

REGULATING MINIBUS-TAXIS: A CRITICAL REVIEW OF PROGRESS AND A POSSIBLE WAY FORWARD

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ABSTRACT

The paratransit sector in South Africa, which includes minibus-taxis and informal sedan taxis, has grown to become the largest urban public transport service provider in the country. In response, the national government introduced country-wide initiatives to regulate, upgrade and integrate paratransit into formal road-based public transport services. These initiatives have met with significant, and sometimes violent, resistance from the sector, especially the recent programme involving the implementation of integrated public transport networks in major urban areas. The proposed integrated networks rely to a large extent on the introduction of Bus Rapid Transit (BRT) systems that would incorporate and replace existing formal bus and paratransit operations. It has been argued that the source of the resistance has primarily been concerns in the paratransit sector around a loss of livelihoods after the transition to BRT operations, as well as the arguably flawed process through which the sector has been engaged on their incorporation into these operations. Furthermore, of the 12 cities that were initially targeted to construct BRT systems, only three had made some progress in this regard by early 2010: Cape Town, Johannesburg, and the Nelson Mandela Bay Metropole.

In this paper the authors will focus on the complex process of reform in the road-based public transport sector in Cape Town, but also reflect on developments in Johannesburg and Nelson Mandela Bay. The first part of the paper will provide a brief assessment of the progress that has been made, focussing on the approach to incorporating paratransit operators into formal public transport operations and the reactions of these operators, and will outline critical issues that have emerged in the process to date. The second part will provide an overview of alternative regulatory approaches that provide responses to current challenges with paratransit operations and to capacity limitations in both operating and regulating agencies. The last part of the paper discusses the implications of each regulatory alternative on the stakeholder engagement process. The authors of this paper will argue that the current BRT-based policy and reform initiative may not lead to large-scale reform in the paratransit sector, and that targeted initiatives focussed on improving employment conditions, efficiency of operations, public financial support and the safety and quality of paratransit vehicles may be an essential component to any strategy aimed at road-based public transport reform and service level improvement.

1 INTRODUCTION AND BACKGROUND

In 2006 the South African National Department of Transport (NDoT) launched a policy programme to revitalise passenger transport systems in the country. Under this Integrated Rapid Public Transport Network (or IRPTN) programme it was envisaged that 12 cities (nine of which are also major metropolitan regions) would embark on phased programmes to overhaul public transport by implementing integrated networks reliant on new Bus Rapid

Transit (BRT) trunk routes and motorised and non-motorised feeder services (NDoT 2006, 2007a, 2007b). However, as the resulting networks would replace a substantial portion of existing road-based public transport operations, the policy stipulated that these operators be given the opportunity to be incorporated in the IRPTNs. There have been mixed responses from formal bus organisations to incorporation in the proposed services: while the national bus operators association (SABOA) has given its support, with some qualifications, for the programme (Walters 2010), in Cape Town the dominant incumbent has been reluctant to opt in, citing profitability and long-term funding concerns (CCT 2010a; Meyer 2010). With respect to engaging paratransit operators and associations directly affected by the initial IRPTN services some progress has been made. However, affected operators comprise a minority of paratransit stakeholders – in the case of Cape Town only eight associations out of 104 operating locally (CCT 2007) have been engaged, and with varying degrees of success (CCT 2009). The remaining majority of paratransit stakeholders have not been successfully engaged on the role that city and national governments have envisioned for them in the new networks, claiming a lack of consultation and insufficient evidence of improved business and employment prospects. The deadlock in negotiations, initially limited to the three cities where construction on BRT infrastructure has commenced, has escalated into a national issue, with both the national government and national paratransit representative structures intervening in the process. This move has highlighted both the risk that the new networks may not be implemented as planned and the unresolved nature of paratransit regulation in this country. It has furthermore become clear that the establishment of a stable framework for negotiation with the sector has been, and is likely to continue to be, significantly complicated by the intricate, and generally poorly understood, power relationships that permeate the sector.

