

Blaming poor labour conditions in Ghana's transport sector on ride-hailing companies misses the deeper issues

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Ride hailing companies have found success in the transport sector in Ghana.
Credit: G.KBediako/Wikimedia Commons

Ride-hailing services like Uber and Lyft have become ubiquitous in many parts of the world over the past decade. [Criticism of their business model](#) has also become commonplace: ride-hailing companies are

frequently accused of destroying traditional taxi businesses, undermining wages, and creating the digital [equivalent of sweatshops](#).

Though many of the complaints have emanated from [wealthier countries](#) in the West, there are growing concerns that such companies' African operations are not above reproach. From Abuja to Cape Town, Cairo to Nairobi, [researchers are documenting](#) the precarious conditions in which [drivers](#) operate.

In our [recent paper](#), we examined the situation in Ghana. We interviewed drivers, riders, car owners and other scholars who are researching Ghana's [ride-hailing](#) industry.

We found that the popular narrative of blaming the industry's precarious labour conditions on ride-hailing companies is problematic. It deflects attention from the structural enablers of the conditions (which predate the companies), while fomenting life-threatening hatred for the drivers who work with them.

Our analysis draws attention to the need to address the broader societal influences of labour exploitation in Ghana's urban transport sector. These include the inadequate prioritisation of the creation of adequate, secure jobs and strong labour protections.

It's no joyride

Some ride-hailing drivers own their cars. But the majority operate under either '*sales*' or '*work and pay*' contracts. Drivers employed under sales contracts operate their cars as a sort of franchise and pay a daily or weekly fee to the owners.

They also have to foot daily operational expenses including companies' commissions; the cost of fuel, internet and sometimes maintenance. The

drivers' take home is what remains after deducting the sales and operational costs.

Under the work and pay contract system, however, the driver operates the car and pays the owner a weekly or monthly sum up to a pre-agreed vehicle value, after which ownership of the vehicle transfers to the driver.

Car owners, under both sales and work and pay contract systems, normally demand weekly returns of GH¢ 400–500 from drivers. These arrangements did not arrive with the emerging of the ride-hailing industry; they have long existed in the traditional taxi business and are merely being copied by the industry's players.

Unlike tro-tro (minibus) and taxi drivers, ride-hailing drivers serve two masters: the [company](#) and the car owners. This doubles their [financial obligations](#) and contributes to tremendous financial precarity, which seeps into the rest of their lives. They work long hours and sometimes sleep in their cars. One driver in Accra told us that some of his colleagues: "...don't even go home; they have their toothbrushes, sponge, and towel in their cars. They drive from morning to evening, park at filling stations, take a nap, take a bath and continue driving."

These experiences may suggest that ride-hailing activities are creating shaky labour conditions. However, as we have extensively documented elsewhere, the tro-tro and shared taxi drivers who dominate Ghana's urban public transport sector operate under similar conditions.

The fact that both traditional and ride-hailing company drivers face similar precarious conditions suggests that the roots of the labour issues in Ghana's urban transport sector go deeper.

Tracing the roots of the problem

Most people walk a great deal to access work and services in [Ghana's cities](#). For longer distances, however, they rely on the ubiquitous tro-tros, shared taxis and, in recent times, Okada (motorcycles).

While being 'popular' in the sense that they are widely used, these privately-run transport modes remain marginal in terms of public support and investment. The operators are highly fragmented, and financial capital is thus dispersed.

Their business perspective largely focuses on individual short-term profits, which are also generally low. These conditions undermine a deeper focus on investing in vehicle maintenance/replacement or digital innovations to improve service delivery.

Their regular use means that large numbers of passengers and workers are exposed to high levels of discomfort, safety and other problems which undermine the quality of passengers' experience.

It is against this backdrop that ride-hailing arrived in Ghana; Uber was the first to launch operations there in July 2016. It alone is estimated to have [180,000 active riders](#) and some [3,000 driver-partners](#).

Our interviewees told us that ride-hailing companies are driving up the standards of commercial passenger transport. Ride-hailing trips are generally seen as affordable compared to hiring traditional taxicabs. The trips are also traceable, which reassures users that they can recover lost items or track down criminal drivers and passengers.

The problem, however, is that ride-hailing companies do not offer their drivers guaranteed incomes or wages. Neither do they pay them any benefits like social security. In fact, they strenuously avoid such employment obligations, insisting that their drivers are not their ["employees"](#).

The companies have been able to implement this business model easily in Ghana because the youth are desperate for jobs. To put the issue of youth unemployment into perspective, in 2018, the Ghana Immigration Service received [84,000 applications for just 500 entry level vacancies](#).

Ghana's youth unemployment, as with the problems with the popular transport systems, is linked to policy marginalisation. Successive governments have failed to create or stimulate the creation of enough secure jobs. Meanwhile, the state barely concerns itself with employment practices and labour relations and conditions in the [passenger transport sector](#).

These conditions are what have created room for international (and a few indigenous) ride-hailing companies and other powerful private interests (including vehicle owners) to profit from the labour of drivers they do not 'employ'. These issues will persist even if ride-hailing companies shut down tomorrow.

Towards better protection

All of these issues have led to dangerous tension between ride-hailing drivers and traditional drivers. Some have [been killed; cars are frequently burned](#). Luckily Ghana hasn't yet experienced any violent skirmishes—but [the animosity](#) between different kinds of drivers is growing.

Ghana can learn from the emerging developments in [the US](#) and [the UK](#), where lawmakers and the courts are strengthening labour protections for gig workers, including ride-hailing company drivers.

In some Australian cities, like Sydney, [lawmakers introduced rules that created an equal playing field for taxis and ride-hailing companies](#).

If left unregulated, drivers of all stripes will continue to be disadvantaged. That's bad for them, and it's bad for their passengers. Now is the time for authorities to act.

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