom and autonomy of 'being their own boss' (Hall & Krueger, 2015). Many scholars (see Autor 2015, Krzywdzinski et al., 2015) have also highlighted the potential advantages of platform work. Workers can have more time to concentrate on consultation work for customers, whereas time-consuming tasks would be automated. On the other hand, platform work is viewed as spawning unprecedented levels of casualization, precarious work arrangements and a climate of informalized labor (ILO, 2018). Some scholars posit that platform work facilitate 'sham contracting' by enabling businesses to disguise employment as independent contracting and avoid employee entitlements, such as superannuation (Bornstein, 2015). This is partly because in the context of platform work, relations between workers and digital businesses is shrouded in uncertainty, secrecy and laden with tenuous promises of opportunity that hitherto have gone largely untested (Wood, Graham & Lehdonvirta, 2019). Another substantive critique of the platform economy relates to its potential for accelerating 'fragmentation': breaking down once-whole jobs into discrete task elements, each of which is then auctioned to the lowest bidder (Watson et al., 2003). The concern is that platform companies are now finding new technological means (such as automation and rating systems) of accelerating this process of fragmentation and, in turn, fast-tracking its negative social effects.

In her study amongst Uber drivers operating in the Sydney metropolitan area, Australia, Alamyar (2017) found that the precariousness of platform work hinges on the asymmetrical relationship between on-demand labor and platform firms. Power and information asymmetries manifest in regulatory confusion among workers and are maintained through platform design and detached styles of digital communication by firms (Alamyar, 2017; Rosenblat & Stark, 2016). In the Australian context, unions and worker associations have the potential to assist in filling informational gaps and advocating for worker's rights, however labor-driven negotiations with platform firms are considerably hindered by the current regulatory environment.

In another study on the effectiveness of ride-hailing rating systems, Edelman & Luca (2014) found that rating mechanisms contribute to the asymmetric relationship between drivers, customers and platforms.

The drivers indicated frustration with clients' seemingly arbitrary 1 to 5 star rating without explaining their rationale. In the same vein, Cockayne (2016) found that ratings can function as a method to impose discipline and control over people's behavior and can serve to ensure that the workers' behavior aligns with what the rating requires. Unfortunately drivers do not have a rating option for customers. The rating system is part of the algorithmic management and surveillance, where customers are positioned in lieu of managers (see Wood, Graham & Lehdonvirta, 2019). In addition to ratings systems, these technologies alter driver behavior and create ongoing expectations that shape the way in which drivers work.

Research in the European context has investigated the intersection of the platform economy, industrial relations and social dialogue (Kilhoffer, Lenaerts and Beblavý, 2017). They found that

- i) no overarching framework exists for governing or facilitating social dialogue between the parties involved in the platform economy, and
- ii) even if the existing industrial relations framework is applied to parties in the platform economy, it offers a poor fit due to differences between platform workers and employees, and platforms and employers. This is further complicated because platform workers are not considered as employees in the traditional sense of the concept. Industrial relations is a means to solve 'labor problems', evolving out of widespread social unrest connected with the massive expansion of factory work and corresponding poor working conditions (Hyman, 1975; Das, 2015). Industrial relations consist of i) an academic discipline, ii) problem-solving methodology, and
- iii) a moral stance that emphasizes democratic solutions to balancing fair working conditions with profitable business practices (Hyman, 1975). Social dialogue is the means through which industrial relations takes place, namely through information employee organizations) and governments (Kilhoffer, Lenaerts and Beblavý, 2017).

In his study of Yandex drivers in Russia, Klemmens (2018) explores how these actors in ride-hailing platforms perceive their working conditions in a labor market that is less employee-friendly and where a lower degree of social protection exists. He interviewed thirteen drivers in Moscow who expressed similar complaints to those of drivers in other countries, including problems with low fares, customers' behavior, as well as a lack of support for drivers from the platform companies. However, compared to those of Uber drivers in the US, Klemmens (2018) found that Yandex drivers were more content with their work as they felt they had more control over their time. In India, research by Surie & Koduganti (2016) show that in the face of an overwhelmingly informal labor market with virtually no workers' rights and irregular or non-payments, disruptive companies like Ola and Uber are perceived differently compared to in Western countries. They argue that the self-employment model and short-term work and medium-term planning are not creating forms of wholly insecure work. This demonstrates the context-specific nature of perceptions of (in)security and their need for more nuanced studies across the globe in order to understand the changing working conditions in the digital age. However, India's informality changes the perception of platform work, but ride hailing platforms' business model and labor management have evolved, becoming more sophisticated in exploiting labor. Notably, workers' resistance is increasing in India, often in extreme ways (resorting to suicide, wide protests and so forth). In contrast to the Indian context, Monteith & Giesbert's (2017) study of informal workers in Uganda, Burkina Faso and Sri Lanka reveals that these workers value a number of the same features which have been considered important for job quality in high-income countries, such as income, health, autonomy, control over work activities and hours, and social contact.

Studies have also examined the categorization of work relationships in the platform economy. Some of these studies (George, 2017; Omar, 2013) have focused on landmark court rulings in Australia, UK and

South Africa. As Stewart et al (2016: 197) note, courts have responded to the rise of non-standard¹ working arrangements to a greater extent than legislators. While this is much needed, Monteith & Giesbert's (2017) study of informal workers in Uganda, Burkina Faso and Sri Lanka found that these workers value a number of the same features which have been considered important for job quality in high-income countries, such as income, health, autonomy, control over work activities and hours, and social contact. A significant body of literature exists on platform economies and industrial relations. However, most of these studies have focused on Uber because of its first mover advantage. Collier, Dubal & Carter (2017) examine the politics of regulating labor on Uber, which is the easiest case for labor regulation due to its high degree of control over work conditions. They argue that Uber drivers are atomized and ineffective at organizing collectively, their issues are most often represented by surrogate actors—including plaintiffs' attorneys, alt-labor groups, unions, and even Uber itself—whose own interests shape the nature of their advocacy for drivers. As a dispersed, atomized interest group, drivers have been mostly unable to mobilize collectively and to make effective claims in legislative arenas, where concentrated interests are the predominant voices (Collier, Dubal & Carter, 2017). Through an analysis of driver posts on digital forums and Uber's software-based platform, Rosenblat & Stark (2016) found significant power and information asymmetries, emerging through reliance on algorithmic technologies and digital surveillance. They conclude that Uber yields significant indirect control over its drivers, through a phenomenon that Lee et al. (2015) describe as "algorithmic management".

