

Capítulo 8

Looking at the informal economy: A case study concerning Luanda's minibus taxi industry

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Abstract

The role, characteristics and increasing factors of the minibus taxi industry in urban economies (Kenya, Senegal, and Nigeria, among others) have been studied in various African countries. Many studies have been carried out on these matters with the support of the World Bank, through SSTAP or in the context of SITRASS research programs. There has been almost no research on this subject in Lusophone Africa.

Machimbombo is the Angolan expression for bus. The machimbombos was the only means of transport providing urban mobility in Luanda, the Angolan capital city, at the time of independence and in the first years which followed.

Over the last 25 years there have been significant changes in the urban landscape due to the prolonged civil war and the political and economic transformations.

There was a decline in the formal supply of road transport and this provided the opportunity for the arrival and accelerated growth of minibuses and motorcycles as the most fitting means of urban transport. This changing process also gave rise to new actors, to new models for exploiting the activity, new forms of employment contracts and new forms of social organization.

This article explores the emerging nature of Luanda's minibus taxi industry and their development processes. The purpose of this study is to assess how far these activities contribute to satisfying the mobility needs of Luanda's population, to generating household

income and employment and to the professional and social integration of a large number of Luanda citizens.

A further objective is to identify the actors involved, what kind of relationships that exist as well as the patterns in working activities.

This article describes and characterizes the above mentioned transformation process, based on a bibliography review, direct observation and information collected in the field from September 2003 to August 2004. Systematic direct observation, made on more than 50 trips on short and long routes, has been another important source of information. Results are also reported from documental analyses and from a series of in-depth interviews with institutional actors and with the main operators involved in the activities (fare collectors, drivers, owners, passengers).

1. Introduction

Main general features of Luanda's minibus taxi industry

Luanda's minibus taxi industry has had a troubled history characterized by high levels of competition between actors (owners, drivers, etc) and by the exclusion of many operators from the formal economy.

The *candongueiros*¹⁴⁴ in Luanda is an interesting case study on the behaviour, practices and strategies of actors in a context of quick and profound changes in the regulatory framework and institutional environment.

Other important issues for analysis are the ambiguous relationships between formal and informal operators, between informal and illegal actors and the ambivalence of government policy in this domain.

Over the last 25 years Luanda's minibus taxi industry has been growing quickly. At the same time, the provision of public transport has become increasingly scarce, inefficient and expensive for the majority of population.

¹⁴⁴ The word refers to actors who do *candonga*; this expression comes from the *kimbundu* language that identifies illegal business with speculative goals. At the end of the seventies, the word was used to describe a whole set of parallel activities, however it is now for the operators involved in non-official passenger and goods transport.

The candongueiros are the most commonly used form of public transport, particularly by poor people. The minibus taxi industry, strongly atomized and poorly organized, is a large employer and plays a critical role in the lives of most people in the Angolan capital. Luanda's minibus taxi industry in 2004 can be defined as having the following characteristics:

- 1) Most operators work in the informal and illegal economy - they are not registered tax payers and do not register their employees or adhere to any minimum standards of social protection; however, some of them have licences to operate from the Provincial and Central Authorities (about 600 operators in a universe of roughly 3200 in 2003¹⁴⁵; around 1200 in 2004¹⁴⁶).
- 2) In 2002 candongueiros accounted for 45% of all demand for public transport (about 480,000 passengers/day¹⁴⁷).
- 3) It is estimated that the minibus taxi industry directly employs around 13,000/15,000 drivers, fare collectors (conductors), vehicle washers and passenger coaxers.
- 4) The employment relations are precarious and volatile; most workers do not have a formal contract and national minimum standards for working conditions and wages are not kept; on the other hand, the owners' expectations for profitability result in a high turnover of drivers and fare collectors.
- 5) Many additional jobs are indirectly associated with this segment of activity, including: motor manufacturing, provision of supplies, maintenance, vehicle import and vehicles transformation and take place in formal or informal activity.
- 6) In 2003, approximately 3200 candongueiros were operating on non-defined routes and with fixed fares; according to the Provincial Direction of Transport and Communications, in 2004 this rose to

¹⁴⁵Jornal de Angola

¹⁴⁶DPTC, interview 28/07/2004.