In this paper, the authors offer an analysis of recent developments in public transport regulation and implementation that have contributed to the present impasse between public agencies and paratransit, and explore possible ways forward in engaging paratransit stakeholders. The first section of this paper describes the process of engaging paratransit around inclusion in the BRT-based reform programme, paratransit's response to this process of engagement, and critical issues that have emerged to date out of this process. The second section of the paper reviews three alternative positions with respect to possible ways forward, and the last section discusses the implications of these for the stakeholder engagement process. It is argued that, regardless of the chosen approach to paratransit regulation, protracted and disaggregated negotiations between government and paratransit groupings would have to take place in order to overcome the current impasse around paratransit reform in South Africa.

2 ASSESSMENT OF PROGRESS AND RESPONSES FROM PARATRANSIT

2.1 Process of engagement with the paratransit sector

The approach of the national government towards representation in the paratransit sector has focussed on creating formal structures and procedures addressing both the organisational and operational aspects of the sector. To this end the National Land Transport Transition Act (NLTTA), which enacted a number of the aims of the Taxi Recapitalisation Programme (TRP) such as legalising paratransit operations, formalising labour practices and effecting fleet renewal (Walters 2008), introduced measures through which such representation could be achieved. The NLTTA allowed for the creation of a hierarchical representative structure within the paratransit sector that allowed for engagement between government and paratransit at a national level on matters pertaining to the sector. This process of the 'democratisation' of the sector led to the establishment of

the overarching South African National Taxi Council (SANTACO), as well as subsidiary provincial councils, with members at both levels elected from within the ranks of the industry. The provincial councils were in turn to be representative of all existing regional and local operator associations. By requiring that operators' applications for operating licences be supported by the associations, the NLTTA also served to formalise the last link in the hierarchy, i.e. between associations and individual operators, thus completing in theory at least the line of communication spanning from the individual operator through to the national government.

Press reports (cited in the following section) on engagement around the IRTPN planning processes suggest that SANTACO and the provincial councils representing paratransit interests were not engaged on their views on restructuring and inclusion in BRT operations in the early stages of the policy programme. Although the leaderships of a number of paratransit groupings were included in study tours to South American cities with BRT systems to convince them to opt in, their small numbers are not representative of the sector as a whole, which further supports claims that early engagement was very limited. It has also become clear that there was, and remains to be, allegiances to other bodies competing with SANTACO and its subsidiary councils such as the National Taxi Alliance (NTA) and the United Taxi Association Forum (Utaf), which, besides not sharing SANTACO's official recognition, claim that they were also not consulted, despite evidence to the contrary (CCT 2009). In the case of Cape Town, the initial sphere of engagement included town hall meetings and summits where affected paratransit operators could appraise the physical extent of the proposed system and be party to explanations of the operating and business environment being proposed by the city governments. These meetings were disrupted by paratransit groupings and were abandoned, and the approach was adjusted so that only the leaderships of operator associations whose members' routes would be affected by the first phases of the BRT project were drawn into discussions. The ultimate approach in Johannesburg also focussed primarily on affected operators, while in Nelson Mandela Bay the engagement approach included wider representation. As a result of wide-ranging opposition across cities from various groupings in the sector due to insufficient consultation and other concerns, as described in the next section, the scope of the engagement process has since the end of 2008 also included national-level interests.

2.2 Responses from the paratransit sector

Despite the regulatory reforms first mooted under the TRP, and then mandated under the NLTTA, attempts to corporatise paratransit prior to the IRTPN programme only achieved demonstrable results in establishing a degree of official representation. The transformation of existing paratransit operators into business entities that would be able to tender for public service contracts did not materialise. Even the most visible aspect of the TRP, the vehicle replacement programme, has met with little enthusiasm: according to official figures, of the 80,000 vehicles targeted for replacement between 2006 and 2010 – an estimated 80% of the national fleet – by October 2009 only 28,318 vehicles had been scrapped (TSA 2009).