In recent years, research (Hahn, 2017; Ofstad, 2017) has started to put a spotlight on how platform workers are resisting and mobilizing against strenuous working conditions. Protests against Uber, Taxify and Lyft have been recorded in many countries across the world. These events demonstrate the potential for digital technologies to augment and complement direct action, with gig workers using social media platforms to build 'digital solidarity' with their demands (Stalder, 2013). In some countries, drivers working for apps such as Uber have established 'union-like' organizations to represent their interests, including Ride Share Drivers United (RSDU) and the Ride Share Drivers' Association of Australia (see Alamyar, 2017). Others have joined traditional trade unions like COSATU in South Africa in a bid to increase their collective bargaining options (Geitung, 2017).

Union-like organizations coordinate their activities and communicate with their members through digital media platforms like Facebook, Twitter and WhatsApp. In Australia, RSDU has built its own app to facilitate communication between members and co-ordinate collective action (Alamyar, 2017). The grassroots campaigns of ride-hailing platform workers may also hold lessons for traditional unions about the uses of digital technology and ways of developing resonant frames that can mobilize a more fragmented and insecure workforce (Hahn, 2017).

Two significant studies (Kute, 2017; Geitung, 2017) have been published focusing on the experiences of Uber drivers in the South African context, Johannesburg and Cape Town respectively. Geitung (2017) examined the working conditions of Uber drivers in Cape Town and explored how drivers are responding to these conditions through individual and collective agency. The study revealed that Uber drivers experience tough working conditions, including long working hours, high job insecurity and exposure to harm. The study also concluded that drivers' individual agency is constrained by a competitive labor market and by the asymmetrical power positions between drivers and Uber. Kute's (2017) study looked at Uber's business model focusing on the service's dynamic pricing model of fare price setting, the implementation of a 'rating' system in which to evaluate driver performance and the use of 'independent contractor' labor. Kute argues that Uber's business practices place drivers in a position of precarity in the realm of their income, employment, work and job security.

¹ "Non-standard forms of employment" is an umbrella term for different employment arrangements that deviate from standard employment. They include temporary employment; part-time and on-call work; temporary agency work and other multiparty employment relationships; as well as disguised employment and dependent self-employment. Non-standard employment features prominently in the gig economy (ILO, 2018).

Apart from these there is a paucity of studies focusing on the operational dynamics and labor relations within the ride-hailing platform work in Africa. As Klemmens (2018) writes, most of the research on the gig economy has been conducted in Western countries, which means there is a gap in research on how platform work is perceived by workers in other contexts like South Africa. Most information on ride-hailing services has been written and published by policy think tanks, newspapers, television and documentaries in Nigeria, Kenya, Tanzania, Uganda and Egypt. Anecdotal evidence (see Dahir, 2018; Holmes, 2018) in East Africa suggests that there is stiff competition between homegrown and international ride-hailing services. The introduction of homegrown platforms like Little Cab, An-Nisa Cabs and Mondo Ride in Kenya, Uganda and Tanzania has disrupted the operations of global giants like Uber and Taxify. An-Nisa Cabs was founded with the intention of making sure women feel safe whenever they get a taxi. Instead of providing single service, Mondo Ride has capitalized on allowing riders to hail a *boda boda* motorcycle in Nairobi or the three wheeled *tuk-tuk* motorbike in Mombasa. In traffic-clogged cities with unreliable public transportation, ride-hailing services have enabled customers to quickly find transportation methods, get on the fastest routes and pay easily. In response, Uber has also tweaked its products for the sake of affordability, safety and convenience (Holmes, 2018). In January 2018, Uber launched uberCHAPCHAP in Kenya, allowing riders to go on short trips and run errands around the city center for just 100 shillings (\$1) (Holmes, 2018).

However, these platforms have failed to push out the traditional *matatus* (commuter omnibuses) from the public transportation sector in Kenya (Dahir, 2018). In Nigeria, the ride-hailing market is dominated by Uber and Taxify. There are new entrants like GIGM, Smart Ride, Jekalo and Oga Taxy. GIGM has a state of the art data machine, which is built on GIG Mobility, a native Intelligence Control Unit (ICU) integrated into every aspect of the business from fleet management, passenger scheduling and management, mobile applications to even remote speed control of vehicles.

Whereas drivers on Taxify and Uber play a guessing game in trying to find areas where passengers are, GIGM because of its efficient data system is able to save on time and resources as drivers are pointed to passengers without having to actively search. In Egypt ride-sharing platform like Swvl has been able to use localization and customization of services to get ahead of competition against global giants like Uber and Taxify. Zimbabwe has also witnessed an upsurge of homegrown ride-hailing services in the last two years. These include: Vaya (operated by Econet Wireless Zimbabwe, the largest mobile service provider in the country), ImotaCars and Carpool. ImotaCars is available online for iOS and Android, allows users to book rides in a short space of time. Users can pay with cash, card or top up from an account with Ecocash (which is a mobile payment system like MPesa in Kenya). Econet Wireless Zimbabwe plans to launch a ploughing tractor app, which will enable farmers to access tractors within minutes anywhere in Zimbabwe. The company leverages on cellphone network and satellite GPS system to deploy cars and tractors.

4. Theoretical influences

This study deploys a combination of theoretical resources in order to make sense of the operational and labor relations dynamics within ride-hailing platform work in South Africa. These include: the concept of platform capitalism (Srnicsek, 2017), the theory on panopticism (Foucault, 1975) and the metaphor of flexible accumulation (Harvey, 1990). These theoretical lenses are important in unpacking the operational dynamics of Taxify and Uber's management, rating and pricing models. Below we discuss, the basic ideas undergirding these theoretical tools:

4.1 Platform capitalism

This research is anchored in Srnicsek's (2017) platform capitalism as a conceptual framework. Srnicsek argues that we need to look at platform companies within the context and economic history of capitalism and digital technology and see them not only as 'major tech companies' (2017: 57) but also as 'political actors

seeking to wield power' (2017: 166). The creation of sharing economy platforms and associated applications has enhanced the operations of the platform economy in that it is now easier for peers to share cars (Uber and Taxify) or accommodation (Airbnb) at a reasonably lower cost without necessarily owning those cars or houses. Thus, the digital economy is almost becoming 'a hegemonic model: cities are to become smart, businesses must be disruptive, workers are to become flexible and governments must be lean and intelligent' (Srnicek, 2017: 178). Platforms have unique characteristics as compared to some 'physically' located industries in that they do not have assets per se and the parent companies seem to be well positioned to evade many liabilities which end up being borne by parties using these platforms. For instance, in Uber and Taxify business drivers remain responsible for their safety, insurance, and retirement savings etc. In the process, platform capitalism has become 'an extreme form of capitalist exploitation, where the capitalist, the platform, takes no actual part in the production, but still collects the profits' (Geitung, 2017: 11).