¹⁴⁷Ministério do Plano (2003). Perfil económico e social de Luanda.

around 5000; however illegal/informal operators do not respect defined routes and choose the most popular.¹⁴⁸

7) Most drivers are not owners; most owners own only one vehicle and a large proportion own less than three vehicles.

8) The number of vehicles on the road has been growing and getting increasingly old; hijacked vehicles and massive illegal and legal importation of second-hand vehicles are the main sources, particularly from South Africa, Namibia, Portugal, Netherlands and some Asian countries¹⁴⁹; most vehicles carry 12, 15, 24 or 32 passengers.

9) Strong competition in short distances, large number of passengers, low costs and flexibility are structural conditions of the activity profitability.

10) Over-saturation on the supply side, a low level of formal organization and control, bribery, corruption and the informal power linked with the owners associations and other interests are also significant features.

11) Despite some negative externalities (low passenger safety and comfort, pollution, highly exploitative labour practices, disrespect for traffic laws and regulations, increasingly heavy traffic and corruption), the *candongueiros* segment has increased in size as well as economic and social importance in Luanda.

12) A provincial body representing taxi owners – Luanda's Taxi-owners¹⁵⁰ Association (ATL) - was founded in 1990 and currently has about six hundred members; ATL has a legal statute of employers' organization focused on the legalization process of its members, fixed fares and the supply of services and other benefits for its members.¹⁵¹

13) Weakening and sweeping changes in the process of economical and organizational formalization of Luanda minibus taxi industry have taken place in the last 15 years; these changes coincided with

¹⁴⁸DPT, interview 28/07/2004.

¹⁴⁹Toyota Angola, S.A., interview 26/07/2004.

¹⁵⁰ In Luanda's urban transport context, the word *taxistas* refers mainly to taxi-owners.

¹⁵¹ ATL, interview 26/07/2004.

the unregulated and accelerated growth of Angola's capital city, influenced by numerous factors such as prolonged civil war, chronic inefficiency and lack of financial and management capacities, absence of urban planning, incoherence and weakness of policies and levels of coordination, deterioration of infrastructure.

Aims of the research

The overall objective of the research is to identify the main characteristics of the structure of candongueiros business activities in order to underline how this activity contributes to providing poor people with access to assets, services and facilities.

The research also aims to understand the articulation of candongueiros business activity in Luanda's urban passenger transport system in the context of its historical evolution and design the institutional and regulatory framework.

Focus of this study

By focusing on the behaviour, practices, strategies and characteristics of operators in Luanda's minibus taxi industry system, this text aims to shed light on:

- characteristics of existing vehicles
- profile of standard activity exercise
- profile of socioeconomic operators
- direct and indirect job creation
- employment relations
- owner concentration
- formal institutional and regulatory framework and identification of the rules, norms and standards of endogenous framework
- relationship with formal and illegal activities
- relationship with public authorities
- role of representative owners and workers associations (if they exist)
- role of social networks (ethnic, family and neighbourhood relations)
- opportunities and constraints

The geographical focus of this article concerns Luanda.

Luanda is Angola's most important city; most of the industrial and manufacturing centres and commercial activities are located there, including traditional market places, main port and airport, principal administrative and diplomatic representations.

The impact of the war in Angola resulted in extensive internal migration to Luanda.

In 2000, the population of Luanda was estimated at 2,534,800 inhabitants¹⁵², namely around 19,3 % of the Angolan population; it generated up to 60% of the industrial gross domestic product and up to 20% of the other sectors (agriculture, commerce, building, and so on).

Luanda suffered the indirect impact of the war and the importance of industrial, manufacturing and commercial activities has declined strongly over the last twenty years; however, the informal economy has been growing.

Methodology

A literature review focused on the Sub-Saharan Africa urban transport systems and a reference to press clippings about *candongueiros* based on *Journal de Angola*.

