

TAXI-OWNERS PERCEPTIONS OF THE GOVERNMENT'S RECAPITALISATION SCHEME: A CASE STUDY OF TAXI-OWNERS IN PIETERMARITZBURG

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ABSTRACT

This study investigated taxi-owners' perceptions of the Government's Recapitalisation Scheme for the taxi industry. More specifically, the objectives were to assess how it would impact on the taxi industry. Both qualitative and quantitative methods were used to gather data from short distance taxi-owners under Umsunduzi one municipality in Pietermaritzburg. The recapitalisation scheme is a strategy which was developed by the government to deal with economic problems facing the taxi industry. The study findings show that taxi-owners in Pietermaritzburg support the proposed recapitalisation scheme. Most taxi-owners felt that the intervention of the government in the taxi industry is important. The taxi-owners knew what recapitalisation is about. Their understanding of the scheme was that it was about the introduction of bigger vehicles. They further view the government's objective behind the scheme as being taxing them. They identified that the benefit of the scheme for taxi-owners would be new vehicles. Most taxi-owners rated recapitalisation scheme as a good idea. Most taxi-owners felt that the problem with the proposed scheme was the lack of infrastructure (ranks) in place to cater for the proposed new vehicles. Under general comments, taxi-owners felt that the government is taking too long to implement the scheme.

1. INTRODUCTION

South Africa faces the critical challenge of addressing the racial imbalances of the past, which were created by the apartheid government through its policies. One of the legacies of apartheid has been a racially biased, inaccessible and inefficient public transport system that had been unable to access the majority of the population to social services and economic livelihoods. It is within this context that the post apartheid's Department of Transport's vision emerged which is to:

"Provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development, whilst being environmentally and economically sustainable" (White Paper on National Transport Policy, DoT: 20 August 1996:4).

The government's Recapitalisation Scheme is aimed at restructuring and developing the taxi industry. The scheme is intended to empower taxi owners, improve the quality and safety of public passenger transport and regulate the industry. The government realizes the social and economic contribution that the taxi industry provides South Africans (The Taxi Millennium Indaba, 2000:1). The majority of people of this country use minibus-taxis as a form of public transport, which is accessible and affordable. The taxi industry provides employment to millions of South African people and can also be regarded as a form of empowerment. It serves the needs of many families and in this sense it qualifies with the objectives of Small, Medium and Micro Enterprises (SMMEs).

It is within this context of the important social and economic contribution that the taxi industry provides to South Africans as well as the need to develop and regulate the industry that this study is located. The main objective was to investigate taxi-owners perceptions of the government's recapitalisation scheme. More specifically the study interrogates taxi-owners' knowledge and attitudes towards this Scheme. Further, the study also provides a cross sectional profile of the taxi industry operating in Umsunduzi one. This profile includes information about the main expenses incurred by taxi owners in the running of their businesses, a profile of their employees, passengers, and business performance.

2. RESEARCH METHOD

Qualitative and quantitative methodology was employed to gather data. The researcher initially used qualitative research methods to collect data through a focus group held with six Regional Taxi Council (RETACO) members as well as a key informant interview with the government official. The information gathered from these interviews was used to construct a questionnaire for a survey.

A structured questionnaire was administered in face-to-face interviews to members of various taxi associations. The respondents were taxi-owners from short distance taxi associations in Pietermaritzburg, operating in Umsunduzi One. One hundred and thirty seven taxi-owners covering 21 associations out of 31 associations in Pietermaritzburg, were surveyed. Due to time constraints and problems with access only 21 out of the 31 taxi associations participated in the study.

3. LITERATURE REVIEW

3.1 The taxi industry under Apartheid

Apartheid policies especially the Group Areas Act of 1947 spatially segregated people according to race and this segregation resulted in different races having unequal and racially segregated access to public transport. The people who lived in urban areas had better access to public transport than the majority of black people who lived in rural areas. At that time the mode of public transport that existed was buses and the railway. Buses were the only road public transport and were used by most black people. The subsidies went to these modes of transport. Buses, with the assistance of the government became a monopoly (Barrett, 1993:5).

