

# FAIR PAY AND RIDE-HAILING DRIVERS' WILLINGNESS TO FORM AND JOIN WORKER-PLATFORM CO-OPERATIVES IN KENYA

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## Purpose

This study aimed to estimate how the fairwork principle of pay would affect the ride-hailing drivers' (e-drivers') willingness to form and join worker-platform co-operatives and subtypes in Kenya.

## Method

This critical-realism research philosophy and the discrete choice experiment design was applied in the study (Fig. 1). The study respondents were 497 (82.8%) of 600 questionnaires distributed in the Nairobi Metropolitan Region—Nairobi City, Kiambu, Machakos, and Kajiado Counties. Data was primarily collected between June and August 2024 through a 5-point Likert scale (from Strongly Agree (1) to Strongly Disagree (5) of fair pay principle compliance question) and a 3-code discrete choice (of platform worker structures and platform co-operative subtypes questions) questionnaire administered face-to-face and online. The data was analysed using multinomial logistics regression in the Jamovi statistical software to predict the probabilities of the e-drivers' preference to form and join worker-platform co-operatives and subtypes.

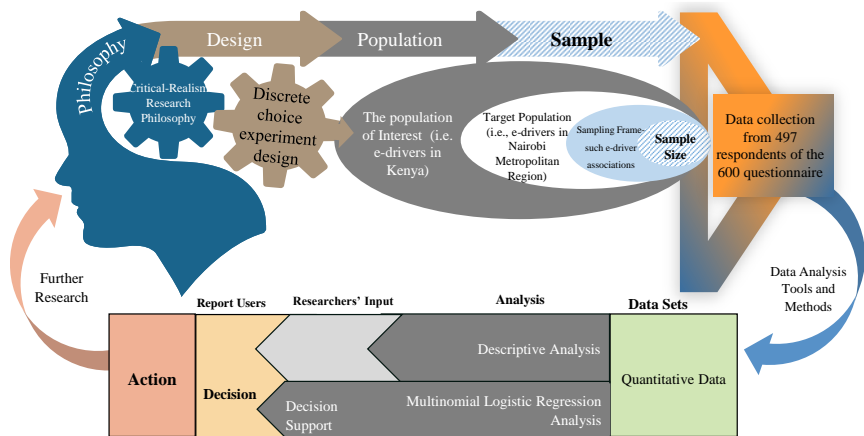


Figure 1

The analysis of the respondents' demographics indicates that more than half (56.5%) of the e-drivers operate in Nairobi City County, the core of Kenya's capital city (Fig. 2). Most of the e-drivers are men (96.2%), with youth (<35 years) being 68.6%. Most of the e-drivers (65.6%) have experience of 1-6 years, meaning they entered the industry at the onset of the COVID-19 pandemic in 2018/2029. Moreover, 66.6% of e-drivers hold college certificates, diplomas, and undergraduate degrees. 60.2% are in ride-hailing work full-time due to a lack of other job options (45%), and 69.6% have leased-vehicle or been employed by vehicle owners. The e-drivers operate on a 24-hour rotating work schedule (69.4%), where the majority (44.1%) do 11-15 rides and 44.7% work for 6-9 hours daily, seven days a week.

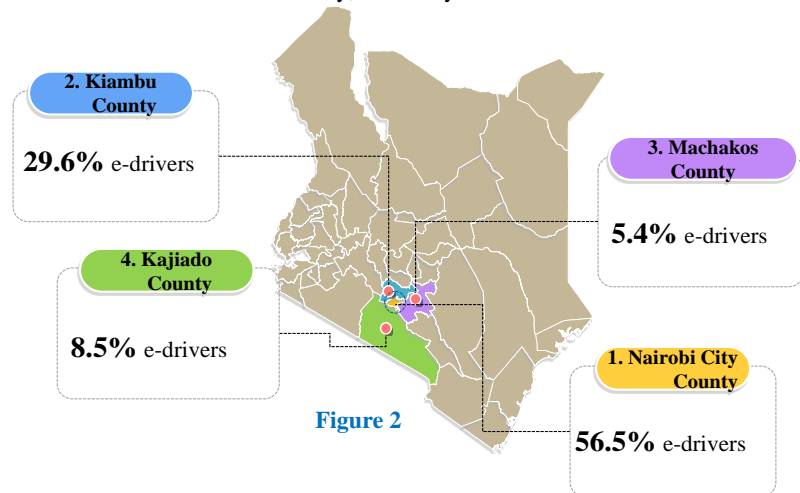


Figure 2

The e-drivers in the region use over 10 ride-hailing platforms for their work, but most e-drivers (38.4%) still consider Uber, Bolt (formerly Taxify) (19.9%), and Little Cab (11.3%) the three most preferred platforms. Furthermore, most e-drivers (69.6%) do not own the vehicle they use for the ride-hailing work; they are either employed or have leased it from the vehicle owners. 31.2% of e-drivers have experienced or witnessed security incidents, and only 6.6% have their insurance covered by ride-hailing investor-owned firms (IOFs). Regarding income and expenses, 76.2% of the e-drivers reported getting an average daily pay of KES 401 – 800 (approximately USD 2.9 – 5.8) per ride, and on the other hand, 70.8% spend an average of KES 1,501-3,000 (USD 10.9 – 21.7) per day on fuel and maintenance.