The few statistics on transport, demography and socio-economics have also been used.

Interviews were conducted with key actors and with those involved in Luanda's minibus taxi industry (8 drivers, 7 fare collectors, 9 owners, 3 vehicle washers and 3 passengers).

A systematic direct observation was carried out to obtain a better understanding of the how the activity works, its behaviour and economic issues: 57 trips in 18 short and long *candongueiros* routes were made from 22/7/2004 to 4/8/2004.

Conceptual support

For the aims of this study, we will consider:

¹⁵² AIDA (2004). *Estudo de Mercado de Angola: Luanda e Benguela*.

- urban mobility – displacement needs of urban population, located in space and time, correlated with tasks and objectives resulting from domestic, social and professional life¹⁵³;
- urban transport demand – transport service needs during a specific period of time; the urban transport demand is determined by the nature and levels of urban mobility;
- motorized collective transport – motorized transport vehicles that satisfy the demand for urban transport;
- formal transport – includes the transport services that are produced or exchanged under state control and institutional regulation;
- informal transport – includes the transport services provided by operators that do not register as tax payers and do not register their employees or adhere to any minimum standards of social protection; their activity is not systematically accompanied by public authorities;
- illegal transport – includes the transport services that are defined as criminal by society institutions; their activity is performed without government tolerance;
- handcraft transport (Godard, X.) – includes formal, informal and illegal forms of transport services; the handcraft transport encompasses such a range of situations that it represents a heterogeneous universe; the small scale of activity, the special characteristics of labour employment and the particular form of management of companies are also relevant aspects¹⁵⁴;
- negative externalities – negative effects for economic agents that are consequence of informal transport services; safety hazards, unprotected labour, absence of legal control, environmental pollution to mention but a few.

Political, economic and social background

Angolan society went through marked changes in different domains following independence.

¹⁵³ Godard, X. (dir.), 2002.

¹⁵⁴ Godard, X. (dir.), 2002.

Political level was marked in the first period – 1975/1992 - by the adoption of a single organization monopoly with a socialist ideology. In 1992, the multiparty system began with the new constitution.

From 1975 to 2002 there was a prolonged civil war with a strong impact on economic and social structures. Some of the most important effects include: the circulation of people and goods was blocked, infrastructures destroyed, there was insecurity, many displaced people and much poverty.

There were a number of specific signs of change in the economy: administrative mechanisms for economic regulation were introduced in the first period, while in the second period saw the start of a transition process to the market economy.

During all this time some structural trends can be identified : decline of non oil production, fall in formal supply of jobs, losses of external and internal financial state capacity, increasing dependence on imports, heavy external debt, high permanent inflation rates in a strong money black market context.

In the late seventies, there was an emergence of unofficial activities with characteristics of a parallel economy until about 1987 and with characteristics of an informal economy after this year. After the early eighties, the informal economy and the other unofficial activities increased.

At a social level, this period was also marked by some traits: reduction in the state's capacity to provide social services, high levels of rural and urban poverty, accelerated urbanization, deep changes in socio-demographic characteristics of population, among others.

2. History of Luanda's minibuss taxi industry

A few years after independence, the public transport enterprise (ETP) was already declining. Organized according to a specific colonial demand and to work in a specific urban context, it soon became inefficient.

Its adaptation to a new reality and the adoption of a centralized socialist management model was not successful. Poor management, financial difficulties, degradation of roads, losses and

poor maintenance of vehicle were factors that contributed to this decline.

At the same time, Luanda's population continued to grow with people living on the periphery far from the commercial and residential centre. The ETP's buses (machimbombos) did not cover these areas. Thus the transport needs of their inhabitants were not satisfied.

In 1977/1978 the first private vehicles engaged in people transport appeared. The activity was illegal and was repressed by the authorities.

TCUL (Luanda Urban Collective Transport) was created to replace ETP. The new public enterprise did not achieve good results. The buses and their routes became less and less frequent, less flexible and slower¹⁵⁵. Nevertheless, the State acted to protect the public transport enterprise and prevented private operators from operating in the activity.

