

How to Create 500,000 Jobs for Youth and Support Rural Transformation in Ethiopia?¹

- How to create 500,000 jobs for unemployed youth?
- How to make a drastic improvement to all value chain and improve marketing opportunities for remote farmers
- How to ensure many more people use health services?

The case for more motorbike transport

In a single cost free move a large number of jobs can be created, the marketing of rural products can be improved and many people can gain better access to health, education and other services in Ethiopia. This can be done by improving the availability of motorbikes and removing all restrictions.

In neighbouring countries such as Kenya, Tanzania and Uganda the use of motorbikes made a major change. In Ethiopia this is lagging behind and many rural roads are empty and have no transport despite the huge government investment on road construction that connect even the lowest administrative centre. On a rural road there are on average only three vehicles per day per kilometre. In between buses and trucks and people walking along the road there is no intermediate means of transport. The exception are the three wheeler bajaj vans. Because of their low wheel axis they are inappropriate for the unpaved and often steep, slippery and sometimes weathered roads. The costs of bajaj are more however prohibitive to afford due to high taxes and duties.

Motorcycle taxis tend to complement rather than compete with existing means of transport. Operators of minibuses, midibuses, and taxis in



Fleet of motorbike taxis, Rwanda

various African countries view motorcycle taxis favourably; as they ferry customers over rural roads and bring them to transport hubs in peri-urban/urban areas from where other means of transport can take them further.

Experience from the region

Promoting motorbikes on rural roads and in small towns would make huge difference, as shown from experience from other countries:

- In Tanzania the number of motor cycles has increased from 2000 in 2003 to more than 800,000 in 2014 after restriction on importing motorbikes were lifted (Starkey, 2016). It is estimated that in a country of 56 Million, this has created over 500,000 jobs for young men operating motorbike taxis.

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- In post-civil war Sierra Leone, motorcycle taxis proved a key source of employment and reintegration of ex-combatant youths. As of 2013, there were more than 189,000 motorcycle taxi operators (mostly youth) in the country of 7.5 Million people (Benson and Peters, 2017).
- In Uganda the motorbike business has so expanded that it may now be the second largest source of employment in Uganda after agriculture. 7% of Uganda's population depend on this industry. Majority of these are men between the ages of 25-29 years (Turyahikayo & Ayesigye, 2017).
- Motor cycle taxis contribute to more than 75% of annual passenger transport and small freight on rural roads in Ghana, Malawi, Mozambique, Sierra Leone (Starkey, 2016; Unescap, 2005). On a rural road surveyed in Cameroon , 82% of passenger movements a year were on motorcycles, as well as 74% of the produce and goods going to and from markets (Starkey & Hine, 2014).
- Babinard and Roberts (2006) summarized studies from around the world to analyze how poor access was a major cause of peri-natal mortality, with an estimated 75% of mortality resulting from inadequate transport to access basic health facilities and/or transport for referrals to hospitals.



Empty roads in Ethiopia

- Research in Liberia suggests that more than 75% of people who come to a health clinic are brought there on the back of a motorbike.
- Modelling longitudinal household data from 15 villages in Ethiopia revealed that improved access (all-season, motorable rural roads) reduced poverty by 6.9 percentage points and increased consumption growth by 16.3 percentage points.

This is hence a strong plea to promote intermediate means of transport, in particular the use of motorbikes on the rural and small town roads of Ethiopia. This should be both two-wheelers and motor-bike vans, as developed in many countries. Motorbikes vans are particularly appropriate for moving medium-size quantities of commodities.

The development of an intermediate motorbike sector in Ethiopia should also be accompanied by investment in the so-called first mile roads, the paths and trails that connect to the feeder roads. It is believed that the development of such smaller tracks and better motor-bike transport will also go a long way to larger safety for women and reduced sexual harassment along small tracks. Such tracks are known to cost as little as 1000 USD per kilometre in Liberia (Starkey, 2017). Creating intermediate means of transport could play a pivotal role in rural transformation in Ethiopia and should be accompanied by a drive to promote traffic safety (see also below).

How motorbike taxis are organized in Kenya: an inspiration

Motorbikes are called boda-boda in much of East Africa. The word is from “border to border”. It is believed that motorbike taxis originated from transport business at the border of Kenya and Uganda.