Non-regulation of the platform economy means that the platforms escape regulatory frameworks that constrain traditional meter-taxis

When the term collaborative consumption was formulated, it meant 'events in which one or more persons consume economic goods or services in the process of engaging in joint activities' (Felson & Spaeth, 1978). The impression here is that while sharing costs are cut (and indeed in some cases they are) but at the same time the companies do not necessarily make a 'smaller' profit for benefitting the sharers. In addition, this continues to engender disruptions of local economies to the benefit of the platform economies. Only here, it is not sharing or collaborative consumption that creates profits but rather 'platforms create profits through enabling "sharing"' (Geitung, 2017, Srnicek, 2017). While these platform-based service providers operate in the unregulated online environment, there has arisen problems associated with their 'positive' unregulated disruptions (Christensen et al., 2015; Sundararajan, 2016). Non-regulation of the platform economy means that the platforms have an added advantage in that they escape regulatory frameworks that constrain traditional meter taxis. In South Africa, the focus of this study, for example and as will be shown later, there has been a plethora of news reports whereby traditional meter taxi drivers have protested and reacted, in some cases violently, to the interference and disruptions by ride-hailing services such as Uber and Taxify to their business. Gandini (2018) discusses the notions of 'point of production', emotional labor and control in the platform economy. He argues that labor process theory offers a unique set of tools to expand our understanding of the way in which labor power comes to be transformed into a commodity in a context where the encounter between supply and demand of work is mediated by a digital platform, and where feedback, ranking and rating systems serve purposes of managerialization and monitoring of workers.

The theory of platform capitalism therefore critiques platform economies through exploring how they have optimized efficiency while monopolising profits and control.

4.2 Flexible Accumulation

Flexible accumulation came as a result of the 'surface shift' in capitalism, especially after the oil shocks of 1973 and the increased competition in foreign markets due to the growing spread of globalization (Harvey, 1990). This surface shift in the modern capitalist production from the Fordist mode, described as an economic and social system based on the industrialized, standardized mass production and consumption, to flexible accumulation, highlighted by small-batch production, economies of scope, new information technologies and the increased informalization of work (Harvey, 1990). An important cog in the emergence and growth of flexible accumulation theory is the development of the computer and other forms of information technology, which acted as alternative production and labor control systems, opening the way

to high remuneration of technical, managerial and entrepreneurial skills (Harvey, 1990). Computers and other forms of digital technologies contributed to the ability to change the characteristics of the goods produced as well. More importantly, data produced from the process could be analyzed to order suppliers and produce goods that were congruent with current demand flows.

Labor and skill sets were also important in the growth of flexible accumulation, with the workforce now compartmentalized into groups of skill-flexible and temporary, subcontracting segments. At the economic level, flexible accumulation brought with it a decline in regulation with mass unionization growing obsolete and being replaced by workplace-based bargaining processes. Consequently, the work force experienced a rise in subcontracted work along with self-employed and home-based work.

The spread of capital beyond domestic boundaries due to globalization and the proliferation of the internet and its ancillary digital technologies as a means of sharing information has seen the rise of more flexible and specialized organizations. These organizations, offer specialized goods and services to a greater scale of society, with mass production making way for flexibility. Technological advancements that have made possible the connection between platform economies and individual service providers. Labor markets, because of this new form of capitalist accumulation have seen the informalization of work and the culling of employees worldwide (Harvey, 1990). It is in the process of informalization, that being the use of labor on a temporary or short-term basis without benefits legally provided for to those employed under Labor Acts of respective countries for instance, that Uber and Taxify frames their business model. It is perhaps most aptly encompassed in ride-hailing platforms' employee classification of 'independent contractors' rather than employees (ILO, 2018).

4.3 Panopticism

The theory of panopticism was first advanced by English classical philosopher Jeremy Bentham (1787), and further refined by French philosopher Michel Foucault (1975). This theoretical tool is used to understand and analyze the labor relations and conditions of Uber and Taxify drivers in South Africa in this study. Panopticism can be distinguished into two interrelated realms, a physical space and a social construct. For Bentham, the panopticon was used to refer to a physical structure of complete control and surveillance over prison inmates or occupants by a central force, nominally described as a guard. The occupants or inmates thus would be, as Foucault explains, 'the object of information, never a subject of communication' (Foucault, 1975: 200).

Panopticism as a mechanism of power bears similarity with the socioeconomic system of platform capitalism. Both obtain a tactic of power that depletes the least amount of resources possible (as seen in economics with an emphasis of efficiency in the production process). Secondly, they utilize power with an aim to achieve maximum intensity over as wide of a space as possible. Thirdly, the dividends of tactic (control and surveillance) can be inextricably linked to the apparatuses used (education, industry, and socialization). In her works on surveillance capitalism, Shoshana Zuboff's (1988) views panopticism as a means of surveillance and control to the work environment. Information panopticons would not make use of physical arrangements such as constructing structures or the intervention of human agency. Rather, computer technology surveys the activities of workers through the daily tasks assigned to them. Surveillance would span from the individual duration that every worker takes to complete a task to the hours of operation, would be recorded by computer technology. Based on the data gathered by computer technology, a worker's performance could be measured accordingly (Zuboff 1988). This theory is useful in assessing Taxify and Uber's operational mechanisms of control and surveillance in creating a unique work environment and labor conditions. In a way, Uber and Taxify's unique labor conditions arise due to the surveillance and management mechanisms associated with panopticism.