The supply of public transport also decreased, while the supply of candongueiros transport grew constantly and was increasingly well organized.

The authority's attitudes towards candongueiros changed and became increasingly ambivalent. The end of state monopoly in the passenger transport sector allowed the activity to work legally.

An owners' association of minibus taxis was formed in 1990: Luanda Taxi-owners Association (ATL).

The lack of specific legislation and an ambiguous regulatory institutional framework gave rise to continuous tension between the law, administrative practice and reality. Constant harassment, including the confiscation of vehicles, restricting access to transport permits, bribery and corruption in the channels to obtain them, a preference to prosecute from most members of National Transport Police are only some significant factors in the illegal behaviour of most operators.

¹⁵⁵TCUL interview, 29/07/2004.

In 2001, three private bus enterprises were created: MACON, TURA and ANGOAUSTRAL. A new formal enterprise was created in 2004 named SGO¹⁵⁶.

The supply of formal transport was increased and Luanda's four formal enterprises had around 700 buses in 2002. In June 2004, the five formal enterprises had roughly 800 buses¹⁵⁷.

Despite this increase in the formal supply, candongueiros satisfy about 45% of Luanda's demand for transport. Not only are their vehicles more regular and faster than the formal service but they are also less expensive and safer. In addition, the poor road maintenance and the lack of any secondary road network in peripheral areas meant that only candongueiros can provide a transport service to these residents.

Standard business activity

The Ministry of Transport and Communications is responsible for the sector at a national level. The Provincial Direction of Transport and Communications (DPTC), that works under the Luanda Provincial Government (GPL), coordinates and regulates transport in Luanda Province.

Business permits for fixed routes are granted by DPTC for 1 year. The legalized minibus has a label that identifies the route (for example: IN – Ingombotas, SP – S.Paulo, RA – Rangel) and in 2004 DPTC defined 186 itineraries for Luanda city.

According to DPTC, around 1100 of the 4500-5500 minibuses operating in Luanda are legal. GPL gave the deadline of September 14th to complete the legalization process of minibuses. However, only 2000 minibus¹⁵⁸ were authorized to work in Luanda's urban passenger transport at the end of this period.

The requirements for the legalization process were as follows:

¹⁵⁶DPTC interview 28/07/2004.

¹⁵⁷ DPTC interview 28/07/2004.

¹⁵⁸This number is considered sufficient to respond to market needs: it assures the transport needs and grants owners the possibility of being profitable.

- DPTC registration (model 5 RTA)
- criminal record
- identification document (for national citizen or foreign resident)
- vehicle registration
- owner record
- vehicle insurance certificate
- industrial tax (DAR)
- taxpayer card
- technical inspection certificate (MOT) (model 21)
- circulation tax
- driving licence
- vehicle inspection record
- various payments and taxes

The legalization process involves the following institutions:

- Ministry of Justice
- Ministry of Finance
- Provincial Direction of Transport and Communications
- National Direction of Traffic
- Insurance Companies

In July 2004 the cost of legalization was around 45,000 kwanzas¹⁵⁹. It takes between 30 and 45 days to complete the legalization process through ATL.

The fares are fixed by the National Direction of Finance, through Department of Competition and Prices and with ATL consultancy. In July 2004, the fare was 30 kwanzas for short routes and 50 kwanzas for long routes¹⁶⁰.

Even though routes are defined by DPTC, operators work in any route. The information collected is consensual about the control of route entry: there is no knowledge of informal owner associations to regulate the activity in specific routes. This is sometimes regulated

¹⁵⁹ ATL, interview 26/07/2004.

¹⁶⁰ ATL, interview 26/07/2004.

by police officers: one driver explained that a policeman stops a vehicle and, while he analyses the documents, a child comes up to receive between 150 to 200 kwanzas; in exchange, the child reveals a password to be given in case another policeman stops the vehicle along the same route.

Like many other laws and regulations, insurance certificates do not comply with official requirements.