Due in large part to the failure of the TRP and NLTTA to effectively transform paratransit operational practices, the three cities that have embarked on BRT systems have not only had to take on extensive infrastructure construction and the untested territory of BRT operational planning under South African conditions, but have also had to address the issue of paratransit corporatisation in order to create feasible contracting entities. Unsurprisingly, the results of the BRT projects to date have illustrated limitations in local level institutional capacity to manage large-scale transformation, and have furthermore

revealed strong opposition from the paratransit sector and indeed tensions between groupings within this sector. Since the final quarter of 2008 Cape Town, Johannesburg and the Nelson Mandela Bay Metropole have experienced multiple protests by paratransit operators objecting to BRT implementation (Cape Times, 23 Mar 2010; Cape Argus, 9 Dec 2008 and 20 Feb 2009, 23 Sep 2001; The Herald Online, 19 Jan and 10 Feb 2009, 16 Mar 2010; Independent Online, 28 Jan and 31 Aug 2009, 15 Mar 2010; News24.com, 13 March 2009; The Star, 24 Mar 2009). Besides stranding a large number of public transport users, many of these events were accompanied by violence between operators, damage to property and injuries to members of the public. According to the cited press reports the protests were prompted by discontented paratransit operators and representative groupings claiming that they had not been sufficiently consulted on the BRT plans. In particular, these parties were concerned that there would be a reduction in the number of employment opportunities, that their income would be diminished, and that they would be marginalised as shareholders in operating companies that are yet to be established. The extent of protest at the lack of consultation is indicative of an unresolved challenge critical to paratransit reform, which is that there is an inadequate understanding of the actual, as opposed to the claimed or supposed, governance and representational structures within this sector.

The outcomes of the more structured aspects of the engagement processes between officials and paratransit operators and associations in these cities have also on the whole not been positive. While two operator associations in Johannesburg had agreed to be engaged on the BRT proposal in this city, they came under sharp criticism from others in the sector for not consulting their own members on the decision (Independent Online, 4 Dec 2008). In Cape Town, the town hall meetings and summits were disrupted by disgruntled operators, with the instigators claimed to be associations whose members were not to be included in first phase BRT operations or groupings aligned to the NTA, which is thought to primarily represent unlicensed operators (iafrica.com News, 16 Mar 2009). Dissatisfaction around the engagement process in Nelson Mandela Bay and factional struggles within the paratransit sector in that city also saw the summary replacement of all paratransit representatives on the local BRT steering committee in December 2008 (Business Day, 28 Jul 2009). Threats by local government to use the armed forces to prevent disruptions, as in the case of Cape Town (News24.com, 13 Feb 2009) and reminiscent of similar occurrences in South America, have done little to build a positive relationship between regulating agencies and paratransit concerns. This relationship was deemed to have deteriorated to such an extent that on 20 April 2009, two days before the national government election, the president of the ruling African National Congress (although not head of state at the time) declared to SANTACO that engagement with paratransit around the BRT and the related operational planning would cease until after the election (Fin24.com, 3 Jun 2009). Engagement resumed on 11 June 2009, but SANTACO at national level joined the NTA in opposing the BRT plans in their current form in the three cities (Weekend Argus, 15 Jun 2009; The Star, 24 Jun 2009). As of early 2010 the operator contracting process was not yet resolved in Cape Town (CCT 2010b), while in Johannesburg the first BRT trunk line to begin functioning was still being operated by the municipal bus company with the aid of some retrained paratransit drivers, instead of the envisaged shared responsibility with paratransit operators (McCaul 2009). In Nelson Mandela Bay a collective solution was being negotiated that would result in a hybrid BRT-paratransit system, diverging significantly from the original intention of the IRPTN programme (Mitchell 2009).