Given the inadequacy of the public transport system under the apartheid regime, a taxi industry emerged to fulfil the gap. In the beginning taxi's operated illegally and taxi-owners were labelled as pirates. For example, valiant sedans that operated early in the 1970s around black townships (Matjila, 2001:20) were not recognised by the government and their operation was regarded as informal and illegal. Those who were found operating were subject to prosecution by the law, as they were regarded as pirates. However, the big take-off of the taxi industry occurred in the late 1970s, when the eight-seater minibus kombi was legalized by the Road Transportation Act of 1977 (Matjila, 2001:20). The Road Transportation Act of 1977 provided for the control of road transport for both goods and passengers, by the issuing of transportation permits. The regulation of these kombis was not welcomed by the bus industry, as they feared them as competition. However, bus-owners were assured by the government that the control of these kombis was going to be enforced through the permit system (Barosky, 1990:1).

Although the government had invested a large stake in subsidising buses and the railways, they were still unable to provide adequate transport services to meet the needs of the black people in townships as well as in rural areas. The Welgemoed Commission was established in 1989, to investigate the competition that was brought about by the legalising of the eight-seater kombi (Matjila, 2001:20). The Commission took a long time to report and by the time they reported the number of taxis had doubled.

The Commission then recommended that permits be refused to applicants who wanted to operate with vehicles of more than four passengers. This strategy was intended to register a limited number of taxis.

The doubling of the number of taxis created more fear to the bus industry as they had already lost 39% of the black commuters transported (Barosky, 1990:1). The government decided not to phase out these taxis, but taxi operators were subject to police harassment, intimidation and some were even killed. No action was taken by the government to arrest these police. In response to this, taxi-owners around the country organised themselves and the South African Black Taxi Association (SABTA) was formed in 1978 (Matjila, 2001:19). The idea behind the formation of this organisation was to ensure that taxi owners were able to bring the issues affecting the taxi industry onto the government agenda. As a result, the government was able to negotiate with banks to lend them money. SABTA was a taxi organisation that represented taxi owners during the apartheid era. SABTA and Wesbank established a financial scheme to assist SABTA members to obtain loans from WesBank without being screened (Department of Transport, 1990-1994:7).

As a recognized taxi association, SABTA acted as a guarantor for bank loans. SABTA also succeeded in negotiating discounts to the kombi suppliers and raised funds to assist those operators who needed assistance in running their businesses. This gave rise to the purchasing of minibus taxis. Realizing that the government could not control the taxi operators, the government divided the taxi operators. Some black group operators were given favors in return for co-operating with the government strategy (Matjila, 2001: 20). Other operators who were not given favors recognised the strategy of the government and they started to express their anger by fighting those operators whom they regarded as sellouts. Taxi violence can then be traced back to the apartheid system, with the government trying to achieve its ideology to divide and rule. However, in the mid-1980s the number of minibus taxis increased and survived, despite the government's attempts to block the industry's development (Barrett, 1993:5).

3.2 The taxi industry post-apartheid

In 1994 the Government of National Unity, led by the African Nation Congress (ANC) took power. There were many problems which needed addressing. People had high expectations. One of the broad issues which concerned the government, was poverty as a result of unemployment, and road accidents, as a result of the ineffective transportation system. A study done by Freeman (1991) in Cape Town, comparing bus and taxi accidents, showed that more accidents occurred in taxis, as compared to buses. Most respondents (commuters) thought that buses were involved in fewer accidents than kombis (Freeman. 1991:15-17).

Besides accidents that were caused by kombis, there was violence due to non-regulation of the taxi industry. Taxi violence led to many deaths in the taxi industry and outside the industry. Patel argued that some of the problems that occurred in the taxi industry were the result of the unplanned growth of the taxi industry (cited in Minnaar and Hough, 1997: 117). Operators who entered the industry found themselves in an unregulated environment and competing for scarce resources.

An unregulated transport industry results in an unsafe public transport industry. It can be defined as an industry which is driven by profit from fares in which speed, reckless driving and overloading override concerns for the safety and comfort of passengers (Department of Transport, 2000:14). It is an industry in which there is no protection against overloading and in which there are no rules to govern the suitability of vehicles to act as safe public transport. It is an industry in which competition for the more profitable routes often finds expression in violence (ibid).

Other studies showed that the continuation of the taxi violence after apartheid ended was an indication of declining economic conditions (as unemployment increased the number of operators) and the rising competition between operators and taxi associations, each fighting for a slice of the commuter market (Eksteen, 1997: 1). Atkinson supported Eksteen's argument by stating that 'the planning of apartheid cities, with poor black communities situated far from the centres of employment, is a key structural reason for the problems of the taxi industry' (Atkinson, 1996:298). The fact that the taxi-owners provided transport for mostly poor people made them unable to increase taxi fares and led to a decrease in their profit margins.