5. Research Design

The study was framed within the qualitative approach. The study framework designed by IT For Change (2017) loosely informed the research. The framework outlined and clarified a shared understanding of key concepts invoked in the project and offered broad meta research framework for the project. The study framework involves three main elements (1) defining and understanding the platform economy (2) identifying elements of a typical platform ecosystem and (3) mapping the platform ecosystem. The latter includes three layers:

- Layer 1: Network of actors who make up the platform ecosystem
- Layer 2: Structures that constitute the norms, rules, and practices of the platform ecosystem
- Layer 3: Value of/ in the platform ecosystem

5.1 Data collection methods

The study used two methods to collect data: document analysis and interviews. To determine the platform ecosystem in South Africa and identify its core elements, a critical and analytical reading of policy documents was conducted. Document analysis is a form of qualitative research in which documents are interpreted by the researcher to give voice and meaning around an assessment topic (Bowen, 2009). In the context of this research, a desk review was conducted to assess existing policies that have a bearing or impact on the platform economy in general or on ride-hailing services in particular in South Africa (Appendix A: List of policies analyzed). These policies and laws were in the following areas: Transport, Labor, Competition and Consumer protection. A literature review of academic literature and media reports on the platform economy in South Africa complemented the review of policy documents. News and media reportage of violence against Uber and Taxify drivers were also analyzed.

To map the platform ecosystem, interviews with 23 ride-hailing drivers - Uber (12) and Taxify (11) and metered taxi drivers(4) were conducted. Initially we intended doing more interviews, 90 in total from Durban, Pretoria, Johannesburg and Cape Town. This was not done due to a number of factors such as unwillingness by taxi or ride-hailing drivers to speak to researchers fearing repercussions from Uber or Taxify and aggression by metered taxi drivers towards researchers.

The participants were selected using random sampling and snowballing. They consented to voluntary participation in the study, based on conditions of confidentiality and anonymity. The interviews were used to augment the desk review and provided a detailed source of information about the experiences of the drivers and values embedded in this platform economy. They also provided data on institutional arrangements in the ride-hailing sector. The interviews were tape recorded and subsequently transcribed word for word. Recordings were done with a smartphone application (Smart Voice Recorder).

5.2 Data analysis

The transcribed interview material and notes from the desk review were analyzed using thematic analysis. The process of coding and analysis was loosely guided by Braun and Clarke's (2012) approach to thematic analysis, which comprises six phases, namely:

- (i) familiarization with the data set through repeated readings;
- (ii) initial code generation;
- (iii) construction of preliminary themes;
- (iv) refinement of themes through comparison with coded extracts and the entire dataset;

- (v) naming and defining themes; and
- (vi) generating the narrative report of the findings. After coding and classifying the data according to themes, we interpreted the subsequent thematic structures using theoretical and analytical concepts drawn from our conceptual framework.

5.3 Ethical considerations

The research process was conducted according to standard ethical guidelines for research with human subjects. These include special attention to communicating the aims of the study, the rights of people participating in the research, obtaining informed consent and ensuring confidentiality.

6. Findings and Analysis

The dominant narrative promoted by ride-hailing platforms is that they are promoting labor competition and improving quality of life. Also, this form of economy is creating incentives by reducing transaction costs and creating more opportunities for individuals and firms to compete to provide services.

The findings of this research to some extent, challenge these narratives of conventional, neoliberal economics by providing empirical evidence of the situation on the ground. While this new form of work does provide opportunities for both driver and consumers, at the same time the emergence of platform capitalism constitutes a new mode of exploitation as explained in the theoretical framework earlier.

We organized the interview schedule according to the following categories: (1) Reasons for joining the ride-hailing service; (2) Labor relations/Working conditions; (3) Legal and regulatory awareness issues; (4) Car/smartphone ownership (5) Customer issues and; (6) Future. We organize our discussion based on these four issues:

- 1) Material aspects
- 2) labor relations
- 3) Legal issues
- 4) Prospects

6.1 Material aspects

Selling one's labor on a platform is for most a source of earnings in the platform economy. This is true for drivers who have joined the Uber and Taxify ride-hailing services. Almost all of the drivers interviewed told us that they joined the platform economy to make money as they had 'heard that there is good money in this business.' Uber argues that its business model and mobile app bring advantages to both drivers and passengers (Fuchs, 2016). The company says about Uber drivers: "Work for yourself: Drive when you want, make money you need. Set your own schedule. Make money on your own terms. Let the app lead the way. Watch the money add up fast."² This model seems to attract young unemployed people.

Most of the drivers interviewed identified Uber and Taxify as their main source of income and as their only job, while some were students and were looking for ways to make a living while studying. The flexibility of the business model was something that also attracted the drivers to join the service. What also came up in the interviews was that half of the people who were interviewed were foreigners, mainly from Zimbabwe. Zimbabwean migrants have left home to seek employment opportunities in South Africa. However, due to new tough immigration and labor laws³ in South Africa, finding a job is becoming difficult for them. Therefore, it makes sense that the platform economy opens doors for economic migrants. This finding

² Retrieved at <https://www.uber.com/za/en/>

dovetails with previous research (Kute, 2017; Geitung, 2017), which also found that the ride-hailing platforms in South Africa are dominated by migrants from other African countries.

6.2 Business models and profit-sharing

While the majority of the drivers found the business model of Uber and Taxify flexible in terms of working hours, the reality of the profit-sharing model was ‘a shock to the system’ as one driver put it. Uber and Taxify smartphone applications connect drivers with riders who are registered with their credentials and credit card information. Taxify drivers give the company 15 percent commission per trip compared to Uber, which takes 25 percent (Sosibo, 2018) while the rest goes to the driver. The fare is set by Uber, and may increase (surge pricing) during peak hours to get more drivers on the road or to an area.

Drivers from both companies felt the percentage going to the parent companies is too high and eats into their profit tremendously. The following are statements from two Taxify drivers:

“Last week I made only R800, but after Taxify took their 15 percent, I had little left”.

“Taxify is killing us. It is making money out of us. But I am the one who works hard and suffers”.

What exacerbates this situation is that the costs for data, airtime, and obtaining a smart phone fall on the driver in both services. In South Africa, the cost of data is expensive. A 2017 study by Research ICT Africa⁴ shows that the price of data in South Africa is the most expensive out of all leading African economies. For example, the cost of 1GB in South Africa is three times the cost of the same data amount in Ghana and Tanzania, and more than twice the cost of 1GB in Nigeria.