Supply and demand of transport in Luanda

The most recent estimate of the population of Luanda is over 4,000,000 people. Everyday 2 million people travel in the city for professional, social and domestic reasons¹⁶¹; a third of these travel in their own vehicles. Two trips are made daily by 1,400,000 people hence there is an estimated transport demand for 2,800,000 trips a day¹⁶².

DPTC considers that the supply provided by bus enterprises and minibus operators is enough to satisfy this demand as long as some constraints are overcome: the precarious condition of most roads, inadequate organisation of traffic and road signs, growing traffic congestion, an unregulated parking system, clandestine transport, dangerous and undisciplined driving and inadequate safety levels for both workers and passengers.

In July 2004 the five formal bus enterprises had a fleet of around 800 buses. In 2001 four zones were formed giving exclusive rights for each enterprise to operate. Each zone also has routes where all operators can work¹⁶³.

TCUL and MACON are the two biggest enterprises. In spite of being a public enterprise, TCUL does not have any more privileges than the other enterprises.

Macon also owns a small fleet of meter-fare taxis (no more than 40 vehicles).

¹⁶¹ Ministry of Planning (2003). Luanda's economic and social profile.

¹⁶² Ministry of Planning (2003). Luanda's economic and social profile.

¹⁶³ DPTC, interview 28/07/2004.

In addition, Luanda transport supply also includes around 6000 minibuses in the saturated market of candongueiros and a very small fleet of taxi-bikes in the Cacuaco area - an isolated case in Luanda's urban transport system.

Actors in Luanda's minibus taxi industry

Owners, owner-drivers, drivers, fare collectors, passenger coaxers and vehicle washers are the direct workers in this activity.

The precise number of owners is unknown. According to ATL, about 1200-1500 owners own vehicles operating in Luanda, most of whom own one or two vehicles. A minority own three or more vehicles and only a very few own more than ten vehicles. In fact, owners are not a homogeneous group: some are also drivers, some are former drivers, some are public workers, some are mechanics and some are engaged in a commercial activity.

Many owners accumulated capital from various sources: trade, diamond business, savings from various jobs e.g. public service, drivers, and so on. The vast majority did not borrow capital from banks to finance or expand their activity.

It is impossible to obtain a precise estimate of the number of vehicles in circulation. According to ATL, the number of vehicles operating in Luanda was 3200 and this rose around 6000 in 2004. Most vehicles are second hand and in recent years those in circulation are older. Toyota and other Japanese brands are the most common brands and the majority are minibuses which transport 12-15 passengers.

There are an estimated 5000-6500 drivers, most of whom work for the owners. There are more salaried drivers than self-employed drivers. Women drivers are rare. The majority are young people with a low level of schooling and with limited skills. In the interviews drivers did not refer to the existence of any formal contract or minimum labour standards. Employment relations are agreed verbally between owners and drivers. Drivers take responsibility for employing the fare collectors and vehicle washers. Most of them do not receive any basic wage: all earnings for five days are handed to the owner and they keep the earnings of one day of the week as

income; some drivers pay a fixed value per day to the owners, keeping the rest of earnings as income; drivers that receive a regular wage are an exception.

Fare collectors (conductors) are important actors in the *candongueiros* segment. They play a central role in their work with the drivers. They collect fares from passengers, seat passengers, assure the safety inside the vehicle, and advertise routes in minibus stops. The number of fare collectors is estimated at roughly 4500-5500 (one for each vehicle operating in Luanda)

Passenger coaxers are the smallest sub-group working in the minibus taxi industry with no more than three hundred operators. They work in the big parks around main markets and in most important terminals. They organize and regulate the flow passengers in the main minibus stops. They usually have an agreement with the drivers to guide passengers to their vehicles.

Vehicles' washers are employed by drivers. Some of them are permanently employed while others are employed on a casual basis. Very young boys are engaged in this segment; some are displaced people, orphans and street kids. The number of vehicle washers is not available, but there are approximately six hundred (on the assumption of five vehicles for every vehicle washer).