The increase in demand for taxis was followed by an increase in the purchase of kombis. The price of input costs, for example petrol, spares and maintenance increased faster than the rate of inflation (Department of Transport, 1994:7). Statistics show that there was a decrease in the number of taxis purchased in the 1990s. It was estimated that in the 1980s, 9100 taxis were purchased. There was a sharp decrease in the early 1990s, when only 2000 taxis were purchased (Cox, 2001:8). This suggested a need for the government to intervene in order to assess the situation faced by the taxi industry.

It was estimated that the taxi industry spends R2.2 million on petrol, services, repairs and tyres every day (Ministerial Lead Programme, 99/2000:16). The collapse of SABTA's foundation or scheme impacted on the position of the taxi owners (Minnaar and Hough, 1997:152). According to the scheme, SABTA members were promised that they would receive the 20% that they had paid as a deposit for the purchase of the kombi, after they had settled their vehicle account (Department of Transport, 1990-1994:7). The arrangement was that all those who had paid the full amount on their vehicles were going to be given certificates, and in exchange for those certificates, they were going to access money from the Wes Bank. However, it was found that because of the taxi violence, which continued, some owners could not afford to pay for their vehicles and the result was R10 million loss by Wes Bank (Minnaar and Hough, 1997:153). Poor law enforcement resulted in the entry of illegal operators to the industry (Dugar, 2001:9).

The Department of Transport's vision is '*to afford commuters with as much choice as possible- and to ensure that buses, taxis and trains operate professionally and efficiently*' (Canning, 2002:1). For the government, the core problem in the taxi industry was economic disempowerment. The key issues being the diminishing profit margins, non-legal business structures and the negative relationship with financial institutions and other suppliers (Cox, 2001: 3). The government acknowledges that the taxi industry is not only an avenue of investment in itself, but also a sector of economic activity, which creates opportunities for investment in related activities and within its linkages with the wider economy.

In 1995 the National Taxi Task Team (NTTT) adopted a government proposal to begin a consultative programme to involve role players from the taxi industry, so as to establish sustainable solutions to the problems that the taxi industry faced. The NTTT was made up of representatives from the taxi industry, drivers, civic organisations, trade unions and the government. This task team laid the basis for a partnership between the government and the taxi industry. In 1996, the NTTT released a set of final recommendations (Cox, 2001:3), which were put forward as follows: the industry had to be organised on a democratic basis, the industry had to be formalised, illegal operators had to be given a chance to become legal, the industry had to become properly regulated, coupled with law enforcement and economic empowerment projects had to be implemented. Implementation of these recommendations formed the basis of the transformation for the minibus taxi industry. A memorandum of understanding between the leaders of the taxi industry and the government was entered into, to implement the NTTT recommendations.

The Recapitalisation Scheme is a strategy that the government proposed for the development and restructuring of the taxi industry. With the Recapitalisation Scheme, the government aims “to assist operators to acquire new vehicles which comply with the safety specifications”(Dullar Omar’s Speech on Recapitalisation, in Cox, 2001:10). The Minister of Transport, in his speech, emphasised that the main objectives of the recapitalisation were: bringing about comfort to commuters, promoting efficiency of the taxi service, promoting reliability of the taxi service, ensuring the safety of commuters and empowering the taxi owners (Cox, 2001:9). The government aims to replace the current, under-capitalized, ageing and increasingly dangerous fleet of approximately 129 000 minibus taxis with 18 and 35 seater vehicles specifically designed to the high quality safety standards required for public passenger transport (Cartoday, 2000:8). This strategy is based on the fact that the current kombis were not meant for public transport and the government is concerned about the number of accidents caused by the minibus-kombis.

The introduction of bigger vehicles forms part of a formalization process. Passenger safety, comfort and a cashless fare system, in the form of smart card technology, are the official mark to guarantee quality of these new vehicles. This step, however, could raise operating costs of taxis, primarily in the areas of increased insurance payments and higher capital repayments. It is anticipated, however, that taxi-owners will benefit from the lower cost of diesel and owning safer vehicles. The other aspect of the Recapitalisation Scheme is a grant of R30 000 (scrapping allowance), which is aimed at assisting taxi-owners to purchase the new vehicle (Cartoday, 2000:8). This innovative scheme was developed by a task team, which was represented by the Departments of Transport, Trade and Industry, Finance and Mineral & Energy Affairs, in partnership with the taxi industry, which was represented by the South African Taxi Council (SATACO). With this scheme, the government aimed to address the concerns of the taxi operators and associations with regard to the removal of the remaining abnormalities in the legalization process such as the registration of taxis and associations.

