

Uber decision to allow cash payments alarms drivers

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A forthcoming announcement by Uber South Africa that passengers will soon be able to pay for trips in cash has raised alarm among drivers, who fear this will draw them into conflict with the minibus taxi industry and threaten their safety.



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Uber representatives presented the new system to drivers at compulsory training sessions this week. "This exciting change will open up the platform to thousands of new riders who have previously been unable to use the platform due to our limited payment options," the company wrote in an email to drivers.

Uber did not respond to written questions from GroundUp. "We are aware of some speculation in the market, however, we are not currently commenting on this topic," spokesperson Jessica Gois said.

According to drivers who attended the sessions, Uber representatives presented data from other cities where cash payments have been introduced, including Nairobi, Manchester, and Singapore. After introducing cash payments in Nairobi last year - the second country in the world after Hyderabad in India - Uber reportedly experienced rapid growth.

An online guide to using the system in Nairobi explains that users still need to hail rides using the Uber app, and outlines procedures for dealing with non-payment and cancellations.

Fare decreases led to unprotected strike

Locally, the move is reportedly linked to controversial recent fare decreases, which caused drivers to embark on a brief unprotected strike. Uber cut its per kilometer fare from R7 to R6 without reducing its 20% cut, assuring drivers that increased demand would compensate for any loss of earnings from the lower rate. "As part of the fare reduction experiment, we have seen a huge number of people signing up but unable to take a ride because their cards do not work," the email to drivers states. Drivers present at the meeting said that Uber was targeting "bank-less" customers to expand its market share.

An Uber partner who employs two drivers told GroundUp that he had "no say at all" in the decision. "Uber's propaganda machine presents this as an issue that's being discussed with drivers, but the reality is that you are forced to comply. I have essentially received an ultimatum that if I don't attend a training session by next week Tuesday I will be disconnected

from the app."

No union recognition

Uber South Africa refuses to recognise any driver formation and only deals with drivers on a one-to-one basis. At present, drivers in South Africa are not represented by any form of union. Drivers dismissed from the app have little recourse.

"I signed an agreement when I joined that Uber could change its operating conditions at any time," the Uber partner told GroundUp. "I've invested in two cars and have no option but to comply with any decisions Uber makes."

In April 2016, Uber settled class-action lawsuits in California and Massachusetts, agreeing to pay out as much as \$100-million but continue classifying drivers as independent contractors, rather than employees. In June 2015, the California Labor Commission ruled that Uber's drivers were employees and, therefore, entitled to minimum wages, overtime, and compensation - a distinction Uber has long disputed.

Driver afraid

Speaking on condition of anonymity, another Uber driver told GroundUp that he was "very afraid" of the looming shift to cash. "This is going to bring us into direct competition with minibus taxis. I didn't sign up with Uber for this. We don't have designated taxi ranks or routes. People will be able to request Uber from anywhere. You know how dangerous the taxi industry is. This is going to get us killed."

A major selling point for Uber in South Africa thus far - for both drivers and passengers - has been the safety and convenience of avoiding cash altogether.

Uber's spokesperson told GroundUp that the company would release a statement on the matter next week.

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