The fare system used by Uber and Taxify has roots in the surface shift of capitalism in the 1970s as explained by Harvey’s ‘flexible accumulation’ thesis, which describes a new mode of production that uses technology as an apparatus to change production based on current demand and supply conditions (Harvey, 1990). Uber and Taxify dynamic pricing models, which changes fare-prices based on current supply and demand patterns is a direct descendant of flexible accumulation. In a similar vein, Uber’s constant monitoring of the supply of drivers and demand patterns to the service is directly due to the rise of information technology acting as e-management purveyors, or information panopticons as theorized by Zuboff (1988). This panoptic mode of labor management -- accomplished through using the app to monitor the operations, tracking the number of rides, predict the speed of drivers -- creates a situation where drivers internalize surveillance. The accumulated data is used to reward and black-list drivers on the platform. The rating tool used by ride-sharing services can also be seen as a critical mechanism for surveillance and blacklisting. For instance, if an Uber driver’s rating drops below 4.6 out of 5, they are at risk of being deactivated.⁵

Some drivers have mastered the art of resisting the ‘panoptic’ or ‘surveillance management and find alternative ways to resist ‘being always online’. One of the ways that Taxify and Uber drivers resist panoptic surveillance and management is through switching off the apps when they are feeling too much pressure. Ride-hailing drivers have protested against platform owners in South Africa through ‘going offline’⁶ and street protests. This aligns with Marx’s (2003) switching move, which is at the center of his theory of

3 The Immigration Amendment Act No 3 of 2011 & The labor Relations Act (LRA), Act 66 of 1995wor

4 RIA’s Africa Mobile Price (RAMP) Index. Found at <https://researchictafrica.net/ria-african-mobile-pricing-index/>

5 “Ride-sharing: The rise of innovative transportation services”. Retrieved at <https://www.marsdd.com/news/ride-sharing-the-rise-of-innovative-transportation-services/>

6 For example see, “Striking Uber drivers go ‘offline’ (<https://www.timeslive.co.za/news/south-africa/2018-07-06-striking-uber-drivers-go-offline/>); “Uber, Taxify drivers strike over ‘slavery-like’ conditions” (<https://www.iol.co.za/motoring/industry-news/uber-taxify-drivers-strike-over-slavery-like-conditions-18094851>)

everyday forms of resistance. These individualized forms of resistance highlight the human agency possessed by workers in an exploitative platform economy.

6.3 Car ownership

Car ownership is at the center of the ride-hailing services. The platform's business model for ride-hailing takes advantage of unused resources – people's private cars – and connects those with cars with people in need of a ride. If you have a car, you can register to become a driver, or a partner as it is called, then log on to the app and drive whenever you have the time.

Uber has strict rules on the standard of the cars that can be allowed on the platform, only allowing cars that are four years old or younger, while Taxify is more flexible in this area. Because many Uber driver-partners would conventionally not be considered creditworthy to obtain a vehicle at high purchase, in 2015 Uber and car vehicle finance house Wesbank established a multimillion-rand program designed to help Uber drivers buy their own cars. WesBank provides a maintenance lease program for Uber drivers.⁷

However, most drivers find this arrangement exploitative. WesBank invoices according to kilometers traveled. This amount excludes the petrol costs that the driver incurs and Uber's commission for every trip. A driver-partner can end paying up to R15-000 (approximately USD1066.00) to Wesbank every month. What makes this arrangement painful for many drivers is that this contract is a lease and not a rent-to-own.⁸

Most of the drivers we interviewed did not own their cars as they could not afford to buy the standard of car required in this business. From the eight Uber drivers interviewed, five (60 percent) were renting the cars, and among Taxify drivers, four (50 percent) out of eight drivers did not own cars. The renting formats varied from drivers to another. Some drivers rented from people with cars and others from family members. Over and above, the percentages that go to Uber and Taxify, the drivers pay R2,500 per week to the owners of the car. The costs of petrol and insurance also eat into profits.

6.4 Labor relations

Digital platforms allow many who have been left outside the labor market due to lack of needed skills contribute their labor to meaningful pursuits. The business/labor arrangement of Uber and Taxify – defines drivers, not as employees but only independent contractors – pointing to the growing precarity of labor in today's world. Being a contractor leaves workers without traditional labor protections. The companies operating on platforms do not have the status of employers under the labor Relations Act, 66 of 1995 and Basic Conditions of Employment Act 75 of 1997. Therefore, people working through a platform (such as Uber and Taxify drivers) are not employees of a platform employer and are not eligible for any employment benefits. Many platforms nevertheless operate as de-facto employers.

The ride-hailing labor model has been an issue of regulatory contention around the world (Edelman & Geradin, 2015). Officials and regulators have struggled with how to regulate the sharing economy, mainly because many regulations are not made to fit with modern digital applications, or the software service may breach existing laws (Edelman & Geradin, 2015, Cunningham-Parmeter, 2016, Drahekoupil & Fabo, 2016, Cannon & Summers, 2014).

⁷ "Innovative vehicle finance for Uber drivers", retrieved at <https://www.fin24.com/Money/Insurance/innovative-vehicle-finance-for-uber-drivers-20161109>

⁸ For example, see "Uber drivers lament 'exploitative' WesBank deal", retrieved at <https://mg.co.za/article/2019-02-14-uber-drivers-lament-exploitative-wesbank-deal>

Officials and regulators have struggled with how to regulate the platform economy, mainly because many regulations are not made to fit with modern digital applications

Regulations of Uber have centered around two debates, 1) Whether Uber is an employer and 2) Whether Uber is a taxi company, both of which Uber claims are not true (Cunningham-Parmeter, 2016). Uber claims that drivers are not working for Uber, they are independent contractors (partners investing in the business). As Uber states, you are your own boss and you can set your own hours (Uber, 2017b). This makes Uber the biggest company that provides passenger transport while not owning a single car or having a single driver employed (Srnicek, 2017). The lack of legal protection of workers outside a formal working contract, as well as the lack of legal framework to define an employer without such a contract makes it difficult for drivers to obtain rights as employees (Cunningham-Parmeter, 2016, Drahokoupil & Fabo, 2016). While, many drivers we interviewed found being an “independent contractor” the best part of driving for Uber and Taxify as they felt they controlled their time, they found the working conditions in the platform economy contradictory. In one sense they found the flexibility and sense of ownership of their business and time attractive. But as independent contractors they had no labor rights, which made them feel exploited by the system.

This ambivalent position of Uber and Taxify drivers highlights the Janus-faced nature of platform firms. Although Uber and Taxify call drivers ‘driver-partners’, most of the drivers we interviewed do not feel like they are partners.

“I enjoy working for Uber, but I don’t see myself as a partner. I am just a driver trying to make ends-meet.” (Uber driver).

“Uber allows me space and independence, but I don’t see myself as a partner. I am not making money from this.” (Uber driver).

“How can I feel like a partner when Taxify doesn’t protect us.” (Taxify driver).

Taxify drivers, mainly complained that they operate under terrible conditions. Their complaints ranged from poor profits, crowded market (abundance of drivers and few opportunities) to long hours.