## Conclusion

The study's findings underscore the significant influence of e-drivers' considerations for fair pay rates on their preference and willingness to form and join worker-platform co-operatives. These insights provide a valuable foundation for developing strategies to promote worker-platform co-operatives within the ride-hailing industry in Kenya. By addressing the specific fair pay concerns and priorities of e-drivers, stakeholders can advocate for and enforce the fairwork principle of pay in the ride-hailing industry by promoting worker-platform co-operatives in the country. However, further research is needed to explore other fairwork principles affecting e-drivers' choice of platform-work structures.

## Next Steps

- Analyse other fairwork principles of platform management, contracts, conditions,
- Presentations at ICA and ILO supported national and international conferences in Kenya, India and the US.
- Publication of related Articles and papers in Academic Journals
- Further Related Research

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## Results

In assessing the measurement model, the study had an acceptable internal consistency of the three measure variables—the Fair Pay Distribution (FPD) Principle, Platform Work Structure, and Platform Co-operative Subtypes—exhibiting Cronbach's  $\alpha$  of 0.732, above the recommended 0.7. We also found that the pseudo- $R^2$  measure (i.e., the McFadden  $R^2$ ) was 0.332, indicating a high goodness-of-fit range between 0.2 and 0.4, which is acceptable due to the complexity and variability of e-drivers' human behaviour. The model coefficients, as a whole, proved to be highly effective.

Our analysis of the significance of individual coefficients using the estimated marginal means (Tab. 1) further underscores the robustness of our study's methodology, providing reassurance about the reliability of the study's results.

Table 1

Model Coefficients – Platform Work Structure										
Platform Work Structure	Predictor	Estimate	95% Confidence Interval		SE	Z	p	Odds ratio	95% Confidence Interval	
			Lower	Upper					Lower	Upper
No Preference - Worker Platform Co-op	Intercept	2.40	0.875	3.916	0.776	3.09	0.002	10.969	2.398	50.178
	FPD Principle	-1.13	-1.512	-0.745	0.196	-5.77	<.001	0.323	0.220	0.475
Investor Owned Firm - Worker Platform Co-op	Intercept	3.49	1.796	5.178	0.863	4.04	<.001	32.678	6.023	177.288
	FPD Principle	-1.56	-2.023	-1.105	0.234	-6.67	<.001	0.209	0.132	0.331

We found that for the 'no preference' of the platform work-structure category relative to the 'worker-platform co-operative' (reference category), the coefficient for the FPD principle in the worker-platform co-operative is -1.13 (SE = 0.196, Z = -5.77, p < .001), with a 95% confidence interval of (-1.512, -0.745). The corresponding odds ratio was 0.323. This means that for every e-drivers' agreement level increase for the existing platform-work structure's compliance with the FPD principle, the log odds of choosing to form or join the worker-platform co-operative (as opposed to having no preference) decrease by 1.13 units (or odds ratio of 67.7%), holding all other variables constant. Conversely, we found that for the 'investor-owned firm' category relative to the worker-platform co-operative (reference category), the coefficient for the FPD principle in the worker-platform co-operative is -1.56 (SE = 0.234, Z = -6.67, p < .001), with a 95% confidence interval of (-2.023, -1.105). The corresponding odds ratio was 0.209. This means that for every e-drivers' agreement level increase for the existing platform-work structure's compliance with the FPD principle, their log odds of choosing to form or join the worker-platform co-operative (as opposed to working directly with the investor-owned firms) decrease by 1.56 units (or odds ratio of 79.1%), holding all other variables constant. In both comparisons, the p-value of <.001 was below the significance level of 0.05 (p<0.05), indicating that the fairwork principle of pay significantly affected e-drivers' willingness to form or join worker-platform co-operatives.

Furthermore, the probability graph also shows that an e-drivers' stronger disagreement level increase (or stronger agreement level decrease) on FPD principle compliance by existing platform-work structures is strongly associated with increased e-drivers' choice of forming and joining worker-platform co-operatives (Fig. 3a). Subsequently, 'Type B' worker-platform co-operative or open platform cooperativism common in East Asia and Latin America – the 'e-drivers-only co-operative' without its ride-hailing platform – would be the most preferred worker-platform co-operative subtype in the country for negotiated social exchanges and negatively (exclusively) connected networks with the existing ride-hailing IOFs (Fig. 3b).

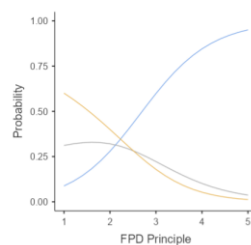


Figure 3a

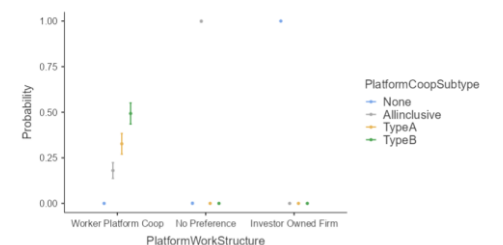


Figure 3b

The results of our study show that pay rates have significant implications for the behaviour of e-drivers in the ride-hailing industry. We found that e-drivers' willingness to form and join worker-platform co-operatives is influenced by their satisfaction with Fairwork's pay principle. This suggests that e-drivers are more inclined towards co-operative (social representation and collective action) structures when they are dissatisfied with pay rates offered by the existing ride-hailing IOFs. This indicates e-drivers' desire for the co-operative values of solidarity, equality, and equity and the third co-operative principle on members' economic participation in