2.3 Critical issues to date

Given the complexities of the engagement process it is unsurprising that there is an impasse between government and paratransit both locally and nationally, with no clear way forward on paratransit reform. It is apparent that there are shifting national and local factional dynamics that influence engagement between government and the paratransit sector, and that the informal, fragmented nature of the sector does not lend itself to collective engagement or wholesale 'corporatisation'. Recent events in the process leading up to the current impasse, but also the earlier history of interaction between government and paratransit through various policies, programmes and initiatives, demonstrate a significant level of mutual antagonism. The recent BRT interventions indicate that there are unresolved overlaps in the perceived mandates of national and local government that impinge on the relationship between local authorities and prospective BRT operators. Formally structured interventions such as the TRP and the creation of a government-sanctioned representative structure (i.e. SANTACO) have also not created conditions conducive to the formalisation of paratransit operating or business practices. These interventions have, rather, contributed to: the entrenchment of informal operating practices; the emergence of alternative, and often conflicting, representative structures and operator associations that are opposed to a loss of control of the sector, well organised to disrupt the transport system and threaten public safety; and amorphous loyalties within the industry.

Assumptions that paratransit at the aggregate level would be a willing player in the formalisation process proposed under the IRPTN programme and BRT projects, and that it would respond positively to the truncated timeframes under which the local governments propose that it make this radical shift, have proven to be unrealistic. It is, moreover, possible that the sector would balk at exchanging its decades of experience in informal, day-to-day, cash-based operations in favour of the as yet intangible benefits of being shareholders in, and employees of, a future company. The likelihood of a successful outcome to the current engagement process is, consequently, limited. It is, however, not only at this scale that there have been significant shortcomings in the engagement process. Broader consultation, both prior to, and on an ongoing basis, on the BRT policy direction has been critically absent. The views of the whole spectrum of stakeholders – whether formal or informal operators, employees, current or prospective users, residents or taxpayers, amongst others – remain untapped with regards to their needs and expectations around medium and long term public transport reform. In the case of Cape Town, the stakeholder consultation process is particularly difficult to gauge, with details of operator and general public engagement processes difficult to obtain, economic empowerment, employment and environmental goals unreported, and queries to the public relations office on operator contracting unanswered. Instead, publicly available information focuses on technical and financial aspects of the project, where continued capital and operating funding for the current and future phases has emerged as a matter of some concern (Cape Times, 27 Nov 2009, 3 Dec 2009, 2 Feb 2010).

3 PROPOSED ALTERNATIVE REGULATORY APPROACHES

Three alternative approaches to paratransit regulatory reform and engagement are presented in this section, while Section 4 of this paper details some of the implications of these alternatives on paratransit operations and on regulatory processes and capacities.

3.1 Comprehensive BRT implementation and paratransit assimilation

The first position, comprehensive BRT implementation and paratransit assimilation, draws largely from the experiences of innovative BRT systems in a number of South American cities, and argues that paratransit operators should essentially be formalised and coordinated with, if not assimilated into, contracted public transport operations. Wright (2004), for instance, identifies a spectrum of public transport services, ranging from what he regards as customer unfriendly informal operations at one end, to mass transit systems offering comfortable and high capacity services at the other, and within this he argues that most developing cities should be attempting to move towards the higher quality end of the spectrum. He argues that the lower capacity and poorer quality paratransit services often provide transport options for communities with few other choices. BRT is offered as a means to enter the higher-quality, higher-capacity end of the spectrum at a substantially reduced cost in comparison to rail services. He refers to a 'transit evolution' from informal paratransit to BRT systems with cleaner vehicles, sophisticated stations and fare collection systems, and dedicated bus lanes. Wright also notes that past conventional wisdom has been that a wide diversity of public transport services in a city is beneficial, enabling different corridor operating conditions to be matched to an optimum mode. The current reality however, he argues, is often a plethora of unintegrated services that are poorly understood by the majority of the population. He argues that BRT system innovations – which have enabled operating passenger capacities ranging from 4,000 to 40,000 passengers/hour/direction – have weakened the argument that diverse modes with fairly narrow bands of operational viability are required to match passenger demand across networks with varying volume and temporal profiles. He further argues that the cost of multiple mode technologies is high. Coordinating fare structures and distributing revenues within an integrated or co-ordinated system is complex and requires high level managerial and administrative skills, and physical integration to facilitate passenger interchange can also be a challenge.