It is not easy to identify the borderline between illegal practices and informal behaviour. Some vehicles that are involved in Luanda's transport system are stolen. Equally, many spare parts for minibuses exchanged in urban retail markets and in Luanda's *musseques*¹⁶⁴ also come from illegal sources. In Luanda, the *Golf market*¹⁶⁵ is the informal market specialized in automobile spare parts.

Organization /management of the activity

The teams work for the owners five days a week and once a week they work for themselves; the last day of the week is for maintenance.

¹⁶⁴ *Musseques* is the Angolan word for peripheral quarters, slums and squats.

¹⁶⁵ Lopes, C.M., (1998).

They start work early morning and the working day lasts from 5 am to 9-10 pm. The teams choose the most profitable routes and lunch break is as short as possible. All daily costs are supported by the owners: fuel, small repairs, police officers payments, and so on.

A registration permit is required by the Provincial Transport Department. Although the permit is route-based and linked to a specific driver, drivers operate on all routes and vehicles are driven by anybody¹⁶⁶. Few operators do the initial and periodic vehicle inspections despite this being a requirement. Permits are very expensive and they generally have to be granted by local authority traffic departments. According to owners, drivers and fare collectors interviewed, extensive consanguineous, neighbourhood and other networks are also important for reducing operating costs. Family and other networks encourage drivers and fare collectors to report full earnings (some owners claim that up to 30% of earnings are stolen by drivers and fare collectors), increase vehicle repair or maintenance and reduce their expenses, as well as reduce loss of earnings due to corruption of traffic police.

Drivers and fare collectors interviewed do not deny some practices to increase earnings: reduction of routes, increasing fares (in rush hours), overloaded vehicles, rapid passenger turnover and speedy and risky driving. They claim this behaviour is caused by the heavy congestion of traffic and large amounts required daily by owners.

Micro-economics of the industry

Owners refer to the enormous wear and tear on vehicles in this activity; some spare parts are frequently replaced e.g. brake discs. This is due to traffic congestion, damaged roads and the way *candongueiros* drive (wild driving and excessive speed).

Most owners have 1, 2 or 3 vehicles and there are few cases where owners have more than ten *hiasses*¹⁶⁷. Owners interviewed receive

¹⁶⁶ DPTC, interview 28/07/2004.

¹⁶⁷ *Hiase* is the name which Angolan people give to the vehicles involved in minibus taxi industry. It results from an adaptation of the term *Hiace*, that corresponds to a Toyota vehicle model.

around 6000 kwanzas to 9000 kwanzas a day which they argue is not enough to amortize the vehicle. Their main worries are: unfair competition, high cost of spare parts, bad road conditions and constant police payments of “gasosa”¹⁶⁸, because vehicles are overloaded.

Interviews identified the main costs of the activity as follows:

- for the driver: fuel, vehicle washing, parking, usual maintenance, team’s lunch, wages of driver and fare collector, payment of passenger coaxers;
- for the owner: vehicle repairs and, when working legally, official permits, insurance certificates and taxes.

The daily income depends on a number of factors: level of demand, length of routes, traffic congestion, number of passengers carrying goods, speed, drivers’ knowledge of alternative routes. Drivers and fare collectors interviewed referred to amounts from 11.000 kwanzas to 12.000 kwanzas. Drivers use a number of strategies in order to be profitable: shorter routes, speeding and discretionary fare increase in rush hours¹⁶⁹. Some referred to the importance of neighbours and family networks as a way of reducing transaction costs, particularly those of repair and maintenance and the supplementary costs (“gasosa”). Two owners argued that working networks not only reduce the danger of embezzlement by drivers and fare collectors but are also important during inspections and in the relationship with police officers.

It was not possible to draw any conclusions about the presence of ethnic networks in the activity in this research.

Social and economic relevance

Despite its size and social and economic importance, the total value of the minibus taxi industry is unknown in terms of its contribution to GDP, the turnover and even in terms of employment. Most owners

¹⁶⁸ Gasosa is an Angolan expression that identifies bribery.

¹⁶⁹ Jornal de Angola, 25/02/2004.

are not registered as tax payers and employees are not registered for contributions to any social services. Government statistics on transport excludes *candongueiros* because of the informal nature of their activity.

