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The proliferation of mobility business during the COVID-19 pandemic in South Africa

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Abstract

This entry sheds light on the different forms of mobility businesses that emerged in South Africa, and how online ride-hailing firms expanded their businesses by collaborating with companies to transport employees and deliver goods during the COVID-19 lockdown in 2020.

Keywords

Mobility business, COVID-19 pandemic, lockdown, South Africa

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On March 5 2020, the first case of COVID-19 was recorded in South Africa from a male patient who had just returned from Italy². By October 30, there were 725,452 total confirmed cases and 19, 276 deaths, the highest in Africa. South Africa’s response to contain the spread of this virus has been drastic. On March 15, President Cyril Ramaphosa declared a national state of disaster, which was immediately followed by international travel bans on foreign nationals from high-risk countries, such as Italy, Iran, South Korea, Germany, the United States, the United Kingdom and China. South African citizens were advised to refrain from all forms of travel to or through identified high-risk countries. Travelers from medium-risk countries — such as Portugal, Hong Kong and Singapore — were also required to undergo high-intensity screening. Shortly after, the president declared a 21-day national lockdown³. This lockdown was characterized by immobility, as all shops and businesses, except for essential services, were temporally shutdown. This state of affairs paved the way for a re-emergence and proliferation of alternative “mobility businesses,” which made use of digital applications.

The use of Uber for Business as a means of transporting essential services workers: *The case of MultiChoice Company*

Faced with COVID-19 immobility measures, such as the 21-day lockdown, major South African companies that produce or distribute essential goods and services had to seek other alternative mobility means to facilitate the distribution of their goods and services on one hand, and ease the mobility of their employees to and from work on the other, since mobility via public transport was limited. In addition, most public transport vehicles lacked social distancing measures, and as such, many companies did not want to expose their employees to the dangers of contracting the pandemic.

A typical example here is that of MultiChoice Company, a South African entertainment agency that provides entertainment, news and sporting events to more than 19 million households across 50 countries⁴. In the wake of lockdown, MultiChoice needed a solution to bring their essential employees to work. Television played a vital role during this period in keeping the people informed, educated and entertained, and as such, its services were considered “essential,” which were allowed to operate during lockdown. It was therefore against this backdrop of ensuring a safe and reliable way of transporting its employees that MultiChoice co-created a solution with their workplace forum around the offering of Uber for Business.

Uber for Business is a software application managed by Uber, the American ride-hailing giant that offers vehicles for hire, food delivery, package delivery, couriers and freight transportation. During lockdown, Uber for Business allowed MultiChoice to create an Uber company account, which its

² Bafetane, Vusi. 2020. SA coronavirus case came via Dubai to Durban: Mkhize. *MSN*. 6 March 2020. Available online at: <https://www.msn.com/en-za/news/national/sa-coronavirus-case-came-via-dubai-to-durban-mkhize/ar-BB10OnRG?li=BBqfP3n>. Last accessed 9 November 2020.

³ Statement By President Cyril Ramaphosa On Escalation Of Measures To Combat Covid-19 Epidemic. 23 March 2020. Available online at: <http://www.dirco.gov.za/docs/speeches/2020/cram0323.pdf>. Last accessed on 9 November 2020.

⁴ Uber blog. 2020. Uber for Business. MultiChoice needed to transport critical employees during lockdown. Their choice? *Uber for Business*. 11 June 2020. Available online at: <https://www.uber.com/en-EG/blog/multichoice-case-study-commute/>. Last accessed on 9 October 2020.

employees connected to using their own accounts to request a ride. Rather than paying for the rides from their personal accounts, they were charged to a central business account.

Mark Rayner, the CEO of MultiChoice, explained the underlining the relevance of Uber for Business in his company. “In setting up a commute program, we want to know that the right people are using it and they’re using it to go to the right places and do the right kinds of trips. The tool set that Uber for Business provides is a very competent solution. It gives us a close eye on all the costs and the control we needed to do,” he said⁵.