This position corresponds closely with the current initiatives in Cape Town and Johannesburg (indeed, in the case of Cape Town this is unsurprising as Wright was until recently seconded to the municipality to lead the BRT implementation in this city). An essential aspect of this position is that it relies on the successful introduction of the initial BRT corridors, commonly bundled together into a 'first phase', to: demonstrate to funding authorities, in South Africa the national and local governments, that investment in further phases would be warranted; convince the remaining incumbent operators that those from their ranks who were incorporated into the first phase are benefitting financially and in terms of improvements to working conditions; and, draw passengers from other modes of transport into the new BRT services to increase fare revenue and gain the support of the public for future phases.

3.2 Stepped, flexible transition to bus system improvement and paratransit integration

The second approach to bus system upgrade, that of a stepped, flexible transition to bus system improvement and paratransit integration, has been articulated by Browning (2001, 2009) based on observations of the paratransit sector in South Africa. The model of reform emerging in Nelson Mandela Bay is similar to this position, which proposes the stepped implementation of an improved road-based public transport system. In contrast to the phased roll-out of a comprehensive BRT system, this position posits an engagement process with a more flexible outcome that does not rely on the implementation of BRT concurrent to paratransit assimilation. While this approach is still ultimately supportive of achieving full BRT, it insists on giving existing paratransit operators a way of exiting the

engagement process if they find the new system to be unacceptable. If this 'back door' does not exist, Browning argues, paratransit operators would not be amenable to changing their operating practices.

Using current paratransit operations as a basis, the stepped implementation programme comprises five subsequent elements spread over a number of years. In the first step in the process government would support paratransit associations to form operating companies with professional management, the costs of which would be met by an interim management contract. The ultimate aim of this step would be that paratransit owners would cede only the management of their vehicle fleet and drivers to the management company, thus creating a more orderly form of operations. As the vehicles remain the property of the initial owners, in the case of the scheme not being a success, the owners could revert back to their prior mode of operation. Pending the success of the first step, the subsequent action would be to implement a formal fare collection system so that cash is handled by a separate company and disbursed to operators. It is, however, critical that operators be convinced that they are not being cheated out of their income. With the operators' confidence established, paratransit owners would be persuaded to cede ownership of their vehicles to a company in which they are shareholders, thus achieving the third step in the process, that is, common ownership. Their income would derive from guaranteed compensation for loss of profits under the terminated paratransit operating permissions, as well as from the dividends of the new operating company. Once the operating company is established, the fourth phase of the transition would be to change the composition of the now corporately owned vehicle fleet to better match demand and efficiency needs. Lastly, the company would be fully integrated in an initiative such as the BRT programme to become an operating entity alongside existing formal bus operators (Browning 2001, 2009).

While this approach allows for more flexibility than that described by Wright, its outcome may well be similar, i.e. a full BRT system, albeit over a longer period. Such a flexible transition would by no means be free of risks: clearly there are assumptions around paratransit being a willing player throughout the process and on the public implementing agency having the capacity to complete the steps of the upgrade process. Nevertheless, the partitioning of the transition into a series of more contained outcomes, as well as the option for paratransit operators to opt out, may reduce the risk of an extended impasse and, to a lesser or greater extent, improve the service to passengers.