As part of empowerment, the DoT supported the KwaZulu-Natal provincial taxi industry through the establishment of the Umthombo Investment Company. Umthombo is a powerful financial holding company with the taxi industry as its majority shareholder (Department of Transport, 2000:7). Umthombo was established in 1999 ‘as a vehicle to empower the taxi industry to meet the challenges of providing a safe, efficient and affordable service to commuters’ (DoT Budget Report, 2002/2003:11). It was established to assist the taxi industry so that taxi owners could create a support system which could benefit the taxi industry as a whole. Its objectives are as follows: to create viable business entities within the taxi industry, to develop the strategies to reduce input costs and to assist the DoT in improving public transport in KwaZulu-Natal (ibid).

4. RESULTS

4.1 Demographic characteristics of respondents

The demographic results showed that middle-aged black men dominate the taxi business. Among the 137 taxi owners interviewed, most of their ages (38%) ranged from 37 to 47 years old. In terms of gender, most respondents were males (92.7%) only 7.3 % of the respondents were female.

Racially, the majority of respondents were African (83.9%), 11.7% of the respondents were Coloured and 4.4% of the respondents were Indian. Most respondents (40.9%) had attended school and their schooling ranged from between standard six and standard nine. 18.2% had matric, 15.3% attended colleges and technikons, 11.7% had standard four, 10.9% had standard five, 2.2% had no schooling and only 0.7% had a university qualification.

The results showed that most of the respondents (62%); n = 85 had no other job; they were dependent only on their taxi business.

Further, most respondents (78.8%) were the only breadwinners in their family and the income generated in their business was important for the survival of their families since it was the only income they were receiving. For most of them (89.8%) the money that the respondents made as taxi owners was the family's main source of income. Most respondents (97.1%) were the sole owners of their business.

4.2 Profile of Umsunduzi One Taxi owners' business

The taxi business was the only business owned by most respondents (87.6%), as they had no other business or enterprise other than this. Most respondents (94.9%) owned between one and three taxis. A lack of business skills in most taxi owners (81.8%) was identified by the study as they claimed that they had no business training for running a taxi business, with only 15.3% having business training which had been offered by Toyota a long time ago, and 2.9% had business training offered by DoT.

Prior to becoming taxi owners most respondents had worked for the government (43.1 %); 26.3% had worked for private companies, 11.7% were taxi, truck or bus drivers, 9.5% were self-employed, 5.8% were students or scholars and 3.6% were unemployed.

Respondents reported that their motivation for becoming involved in the taxi business was to provide efficient and reliable service to commuters. Most respondents (48.9%) became taxi-owners to provide efficient and reliable service to the general public, 22.6% of the respondents became taxi owners to get money to cater for their families and for their other needs, 6.6% respondents became taxi owners because it is the first black business, 18.2% respondents became taxi owners to be a business man/woman and 3.6% respondents became taxi owners because they feel that it is an easy business to control.

Since most of the taxi owners interviewed were workers before they became taxi owners, they used their savings to start their business, (39.4%) obtained their start-up finance from their own savings, 24.8% obtain their start-up finance from their packages or retrenchment money, 20.4% inherited the business from family-members, 13.1% obtained their start-up finance from bank loans and 1.5% obtained their start-up finance from cash loans and 0.7% of the respondents obtained their start up finance from the small development company.

The difficulty faced by most taxi owners (78.1%) when starting up their business related to securing a routes; 10.2% of the respondents felt that joining the association was expensive for them; 6.6% felt that political violence was a problem to them since the profit margins were low, while 5.1% of the respondents had no difficulties when starting their business.

4.3 Expenses and maintenance of taxis

For most respondents (83.9%) the main cost incurred in running their business is petrol. Taxi-owners (39.4%) spent between R1000 and R1500 per week on petrol, 26.3% between R1600-R2100 and 17.5% between R2200 and R2700. Only 16.8% spent R2700 and over on petrol.

In terms of maintenance of their vehicles, most taxi owners (75,9%) claimed that they changed their tyres once every six months; 12.4% of the respondents changed their tyres once a year; 10.9% of the respondents changed their tyres once every three months and 0.7% of the respondents changed their tyres once a month. Vehicles appeared to be serviced regularly as most respondents (90.5%) indicated that they serviced their taxis once a month; 7.5% serviced their taxis once every four months, 1.5% of the respondents serviced their taxis once every six months and 0.7% of the respondents serviced their taxis once a year.