Boda-boda motorbikes have become common to transport people with their light luggage from one point to the other. In rural areas they are popular since the roads and paths are poor, steep and narrow but can still be navigated with a motorbike. The distances that people used to walk are long but motorbike are still able to go into hilly terrain. In towns motorbike taxis can navigate



Motorbike - most common transport

around traffic congestions. Boda-boda are popular for people who are in rush to move within the cities.

In East African countries the boda-boda have been a crucial economic sector. It has helped to move people and goods from one point to another. It has created job opportunities for male youth. The fares charged are fair to most of the customers: another factor which makes them popular.

How did boda-boda come to the rise?

In the 1990's motorbikes were introduced which had capacities of 50-150cc. The prices of the motorbikes were high due to the taxes levied on them. During president Kibaki's first term (2002-2007) he removed and reduced taxes and levies on motorbikes. From then onwards, the prices were affordable to many people and motorbikes became popular.

How many motorbikes are there in Kenya?

In 2007 an estimated 100,000 motorbikes were registered. In September 2016 the number reached over 700,000 and the number is still growing. Probably 450,000 of the motor-bikes are used as motor-bike taxi. As a boda-boda are often used by more than one rider, the number of driver jobs created is even higher. By now there are 21 assemblers in Kenya. There is considerable employment from repair shops and driving schools.

How is it organized (through companies /cooperatives)?

Boda-boda are owned by individuals who are either the drivers or individuals who rent out the motorbikes. The proportion is approximately 50:50. If rented, a rider pays approximately 3 USD per day.



Motorbike vans in Egypt, Bangladesh and Ruanda

What does it cost to start a motorbike taxi?

The cost of purchasing a motorbike varies with the brand and the capacity. The ones commonly used have a capacity of 150cc which retail at around 1000 USD. There are brands which are cheaper especially those from China, like Skygo. Other than the cost, a buyer has to at least have third party insurance which costs between f 30-50 USD.

Can one get loans?

Banks and lending associations are on the frontline to lend money for purchase of buying the motorbikes. Their prices are higher than buying direct from the assemblers' outlet to cater for their profit and interest rates.

How is it regulated- licenses/insurances/permits?

Licenses- All boda-boda riders are required to possess their driving licenses of class F/G. Motorbike riding is trained at local driving schools over a period of one month, after which one sits for an exam. One can also learn through a friend's motorbike and apply for the license.

Insurances- A motorbike has to be insured first for before it is used for public transport.

Permits- there are no permits required to ride a boda-boda if the above mentioned are in place.

How are the fees regulated?

There is no structured way of calculating and regulating the fees. The rider and customer approximate the fees by looking at the distance, terrain, time weather condition and luggage being moved.

How is the traffic safety regulated?

Riders at all times they should be have their licenses and insurances. Riders are expected to wear protective and reflective gears, which include helmet and reflector jackets for both rider and customer. They are not allowed to carry wide loads- 30 centimeters to the side. The regulation requires one passenger per bike.

What are the most trips for?

Most trips are for people and their small luggage. Delivery companies are now coming up even in small towns, using motorbikes to deliver goods to clients, for instance those doing online sales.

How much can one earn?

An active rider can earn at least USD 10per day. On good days the amount may triple.

How are the taxi drivers organized?

Riders within same area have formed their own associations (called sacco), from which they usually elect their officials. They maintain orderliness and ensuring boda-boda pick customers from designated places. They also ensure members follow traffic regulations. In addition, they check each other to ensure riders do not drink and ride. Sacco's may bail out their members in case of traffic offences by paying fines charged. Generally, the sacco looks into welfare of members and to ensure the services are provided seamlessly.

Implication for rural transformation and job creation in Ethiopia

Despite big investments in road development of various types (asphalt roads, all weather gravel roads, and roads that connect the local administration) and huge population (amount and growth) in Ethiopia, availability of means of transport is still at low level. Many of rural people are still having limited access to transport not because of absence of roads but means of rural transport. There are large numbers of educated but unemployed youth in Ethiopia which could play key role in the development of the nation through

the involvement in rural transport services. There is a lesson to be learned from other African countries to create hundreds of thousands if not millions of jobs and enhance rural transformation as well increase better service provisions in towns through the introduction of intermediate means of transport.

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