3.3 Incremental existing operator upgrade

The last approach contemplated in this paper is that of incremental existing operator upgrade, which argues that paratransit operations suffer from overstated criticism and are more efficient and safe than generally perceived. It further contends that paratransit should be supported and upgraded, rather than new bus systems imposed. Proponents of this position, such as Lomme (2008) in his analysis of paratransit regulation in South Africa, argue that market entry should rather be deregulated to allow free competition between multiple operators, mediated by the 'invisible hand of the market', with public sector regulation restricted to public interest issues relating to vehicle roadworthiness and safe driving behaviour. Cervero (2001) describes this as a policy of 'recognition', as opposed to 'regulation'. Appropriate policies of recognition involve the issuance and enforcement of rules and standards, mainly concerning areas of operations, safety, vehicle specifications, and labour practices. In this view, compliance with minimum standards is the only legitimate form of entry restriction. Some authors argue that, in the absence of effective public intervention, a degree of, if not adequate, quality regulation can be achieved

through self-regulation by operator cooperatives or 'route associations' (Cervero 2001, Golub 2005, Sohail *et al* 2006). However, despite the existence of paratransit route associations in South Africa there is a history of overtrading on many routes resulting in often violent protection of associations' market shares, and the complete elimination of entry regulation is unlikely to be a viable approach.

Proponents of deregulation and free competition argue that it leads to reduced fares, reduced overall public expenditure, improved service levels, greater innovation, and a greater responsiveness to the needs of passengers. Paratransit services also have the allure of offering reasonably market responsive and penetrative services without the need for direct operator subsidisation. Cervero (1992, 2001) concedes, however, that paratransit competition is not without problems. In cities with high unemployment, unrestricted market entry can breed 'over-zealous competition' (e.g. drivers weave across lanes and cut each other off, or stop in middle lanes to load customers) and over-supply which can have negative effects on congestion and road safety. He further notes that 'hyper-competition' can lead to driver fatigue, vehicle overloading, traffic law violations, bald tyres, and the like, which increase accident rates. He argues that such externality effects do not mean that governments should regulate paratransit entrepreneurs out of existence, but rather promote safety and fair competition, leaving matters of supply, service, and price principally to the marketplace.

This position, in line with the earlier arguments in favour of market entry deregulation and limiting public intervention to improving service quality and safety, argues that service diversity, and almost inevitably therefore competition with fixed-route scheduled public transport systems, is desirable. Cervero (2001), for instance, argues that the urban passenger transport market benefits from an array of service and price options (i.e. an 'economy of scope'), rather than an economy of scale. He argues that the inherent flexibility and profit motivations of competing and diverse paratransit services makes them market-responsive and more likely than public authorities to develop new services in response to changes in demand patterns (e.g. increased suburb-to-suburb commuting or off-peak travel). He suggests that where paratransit competes directly with scheduled bus or train services, the policy objective should be simply to ensure that they do so fairly. It is, however, evident that this approach differs substantially in its outcome from the first two positions, i.e. phased BRT implementation and incremental formalisation respectively, and would therefore necessitate a comprehensive review of current policy on the regulation and integration of paratransit.

4 IMPLICATIONS OF ALTERNATIVES REGULATORY APPROACHES

A number of approaches are possible in engaging stakeholders in working towards outcomes such as those contemplated above. Each of these processes can be located on a continuum ranging from empowerment and collaboration, through consultation, to informing or persuading stakeholders to accept a pre-determined end state (Shandler 2009). If current evidence is taken into account – the closed outcome of the policy programme in the form of the BRT systems currently under construction, limited communication on the progress that has been made in engaging paratransit, and the absence of accessible business plans that address key concerns in the sector – it is possible to draw the conclusion that the present engagement process lies at the latter end of the continuum tending towards persuasion and information dissemination. This section of the paper discusses the implications that each of the three alternative approaches to bus system upgrade, as presented in the previous section, would have on the stakeholder engagement process. The discussion is necessarily inconclusive as it will not be possible

to select an appropriate engagement approach in the absence of clarity on how the current impasse surrounding BRT is to be overcome. It is clear, though, that the impasse will have to be resolved for there to be any progress, regardless of the proposed outcome, and that such resolution will require concerted negotiations between government and paratransit.

