

# Tinker townships: Informal mechanics the big winners in SA's e-hailing boom

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- E-hailing services have risen in popularity in South Africa, with mechanics from the informal sector appearing to be the big winners from this trend.
- Popular e-hailing companies Uber and Bolt let drivers make their own decisions on maintenance, but they do enforce safety standards.
- Authorities on the matter say informal mechanics are often cheaper while providing good service, and many may be surprised about how well-equipped they are.

When Sisa Mbangxa, the president of the African Panel Beaters and Motor Mechanics Association, realised that the rise of e-hailing services in South Africa was not going to be a flash in the pan, he was excited about the business that these drivers could bring.

The association, which represents more the 65 independent workshops of panel beaters and mechanics, are the "mechanics in the middle," says Mbangxa.

But to his surprise, there hasn't been a big change in business, and instead, the winners of more maintenance and servicing customers appear to be those in the informal sector.

"On our side, we haven't seen much of a change," said Mbangxa, adding that access to clients has been a challenge for his members.

He explained that there are three broad categories of mechanics in South Africa, informal, independent mechanic workshops, as well as mechanics affiliated with particular dealerships.

### **Informal boom**

SA E-hailing Association spokesperson Vhatuka Mbelengwa backs this up.

He said the majority of e-hailing drivers go to mechanics in the informal sector to maintain their vehicles, as these mechanics are generally competent and offer lower prices.

"I think there is a large impact [from the rise of e-hailing] on mechanics in the informal sector. Those guys are getting a lot of business."

"This is as a result of the e-hailing sector needing to find cheaper alternatives to keep up the maintenance of the vehicle," he said.

Mbelengwa said the drivers will often go to a more formalised mechanic for more technical work, for example requiring more specialised machinery.

GG Alcock, an expert on the informal economy in South Africa, and author of *Kasinomics*, said that while it's difficult to measure the impact that e-hailing has had on what he calls "kasimechanics", there has been massive growth.

Kasi is a slang term often used to refer to townships.

He estimates that there are around 80 000 "kasimechanics" and panel beaters in South Africa. "Almost 40% of the cars on our roads are unfinanced, and this has driven a massive, what I call kasimechanic sector, in the township space."

He said that these mechanics are more skilled than they are traditionally given credit for.

"Informal doesn't mean unsophisticated, low-tech, unstructured, it just means they are operating in a property which isn't structured like a formal garage," said Alcock.

Alcock said that kasimechanics often operate on a residential property, as most informal businesses do, or in close proximity to a spares shop.

"You won't believe how well-equipped these guys are," he added.

### **Standards and guidelines**

To understand the maintenance requirements that are in place for e-hailing drivers, News24 reached out to Uber and Bolt.

Kagiso Khaole, general manager of Uber in sub-Saharan Africa, said that drivers on the platform operate as "independent contractors," meaning they are free to make decisions with regards to maintenance.

But he said that Uber ensures that their vehicles meet the minimum quality and road safety standards. To enforce this Uber performs a check prior to on-boarding a driver and then on an annual basis thereafter.

Khaole said:

As part of our community guidelines, drivers and delivery people are also expected to maintain their vehicles, including brakes, seat belts, and tires in good operating condition.

"This means keeping their vehicle according to industry safety and maintenance standards and complying with all relevant laws and regulations."

He said that the exact vehicle eligibility criteria differs based on the "product offering".

The [Uber website](#) states that four-door hatchbacks and four-door sedans must be newer than eight years old to be eligible to operate within South Africa.

ABS and passenger and driver airbags safety features must be fitted to all Uber vehicles.

Andrew Gasnolar, the head of public policy for East and Southern Africa at Bolt, said drivers are also given "wide discretion" in terms of where they choose to service and repair their vehicles.

Bolt drivers are also expected to undergo an annual inspection and vehicle on-boarding process with Dekra, who enforce a safety standard for vehicles.

Bolt reviews the reports produced by Dekra (vehicle monitoring organisation) when on-boarding vehicles and do not accept a vehicle with a below-average rating onto the platform.

Neither Bolt nor Uber said that they offer assistance to drivers to ensure their vehicles meet safety standards.

But Gasnolar said that Bolt is exploring ways to help with vehicle maintenance.

"The partnerships that we are currently looking to develop, include a database of reliable service providers that can provide servicing and maintenance services as well as other vehicle value-added services," he said.

### **Pressure to comply**

Having adequate vehicle safety standards is essential for passenger and driver safety, said Mbelengwa, but he lamented the fact that there is no support offered to e-hailing drivers to ensure that their vehicles meet them.

Mbelengwa said:

If we are going to have safe vehicles offering a public service, we are going to make sure that people invest in these assets and can sustain these assets.

He added that there is such a large supply of drivers on e-hailing platforms that it makes sense for the companies to set high maintenance standards and to just de-commission cars that don't meet them.

"There are so many vehicles, so much saturation, so much demand, that it's always easy to find a replacement [driver] to add a new vehicle."