Uber for Business was made available to the company’s essential workers at all hours. It offered a visually more sanitized way for them to travel using the companies account. Administrators at MultiChoice had the backstage access and control over trips and expenses of their employees. In this light, they were able to set a maximum number of trips per employee, for specific routes to and from the workplace for specific business units. Uber for Business promised to provide service with security and comfort. Employees could order a ride in the time frame that they needed it to perform their company’s essential services to the public whenever the need arises⁶.

Uber delivery app for businesses

In tandem to the above, Uber launched a delivery solution paid service for South African retailers to deliver essential goods to their customers during lockdown. This service was introduced due to the increasing demand for essential items by people from their homes⁷. This app provided businesses of all sizes with a delivery solution for their customers in that businesses that needed to provide a delivery service to their customers only had to sign up, and then it immediately started to offer their deliveries from supermarkets, grocers and pharmacies. This app provided a platform where businesses could also manage multiple orders with one account and track their deliveries in real-time, thereby ensuring that their customer deliveries arrived on time and intact. These deliveries were made by Uber once any order was placed by a retailer using the service.

Alon Lits, the General Manager of Uber Sub-Saharan Africa, stated: “Today Uber is offering a delivery service for businesses, leveraging its logistics technology and network of drivers to provide retailers and businesses with a seamless way to offer their customers delivery”⁸. Uber had over 13,000 registered and professional drivers with the necessary permits, who were authorized to travel during lockdown to deliver services on behalf of their partners⁹.

⁵ Ibid.

⁶ Ibid.

⁷ Writer Staff. 2020. Uber launches delivery app for businesses in South Africa. *BusinessTech*. 8 April 2020. Available online at: <https://businesstech.co.za/news/it-services/388369/uber-launches-delivery-app-for-businesses-in-south-africa/>. Last accessed 24 December 2020.

⁸ Ibid.

⁹ Ibid.

Government's regulatory policy on the operation of Uber during lockdown

Uber-related services were authorized to operate during the 21-day lockdown, between 5:00 AM and 10:00 AM, and between 4:00 PM and 8:00 PM, only for permitted travels to perform essential services and other emergencies when the need arose. The Uber app was made available only during the national government's restricted operating hours and passengers were limited according to the carrying capacity of the Uber as follows: UberX, UberGO, UberBLACK, UberASSIST and UberVIP, a maximum of 1 passenger; UberXL, a maximum of 2 passengers; and UberVan, a maximum of 3 passengers¹⁰

The introduction of Bolt Business Delivery

Beside the use of Ubers, Bolt, a South African ride hailing firm, introduced a "Bolt Business Delivery" during lockdown¹¹. According to Gareth Taylor, the country manager for Bolt in South Africa, this service was introduced for the following reasons: "to make sure that drivers on the Bolt platform can continue to earn a living safely, and to help businesses selling the essential products defined by the lockdown regulations to get orders to their customers quickly and safely"¹². It connected businesses with drivers on the Bolt platform.

Bolt operated in more than 30 cities across South Africa. During the 21-day lockdown, the Bolt Business Delivery was authorised by regulations to operate between hours similar to the ones stated above¹³. Essentially, the Bolt Business delivery was meant only for those businesses selling essential goods, such as food or medicine to facilitate deliveries within the authorized time to their customers.

¹⁰ Uber. 2020. Updates: Uber available in South Africa but during restricted hours for national lockdown. Available online at: <https://www.uber.com/en-ZA/blog/southafrica-21-day-lockdown-rider-details/>. Last accessed 21 December 2020.

¹¹ Dhivana, Rajgopaul. 2020. Bolt Business Delivery launches to help businesses during lockdown. *IOL*. 30 March 2020. Available online at: <https://www.iol.co.za/business-report/companies/bolt-business-delivery-launches-to-help-businesses-during-lockdown-45758730>. Last accessed 23 December 2020.

¹² Ibid.

¹³ Ibid.