The cost of labour for most taxi owners (56%) ranges between R200-R600 per week, 31% of the respondents pay between R650-R1050 per week, 10% of the respondents pay between R1100-R1500 per week, 2% of the respondents pay between R1550-R1950, 1% of the respondents pay between R2000-R2400 and another 1% pay between R2450-R2850 per week depending on the number of drivers that they employ and also the number of kombis they have.

4.4 Profile of the employees of taxi owners

Taxi owners in this region (40.9%) employed only one person, 38.7% of the respondents employed two people, 15.3% of the respondents employed three people, 3.6% of the respondents employ four people, 0.7% of the respondents employed five people and 0.7% of the respondents employed seven people. With regard to gender most of the employees were males (97.8%) and 2.2% were females. The race of most employees of taxi owners was African (92%), 5.8% were Coloured and 2.2% were Indian. The qualifications that most taxi owners (92.7%) require of their drivers were a code 8 licence and a Public Driving Permit (PDP).

4.5 Profile of Passengers

The amount of passengers transported each day varies with most taxis (43.1%) carrying between 45 and 200 clients a day, 38.7% of the respondents carry between 250 and 405 clients a day, 13.1% of the respondents carry between 455 and 610 clients a day, 4.4% of the respondents carry between 660 and 715 clients a day and 1.5% of the respondents carry between 765 and 920 clients a day.

The passengers were mostly schoolchildren and workers as (86.1%) taxi owners identified them to be their main passengers and (89.8%) identified the passengers to be mainly African. The taxi owners (85.4%) identified their passengers as mostly living in townships.

4.6 Business Performance

In terms of best business days; most respondents (86.2%) felt that Mondays and Fridays were good days for their business because most workers go home on Fridays for weekend visits and on Monday they return to work. Poor business days were identified by taxi owners (76%) as Wednesdays and Thursdays.

The performance of their business was rated by most respondents (69.3%) as average, 21.9% said that their business was doing well, only 1.5% said their business was doing very well and 7.3% of the respondents said their business was poor.

Problems that identified by most respondents (58.4%) which disadvantaged or threatened their business was conflict within the industry, 32.1% of the respondents said lack of finance, 8% of the respondents said insufficient infrastructure and 1.5% said the problem was that they were not recognized by financial institutions. Despite identifying conflict within the industry as the main threat/disadvantage to their business; education and training was identified by most taxi owners (40.1%) as what they needed to improve their business performance; 36.5% said business skills only and 23.4% of the respondents said financial support.

4.7 The Recapitalisation Scheme

The recapitalisation scheme is strategy developed by the government to deal with the economic problems facing the taxi industry. When questioned more generally about whether they felt that government should assist them in the taxi industry, most taxi owners (97.1%) felt that it was important for the government to assist the taxi industry. Only 2.9% of the respondents felt that the government should not assist the taxi industry. Taxi owners felt that government assistance was most needed to make the industry more formal (38%) and 24.1% felt that it was needed to make sure that the commuters were provided with a better service.

More specifically with regard to the recapitalisation programme, most taxi owners (98.5%) knew about it and only 1.5% did not know what this Scheme was about.

Taxi owners (70.1%) mainly found out about the recapitalisation programme from the taxi associations. The programme was understood by 79.6% of taxi owners as being about the introduction of vehicles that were bigger than the current ones. Only 10.9% understood it as being about taxing taxi owners, 8% understood it as being about manufacturing safer roadworthy vehicles which will be affordable to everyone and 1.5% understood it as being about recognition of taxi owners by financial institutions.

The main objective of the government's scheme identified by most taxi owners (59.1%) was to tax them, 20.4% of the respondents said the government's main objective was to provide safer public transport to the commuters, 14.6% of the respondents thought that the objective was to empower the taxi owners; 2.9% felt that it was to reduce the number of cars on the road and 1.5% of the respondents said that it was to provide financial support to taxi-owners; 0.7% of the respondents said the objective was to assist operators to increase their profit margins and 0.7% of the respondents said the objective was to discourage the use of cars. Although taxi owners understood the scheme as being about bigger better vehicles than their current ones, the main objective identified by them of the scheme was government's means of getting revenue from them. Thus the taxi owners did not identify the government's motivations for the scheme in terms of empowerment and providing economic relief for taxi owners.

In line with their understanding of the scheme as being about bigger vehicles; most respondents (62.8%) identified that the benefit of the scheme for taxi owners would be new vehicles, only 14.6% of the respondents said there were no benefits for the taxi-owners, 9.5% said that a benefit would be a massive reduction in finance charges, 9.5% said that a benefit will be recognition by the financial institutions and 3.6% said the benefits would be the scrapping of allowance/ subsidy.