The comprehensive BRT programme that is currently being implemented may not in itself be the only reason for the impasse. Out of past attempts to engage paratransit around corporatisation, this is the first in which government has actively pursued the target of assimilating paratransit into the formal service network, spurred on in no small measure by the limited timeframes imposed, and funding opportunities presented, by the 2010 Soccer World Cup. Two notable consequences of such unprecedented and determined action have been, on the one hand, that the BRT programme has brought to the fore the scale of the internal instability and factionalism in the paratransit sector, and, on the other, that the city governments have been unprepared for the level of resistance offered by paratransit to the proposal, ultimately resulting in the current impasse. It could, however, be argued that the resistance has not been due to mass sentiment in paratransit ranks, but that it has originated from the operator associations who stand to lose most through the transition: their current role as 'gatekeepers' to market entry will in effect be eliminated. Nevertheless, these realities do not mitigate the fact that the impasse is jeopardising the critical first phase of the BRT programme, along with the financial, operator buy-in and public perception implications on this and later phases. Should the comprehensive implementation of BRT be further pursued, the engagement strategy with paratransit would have to be adjusted substantially. Such an amended approach would have to address head-on the fragmented structure of the paratransit sector. The current top-down, uniform approach to engagement would therefore have to be reframed to allow for disaggregated negotiation based on a transparent proposal detailing the structure and terms of the transition. It is also imperative that the engagement timeframe is flexible enough so that all the groupings in the paratransit sector could become familiar with, and provide input into, the ultimate contractual agreements to render BRT services during each of the proposed phases.

The stepped transition to bus system improvement has a similar end-state to the comprehensive BRT implementation approach, i.e. a formal bus system that incorporates existing paratransit operators. Both approaches would therefore need to overcome the current impasse in order to achieve their final outcomes, but the incremental manner in which the stepped approach would achieve its goals does respond more closely to existing limitations in public sector capacity to manage regulatory reform. However, along each of the proposed steps there are implications for the engagement process with the paratransit sector. Perhaps most critical would be that, as with the comprehensive BRT approach, the first phase of the approach would be critical in setting up the relationship between government and paratransit. This phase may therefore have an impact of a similar magnitude on paratransit in that collective operational management would likely be as significant a change to the paratransit *status quo* as would contracting for BRT services, and may therefore also lead to deadlocked proceedings. The issue of the role of the current paratransit associations, and the influence they wield over individual operators, would also remain. Should such interference radically reduce the scale of buy-in to collective management, questions around economies of scale and the viability of the management agency may be of concern. Nevertheless, should the first step be achieved it could be argued that the latter steps may prove to be less challenging as the trust of at least a large proportion of the sector would have been gained. This does, of course, rely on there being a commitment by the public authority to lead the reform process to fruition, and assumes that the factionalism in paratransit ranks would be resolved during the first

step, and would not recur in later phases. This, in turn, would still require that there be a disaggregated engagement process (although only around one regulatory intervention at a time as opposed to many interventions but only in one part of the city). In recognition of the possibility of operators opting out, the formal bus system may therefore not be as extensive as initially envisaged, and some paratransit operations may continue in parallel to the resulting system.

Of the alternative approaches to paratransit reform described in this paper, the incremental upgrading of existing paratransit operations is the most dissimilar to the current approach. In this distinction lies both the opportunity to substantially rework the engagement approach and reform framework, and the challenge to admit that the current initiative is unworkable. It is unlikely that either of these courses of action will be embarked upon lightly: partially completed BRT corridors coupled with the small number of paratransit operators that have been willing to be engaged on the BRT initiative, on the one hand, and the political acceptability and regulatory implications of a policy about-face on the other, are substantial obstacles to the adoption of such a radically different approach. This approach does, however, warrant closer inspection. In view of limited public sector capacity to initiate and manage reform in the paratransit sector a less onerous near-term regulatory burden may be prudent. This approach would furthermore remove one of the causes of the impasse, i.e. the comprehensive and accelerated corporatisation of at least a sector of paratransit and subsequent contracting of BRT services, although it is unlikely to resolve the conflict between paratransit groupings. However, even if public intervention were to be limited to managing inter-modal competition and improving service quality and safety, as propounded by the incremental upgrade approach, there would still be the need to negotiate with paratransit operators on the transition between the current and future regimes. The threat of violence or disruptions may remain a risk due, for instance, to increased on road-competition ensuing from deregulation, to disgruntlement under operators who have invested in TRP compliant vehicles and are subsequently left at a financial disadvantage to those who have not, or to dissatisfied users demonstrating disgruntlement at unfulfilled promises of improved service delivery.