Nevertheless, its importance is shown at various levels:

- of direct and indirect job creation;
- revenues generated for many households;
- satisfaction of transport needs for the majority of Luanda's population;
- social and professional integration of a large number of young unemployed.

Representation and associations

There is one taxi-owner association (ATL) that was created in 1990. Soon after it was founded there was a huge increase in legalization. About 45% minibuses were legalized¹⁷⁰ in 1991; according to ATL, nowadays 570 taxi-owners are affiliated members and 702 are trying to obtain their legalization. The 1272 members of ATL represent only around 20% of the vehicles operating in Luanda. ATL expects a significant rise in legalized vehicles this year due to recent DPTC moves to formalize (regulation and control, in particular regulation of access to the industry through the permit system, minimum labour standards, safety and revenue taxation) and reduce the size of the minibus industry.

ATL plays an important role in the activity: it assures legal protection, fulfils legalization requirements and represents its members in bargaining and collective negotiations. ATL is also consulted on the fixing of fares in cooperation with National Direction of Finances.

There is also one sectorial trade union organization: Road Transport Workers Trade Union (STTRA), which has members from formal transport enterprises and from the transport sector (TCUL, Toyota, TECNOCARRO, UNICARGAS, etc.). Founded in 1997, STTRA focuses on bargaining and collective negotiation in the enterprises

¹⁷⁰ ATL, interview 26/07/2004.

and on the legal and social protection of different categories of workers¹⁷¹. In spite of their attempts, STTRA were unable to obtain members from candongueiros drivers or fare collectors.

3. Conclusions

In the last three decades, the growth of the minibus taxi industry has played a structural role in the passenger transport system in Luanda.

Its evolution and role have raised a number of different opportunities and challenges:

- minibus taxis can provide more efficient urban transport because they are more adaptable and flexible. The possibility of exploitation of complementarities with other transport models has been suggested as an interesting way;
- on the other hand, there are too many negative externalities for Luanda's candongueiros: unsafe roads, no respect for law and regulation, pollution, etc. There is also the danger of illegal connections and informal powers in controlling the activity;
- economically, income and employment generated by candongueiros is significant in a crisis context which is characterized by high unemployment and a high inflation rate. However, there are also worrying aspects to the passenger transport market: unfair and excessive competition, risky behaviour, over-exploitation of workers and potential to increase generate socio-economic differentiation.
- socially, the candongueiros activity is important because it provides transport for the majority of population as well as an opportunity for the professional and social integration of many people. Social links and the creation of different kinds of network are very positive aspects. There are also some specific social features found in the work of candongueiros such as: loud music always played on board vehicles, particular gestures (passengers often stay at side of road with index finger pointing down to mean they are

¹⁷¹ STTRA, interview 25/07/2004.

waiting for transport), specific language expressions and the relationship found between driver and fare collector on one hand, and passengers on the other.

On the other hand, in social terms, the work of *candongueiros* is essentially linked to exploitation of workers. Drivers and fare collectors work in insecure and uncomfortable conditions and generally without any kind of social protection.

Generally speaking, there have been significant changes at different levels in the evolution of the road transport system in Luanda in the last three decades:

with regard actors and agents, the emergence of new professional activities (passenger coaxers, vehicle washers, etc.) coincided with socio-demographic changes (agents are younger, have lower educational levels and informal professional skills);

with regard the organization of the activity, there was a transition from a system based on state run enterprises to a plural system in which state enterprises coexist with private enterprises and independent operators;

with regard employment relationships, there was a transition from a system based on classical work relations with written employment contracts and some social protection to a situation in which different models of payment coexist, verbal contracts predominate and social protection is almost nonexistent; another significant change has to do with the increasing relevance of social and relational groups, aiming to create stable and reliable ties among the agents in order to reduce risks and transaction costs;

finally, there has been a redefinition of the characteristics and functions of motorized vehicles: station wagons (previously operating for formal organizations) and motorcycles (for private transport only) started to be used for collective urban transport.

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