Most taxi owners (72.3%) said that the benefits of the scheme for the drivers would working within a legal protected environment; only 16.1% of the respondents said that there would be no benefits for the taxi drivers and 11.7% of the respondents said the taxi drivers will be reskilled and absorbed into other businesses.

Benefits of the scheme identified by taxi owners (81.8%) for commuters were that they would be able to use safer vehicles, 15.3% felt that commuters would benefit from the new vehicles being more spacious as it would allow them more free movement inside and 2.9% of the respondents identified a reduction in taxi fares as a possible benefit to commuters.

In terms of rating the recapitalisation scheme in developing the taxi industry, taxi owners (44.5%) felt that it was a good idea, 29.2% of the respondents felt that the plan was excellent, 19% of the respondents felt that the plan was average, 6.6% of the respondents felt that the plan was poor and only 0.7% of the respondents said the plan was very poor.

Most respondents (77.4%) had a positive attitude towards the Recapitalisation Scheme and 22.6% of the respondents did not agree with it.

4.8 Problems with the Recapitalisation Scheme

Most respondents (32.1%) felt that the problem with the proposed scheme was the lack of infrastructure (ranks) in place to cater for the proposed new vehicles, 29.2% of the respondents said they were not clear about the whole process, 26.3% of the respondents said the proposed vehicles were expensive and 12.4% of the respondents said they were not consulted by the government about the whole plan.

Most respondents (57.7%) felt that providing infrastructure (like taxi ranks and facilities) could solve the problem (ie lack of infrastructure). 32.1% of the respondents by more communication and consultation between the owners and the government, 6.6% of the respondents by providing subsidies to the owners, 2.2% respondents said the government should organize more workshops on the recapitalisation process, 0.7% of the respondents said by keeping and upgrading current kombis and 0.7% of the respondents said by offering training to the taxi drivers and by enhancing law enforcement.

Under general comments taxi-owners (56.9%) felt that the government should speed up the recapitalisation process as government was taking too long to implement the scheme, 17.5% didn't have any comments, 16.8% of the respondents said they needed more skills to run their business effectively, 3.6% of the respondents said the government should subsidise the taxi owners and 5.1% of the respondents said that government should explain the recapitalisation scheme, as some of the aspects of recapitalisation were not clear to them, or send its officials or independent people to explain the whole recapitalisation to each association.

5. CONCLUSION

The main intentions of the government's recapitalisation scheme are: bringing about comfort to commuters, promoting efficiency of the taxi service, promoting reliability of the taxi service, ensuring the safety of commuters and empowering the taxi owners (Cox, 2001:9). The government realizes the contribution made by the taxi industry in the economy of South Africa. The government therefore wants to regulate the taxi industry through registering vehicles and associations so as to make the taxi business viable. However, the findings of this study show that although the taxi-owners support the scheme, they understand only in terms of the introduction of bigger vehicles. They further view the government's objective behind the scheme as being an attempt to tax them. In terms of benefits, most taxi-owners felt that the benefits for taxi-owners were new vehicles. The benefits they identified of the scheme for the drivers was being able to work within a legally protected environment. Taxi-owners see the benefits of the scheme for the commuters as safer vehicles. It can therefore be concluded that taxi-owners understanding of recapitalisation scheme does not include all the intentions of the government especially those intentions related to empowerment, cost effectiveness and financial support. Thus although this study shows that taxi-owners support recapitalisation scheme, the study also reveals that their knowledge of the scheme is limited.

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Nelisiwe Magubane is a Masters graduate from the University of Natal, Pietermaritzburg. Her thesis was on the Perceptions of taxi-owners towards the government's proposed Recapitalisation Scheme. She is employed as a Residence Life Officer at the University of Natal, Pietermaritzburg. She has also served on many student body structures to promote students involvement at an academic level. She has been a tutor, mentor, residence assistant, sports union executive, etc. Nelisiwe Magubane grew up in Pietermaritzburg. Her primary and secondary educational training were undertaken in the Pietermaritzburg area.

Nelisiwe Magubane's commitment to the taxi industry stems from a deeply embedded objective of seeing South Africa as a country that is able to develop and sustain its own resources. This she sees as being achieved through identifying gaps in policies that are initiated by the government. As an academic, Nelisiwe strongly believes that it is important to undertake relevant studies or research that identifies the needs of the citizens, hence contributing to development and transformation of South Africa.