“There are too many cars and drivers in Taxify, so competition is stiff. The company is just allowing too many cars. I hear Uber regulates this.” (Taxify driver).

“There are too many cars in Taxify and little profits. Getting to work for Uber is difficult. Especially with an old car like mine. If one wants to enter Uber, then you have to buy a spot from someone [existing Uber driver] if you want to enter Uber. It can cost R500 or so per week”. (Taxify driver)

The last point regarding too many cars points to Taxify and Uber to a certain extent bringing on too many cars to the platform. This increases competition in the already crowded sector making it harder for the drivers to keep busy the whole day and to make enough money to sustain their operations. This was a frustrating point for many drivers.

Uber and Taxify exercise certain control over drivers. The work of the driver is done under the direction and supervision of the platform operator (through what we call ‘panoptic or algorithmic management’), as the platform determines the fees, the working regulations and the place where the work is done. This also applies to the direct instructions on customer care: play slow jazz in the car, wear proper clothing, and open the door for riders (Wood, Graham & Lehdonvirta 2018). This control entails the use of platform-based rating and reputation systems, which works indirectly to control the behavior of drivers as discussed above. As Fuller & Smith (1991: 11) observe, algorithmic management is an extension of ‘customer

management' strategies, which entails positioning customers 'as agents in the management circuit', so that 'customers, rather than managers, are [...] the ones who must be pleased, whose orders must be followed, whose ideas, whims and desires appear to dictate how work is performed'.

In the past, Uber used to allow drivers to work as long as they wanted, but new regulations have come in a place where the drivers are allowed to work for 12 hours, after which the app closes. Within these 12 hours, drivers are free to set their hours. Taxify does not regulate hours. This suggests that Taxify drivers can work non-stop as long as they have the energy and available customers.

Another important finding from this study is that most drivers have more than one app on their phones and work for more than one service. This means that an Uber driver also has the Taxify app on their smartphone. For instance, when an Uber driver has exhausted his 12 hours, they simply switch on the Taxify app and continue with their business. More importantly, this seamless movement from one app to the other allowed drivers to be very busy during both peak and off-peak times. This kind of flexi-working associated with ride-hailing platforms is at the core of Harvey's flexible accumulation thesis. One driver in Johannesburg had this to say:

"I use both the Uber and Taxify apps. So what happens is when there is low demand on the Uber I simply switch it off and switch on the Taxify App. Like now, I have picked from the airport because you know me as a taxi operator. So its possible to shift from an app to no app at all. You just switch them off and then run your own errands on the side. You can be a hostage of an app"

Male Uber and Taxify driver, Johannesburg

6.5 Employment rights and collective bargaining platforms

One outcome of neoliberal policies and intensified globalization over the years has been a decline of unionized labor and the rise of 'flexible labor'. Workers in the platform economy as 'independent contractors' are not able to unionize and research elsewhere suggests that self-employed workers in a platform economy all over the world are unable to bargain their terms and conditions collectively (Alamyar, 2017). This is the same situation in South Africa. The drivers interviewed expressed concern that they do not have a platform where they can raise their concerns. In 2016, several hundred Uber drivers in South Africa decided to join the South African Transport and Allied Workers' Union (SATAWU) as they argued that they were being exploited by the ride-hailing platform. While there are several drivers willing to join the union, it seems as if there are several other drivers (especially coming from other African countries) who will not join the union for two reasons. The first is because of the lack of education in workers' rights and the second is because of the fear of losing their 'employment'.

In 2017 and 2018, there were many protests by drivers belonging to both Uber and Taxify. Many of the drivers we interviewed said they want the government to intervene in the ride-hailing business to ensure that the Uber and Taxify drivers have the same rights as every other worker. A court case against Uber in 2017 at the Commission for Conciliation, Mediation, and Arbitration (CCMA) to be recognized as employees was won, but overturned by the High Court in 2018. Many of the drivers interviewed were aware of this case and were hopeful that their labor and employment concerns will be heard by government.

Although there are no offline collective bargaining platforms specifically for Taxify and Uber drivers in South Africa, our interviews revealed that drivers have resorted to created groups and pages on WhatsApp and Facebook. These groups acted as platforms through which working conditions, protest action and other pertinent issues are discussed. WhatsApp groups were the most common platforms which drivers used as veritable sites for discussing issues of common concern. This also demonstrates that platform workers leverage existing digital platforms for networking, solidarity and collective action mobilization. The use of these digital platforms allows geographically dispersed groups of people to engage in what Klandermans (2013) refers to as action and consensus mobilization. Action mobilization is the process by which an

organization in a social movement call up people to participation. It is concerned with the transformation of consensus into action.

Drivers work in fear for their lives on a daily basis because of a number of violent crimes against them including robberies at gun point and hijackings on cash trips

6.6 Safety issues

Safety is another pressing issue concerning drivers. From both the interviews, it was clear that drivers work in fear for their lives on a daily basis. This is because there have been a number of violent crimes against them. These include robberies at gun point and hijackings that have resulted from cash trips. The situation is made worse by threats and attacks from metered taxi drivers against Uber and Taxify drivers. All the sixteen drivers we interviewed expressed their frustrations and helplessness in the face of violence from metered drivers. Some of the metered drivers pretend to be clients and attacked the drivers. Some of the drivers said they now move around with guns to protect themselves. Drivers from both ride-hailing companies felt not enough is being done to protect them.

“Threats from metered taxi drivers is a big concern...although there has been a bit of improvement, we still live in fear”.

Uber driver

“Very dangerous working for ride-hailing services because of metered taxis. The government doesn’t seem to care as it is not doing anything to solve this problem. The government seems to be scared of the metered taxi industry.”

Taxify driver

The situation worsened when Uber introduced cash trips in 2016. In South Africa, only a small portion of the population has credit cards and Uber introduced the cash system to address this reality. The drivers became easy targets for criminals who pretended to be customers, but with the intention to rob the drivers of the cash. With flexible labor arrangements, it is difficult to guarantee the safety of independent contractors, although in the end Uber created an app for drivers to call for emergency assistance when in need.