It is evident that the illustrated approaches to overcoming the present stalemate around public transport reform will have to introduce some degree of flexibility in the process of engaging paratransit as well as in the ultimate outcome. There is also little doubt that the timeframe for both engagement and for reaching the outcome must be long enough to accommodate detailed and protracted negotiation. Regardless of the approach, it is likely to prove to be a difficult process to reach a negotiated agreement on the details of the regulatory regime. In the first two approaches, the manner in which paratransit operational consolidation would be achieved would also have to be dealt with in detail. Continued engagement would necessarily have to be disaggregated in recognition of the fragmented nature of the sector. In order to demonstrate the consequences of adopting the new business models inherent in each of the reform approaches (covering aspects such as employment conditions, operational management, financial support from public sources and the safety and quality of paratransit vehicles) to individual operators, or to groups of operators, it would be necessary to explore the viability and desirability of direct engagement through hypothetical preference, qualitative or focus group methods, interactive game simulation, or other disaggregated methods.

5 CONCLUSION

Paratransit in South Africa has grown from modest beginnings to become the largest urban public transport service provider in the country. At various points in this period of expansion, government has introduced initiatives to regulate, upgrade and integrate the paratransit sector in formal public transport service provision. Of these initiatives it is especially the most recent, the IRPTN programme initiated in 2006, that has met with significant, and often violent, resistance from a variety of groupings within the sector. As has been argued in this paper, the source of the resistance has primarily been the flawed process through which paratransit has been engaged on their incorporation into the proposed formal public transport systems, and the pseudo-regulatory powers that vest with the operator associations. It therefore comes as no surprise that the engagement process is at an impasse at present, and that there is little prospect for success should the current approach to paratransit formalisation not be reviewed in earnest.

Three alternative approaches to road-based public transport reform were presented, each with their own strengths and weaknesses. From the initial assessment of the alternatives that have been outlined, it has emerged that in order to resolve the impasse it would be necessary to enter into a process of structured and detailed negotiation, regardless of the approach taken, and that such negotiation would have to be at a much more disaggregated level than the collective meetings and summits that have been the norm to date. It would, however, only be possible to identify a method of more direct engagement once the positions of government and the paratransit sector on how the impasse is to be overcome become clear. Nevertheless, whichever approach is ultimately decided upon, it would have to incorporate a greater level of flexibility in both its outcome and its timeframe to allow for the emergence of a solution that is acceptable to all public transport stakeholders.

Public transport reform has far-reaching impacts, and it critical that there is transparency and consultation with the broader public and all affected parties, including operators, current and prospective users, residents and businesses, to obtain buy-in into the proposed mechanisms of change. Operators are not the only stakeholders in public transport improvement projects in South Africa, and insufficient engagement with the public, as the largest stakeholder group, would be a critical omission. This should be addressed not only through publicising information on the operational, business and infrastructural aspects of proposed improvements, but also through focussed consultation around mobility and developmental needs and rigorous assessments of passenger satisfaction before and after the introduction of improved services.

It is envisaged that in the next stage of the PhD research on which this paper is based there would be a review and application of engagement methods that could be used to consult a particular segment of stakeholders, that is, the diverse paratransit industry in Cape Town, to establish what existing paratransit operators actually aspire to, and are willing to accept, and the path dependencies this presents. In addition, the research scope includes investigations into case studies of processes of paratransit integration and regulatory transition and the tracking of IRPTN implementation with respect to paratransit integration as it unfolds across South Africa.

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