Most drivers indicated, that cash rides presented the most safety concern, especially over weekends. One of the drivers pointed out that black customers mostly favored cash payments when compared to white customers who had credit cards. Furthermore, interviewees observed that most customers on the Uber platform tended to be white and middle class blacks whereas those on Taxify were largely working class black people who lived in informal settlements and flats in the city. The use of the credit card system was viewed by most drivers as generally the safest mode of payment given the high levels of cash-heist in transit in South Africa. It allowed drivers to save their money deposit it in the bank and plan accordingly on how to use it, when compared to cash payments which in their view, promoted unplanned expenditure. Others indicated they travel with guns and knives at night as safety precautions while others used social media platforms for early warning systems. Some drivers stated that they constantly check their social media platforms for alerts and updates on crime hot spots and red flags. South Africa has witnessed an increase in cash-in-transit heists over the past few years.⁹ The South African Banking Risk Information Centre’s (Sabric) has stated that cash in transit heists have increased by over 100 percent.¹⁰

⁹ Cash-in-transit (CIT) is the physical transfer of banknotes, coins, credit cards and items of value from one location to another.

¹⁰ <http://www.sabcnews.com/sabcnews/cash-in-transit-heists-up-by-more-than-100/>

6.7 Legal issues

South Africa has two main laws that regulate the transport sector in the country: The National Road Traffic Act (2000) and the National Land Transport Act (2009). These two laws divide the taxi market in South Africa into four market segments: street hail/cruising, rank/stand, pre-book and contracts. Ride-hailing services are not recognized in these two laws. The National Land Transport Amendment Bill, passed in the National Assembly in April 2018 is expected to transform and restructure the national land transport system to include provisions for ride-hailing transport services. This Bill has implications for Uber and Taxify. Yet, the majority of the drivers we interviewed did not seem to know about the legal environment of the transport industry in general and this Bill in particular. The Bill will require drivers who use ride-hailing service companies as technology partners to obtain taxi operating licenses and will be subject to licensing requirements by authorities in line with other metered taxi operations. Some of the drivers stated that they would not mind being licensed, if this creates a safe and conducive environment for them where they would not be attacked by metered taxi driver.

In the findings above and in other studies (e.g. Geitung 2017, Henama 2017), it is clear that unemployment is driving many people to join Uber and Taxify, given the country's high income inequality and high unemployment rate. There is a sense that most people are not joining platforms because they want to reap the so-called benefits of the platform economy, but out of desperation for a job. In some cases drivers said they do not understand their or any other legal issues governing their work. The following interaction with the interviewer illustrates this

"I: We were talking about safety. Tell me about the rules and legal issues that control your field such as Land transport Bill

Driver: No. I am hearing it from you."

"I: Do you understand the rules and laws that govern Taxify? Do you understand the National Land Transport Amendment Bill

Driver : I do. Some of them are difficult to understand. There are a lot of laws."

However, the competitive environment in this sector puts the drivers in a precarious situation, knowing that they can lose their jobs easily if they don't follow decisions made by Uber and Taxify. The drivers have very little agency and are locked into the operations of the platform capitalism.

7. Reflections on the findings

7.1 Dominant narratives of platform economy and the South African reality

Like in other countries, the platform economy in South Africa has adopted a celebratory spirit. Frank Pasquale (2016:309) states in platform capitalism, firms in the platform economy are praised for "promoting labor competition and improving quality, by telling a simple narrative about the incentives created by reducing transactions costs and creating more opportunities for individuals and firms to compete to provide services". But the reality on the ground is often different. Although this research is based on only 16 Uber and Taxify drivers and 3 metered taxis, we can draw some tentative conclusions about the state of the platform economy in the transport sector. Using Pasquale's table of two narratives of platform capitalism (see Table below), we present the reality in South Africa based on our findings, other similar studies (e.g. Geitung, 2017, Henama, 2017) and gleanings from newspaper articles.

Table. 1 Narratives of platform capitalism

Conventional narrative	Counter-narrative	South African context
Platforms promote fairer labor markets by enabling lower-cost entry into these markets by service providers.	Platforms entrench existing inequalities and promote precarity by reducing the bargaining power of workers and the stability of employment	Instead of spreading efficiency gains and equity, platform capitalism is offers sub-standard work and increases inequality.
Regulators of platforms are likely to reflect the biases and interests of incumbent providers (like taxis and hotels) thanks to incumbents’ political ties.	Large platforms now command so many resources that their own lobbying efforts can easily swamp those of fragmented and uncoordinated incumbents.	Uber and Taxify drivers have tried in vain through protests to push for reforms in the platform economy, but the platforms firms have lobbying power with powerful and influential actors in the platform ecosystem.
Platforms promote economic growth by drawing the un/ underemployed into the labor market	Platforms undermine growth by reducing wages as workers scramble for gigs by offering to complete them for lower wages than their competitors	Although the ride-sharing business has pulled many people into the labor market, the drivers often experience long hours, low pro
Platforms promote flexibility by breaking down jobs into tasks, enabling workers to piece together work at their own pace.	Low-pay gigs and piecework force workers to be “ready for duty” constantly lest they miss an opportunity to work	Due to Uber and Taxify drivers being in high demand, they tend not to get enough sleep, putting their lives and the lives of other drivers in danger. Some drivers even sleep on the roads in their cars and spend most of their time chasing money. Despite the fear, the violence, the low income and safety risks, drivers continue working because that is one of the few ways that they can make ends meet and provide for their families.

Source: Frank Pasquale (2018)

The situation in South Africa leans towards the counter-narrative expressions above. There is little denying that Uber and Taxify drivers experience tough working conditions. They work long hours, with little profit. They usually don’t have time for social activities. In addition to this, they face safety concerns on a daily basis, with limited support and protection from the platform economy firms.

7.2 Gender and race in the platform economy

What comes out from this research and other studies is that the platform economy in South Africa is gendered, racialized, and classed. Although the platform economy promises an open and equal labor market, in the South African context, it follows the already existing gendered and racialized division of labor. All 16 Uber and Taxify drivers we interviewed were black men. Platform drivers are not only black, but are mostly working class. Geitug (2017:55) describes this situation as thus:

The driver is stuck in a colonial pattern of working for a foreign company servicing the rich (white) elite, while working for “slave prices” and “slave hours”. If the apartheid labor regimes were called racial Fordism, post Fordism, or neoliberalism does not seem to have become any less racial in the division of labor and of producers and consumers.

In a country with the high levels of violence against women and children, (Graaf, 2017; Centre for the study of Violence and Reconciliation, 2016) it is no wonder that they are few women who work as Uber and Taxify drivers. In the International Finance Corporation’s (IFC) report titled *Driving Toward Equality: Women, Ride Hailing and the Sharing Economy*, Uber’s contribution revealed that only 3.8 percent of uber drivers in South Africa are female. The reason that figure is so low comes down to fear. This naturalised habitus of fear is also understandable given the violent nature of taxi wars in the country. The IFC report showed that female drivers are there but often operate in very affluent spaces where safety and security issues are guaranteed. They tend to avoid high risky places like airports, congested bus and train stations and crowded shopping malls where metered taxi operators are highly visible. Female drivers also avoid cash payment transactions.

7.3 Social cohesion, xenophobia and the ‘intruding’ other in the platform economy

The issue of social cohesion whether at the community or workplace level has become more pronounced in post-apartheid South Africa since 2008’s xenophobic attacks on migrants from other African countries. The 2008 wave of attacks on foreign nationals claimed the lives of 62 people and displaced tens of thousands of people who sought refuge in churches, mosques, and even police stations (Since then, xenophobic violence has repeatedly erupted across the country (Hassim et al 2008, Neocosmos, 2010). Because African migrants who are unskilled or semi-skilled find it difficult to penetrate the formal job market in South Africa, they often resort to the informal sector where they take up work as vendors, commercial sex workers, drug traffickers and maids (Crush, 2018; Muzondidya, 2010). Even in the informal sector, the idea of ‘working together’ remains contested and fraught with social cohesion dynamics. This suggests the existence of de-facto social groups who are in tension with each other, who deny the call to assimilate or to belong to a unified identity. The situation is even more acute in the platform economy, which is seemingly dominated by African migrants from Zimbabwe, Mozambique, Democratic Republic of Congo, Malawi, Tanzania and Ethiopia (Geitung, 2017).

Whilst taxi wars are endemic in present-day South Africa, they however tend to take a very brutal shape when xenophobia is involved. The rise of platform firms in South Africa have heightened xenophobic clashes between the insiders (locals) and outsiders (African migrants who are depicted as job stealers and intruders) especially in the already volatile taxi industry. This has led to a situation where migrant Uber and Taxify drivers create their own WhatsApp groups to discuss matters of concern to their work and safety and security. Platforms, therefore, not only accentuate racial and gender cleavages but also further disrupt and widen fissures of identity politics in a multi-ethnic and multi-stratified society. In the South African context, the entrance of Uber and Taxify into the ride-hailing industry has reconfigured taxi wars into “struggles within the struggle”. On the surface, what looks like normal taxi wars for turf can also be viewed as turf wars between locals and migrants trying to eke a living at the margins of a very xenophobic country.

8. Policy recommendations

Below are some of the urgent policy issues that require attention in the ride-hailing platform sector in South Africa:

- **Platform regulation:** There is need for forward thinking platform regulation that does not stifle innovation and at the same time resolves the unnecessary friction between the new entrants and metered taxi operators. The current situation where there is a regulatory vacuum, has led to loss of life and precarious working conditions for drivers on both sides of the divide. The role of regulating the operations of ride-hailing platforms must not be left to whims and caprices of local government authorities or municipalities especially in a context where turf wars have a long history of violence.
- **Data governance in the ride-hailing platform sector:** There must be transparency and accountability in terms of the data gathered by ride-hailing platforms like Uber and Taxify. The use of metrics must allow for the democratization of data rather than the institutionalization of “surveillance capitalism” (Zuboff, 2018) and competitive advantage as currently witnessed in the sector. The new law on the transport sector must therefore fairness, transparency and accountability with regards to data governance.
- **Capacitation of the Competition Commission of South Africa:** Another important issue relates to the capacity building of staff at the Competition Commission of South Africa to be able to deal with emerging issues related to the ride-hailing sector. This will enable the statutory body to play a key role in regulating price fixing, data manipulation and other unfair business practices. The Competition Commission is one of the three independent competition regulatory authorities established in terms of the Competition Act, No.89 of 1998, with the other two being the Competition Tribunal and the Competition Appeal Court. The Competition Commission is the investigative and enforcement agency, the Tribunal is the adjudicative body and the Competition Appeal Court considers appeals against decisions of the Tribunal. Capacity building of these organs of the Commission will enable it to investigate, control and evaluate restrictive business practices, abuse of dominant positions and mergers in order to achieve equity and efficiency in the South African ride-hailing sector.
- **Revising the Labor Relations Amendment Act of (2002):** Because of the ongoing debate about whether platform workers should be considered as ‘workers’ or simply as ‘independent contractors’, there is a need for clarification in the new labor Relations Act. Clarification on this matter will go a long way in addressing the grey zone that currently exists in the sector where drivers are not able to engage in collective bargaining processes, unionize and identify their ‘employer’. A new law must also address the working conditions, number of hours drivers are expected to work and fairness in terms of sharing of commission.
- **Revising the National Road Traffic Act (2000) and the National Land Transport Act (2009):** There is need to come with a new law governing the operations of ride-hailing platforms and metered taxi operators. The new law must deal with issues like the permit system, ownership and renting of cars, use of taxi license plates, parking bays and pricing system.
- **Xenophobia and labor relations in South Africa:** Xenophobia remains one of the thorns in the flesh of post-apartheid South Africa. There is a need to address the scourge head on as it affects social cohesion and security of both the driver and client in the ride-hailing platform sector. In other countries like Kenya and Brazil, ride-hailing apps aimed exclusively at women—with women drivers—have started to emerge.

- **Gender-sensitive policy frameworks:** Equally important is the need to come up with gender-sensitive policy frameworks in the taxi industry so that women feel comfortable to enter the sector as drivers. The current state of violent taxi wars have led to the patriarchization and masculinization of the industry. Ride-hailing platforms must ensure that the sector is also hospitable to the needs and interests of young women trying to penetrate the job sector.
- **Safety and security issues in the transport sector:** Beyond launching apps, there is also a need to ensure that the security apparatuses in South Africa guarantee the safety and security of drivers and clients. National safety campaigns that address the violence within the metered taxi industry and ride-hailing platform sector are necessary. This also entails dealing with cybersecurity of both drivers and clients in a context where card cloning and organized crime are rife in the financial services sector.
- **Liberalization of the ride-hailing platform sector:** There is a need to liberalize the ride-hailing platform sector so that local apps may also be able to penetrate the market which is currently dominated by foreign technology giants like Uber and Taxify. Another option is to create a local app that can be used by traditional metered taxi operators in South Africa. The use of apps by traditional metered taxi operators will go a long way in decongesting the cities as they would rely on bookings by clients dotted all over the city rather than parking at bus and train stations.

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