

UNIVERSITY OF KWAZULU-NATAL

**THE IMPACT OF PUBLIC POLICY ON COMPETING INTERESTS:
A CASE STUDY OF THE TAXI RECAPITALIZATION
PROGRAMME**

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**DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT FOR THE
DEGREE OF MASTER OF ARTS IN PUBLIC POLICY**

**The Impact of Public Policy on Competing Interests:
A Case Study of the Taxi Recapitalization Programme**

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Declaration

I, Itumeleng Makae, declare that this dissertation is my own original work, has not been submitted for any degree or examination at any other university, and that the sources that I have used have been fully acknowledged. This dissertation is submitted in partial fulfillment for the requirements for the degree of Master of Arts in Public Policy, University of KwaZulu-Natal, 2009.

Signature: _____ Dated: 27 November 2009

Abstract

This study is an investigation of the impact of public policy on competing interests in the case of the South African Taxi Recapitalization Programme. I explore this through a theoretical framework of implementation theory which includes the concept of broader public participation in policy formulation and implementation processes and the significance of a bottom-up approach in decision-making. I employ a qualitative methodology comprising fieldwork interviews, surveys and focus groups. The findings of this study show that for the recapitalisation programme to achieve its objectives of regulating the mini-bus taxi industry, conditions that enable interests to access, bargain and influence decision-making must be redefined. Broader representation has to be encouraged in order for diverse interests to be reflected in policy outcomes and for implementation to be effective. This includes the recognition of other taxi organisations, the integration of the taxi industry into the legal frameworks of the Department of Labour, a structural and functional transformation of the Transportation Board and the application of an innovative violence reduction framework which includes an effective route-regulation and route-based operating-license system. This also requires the introduction of a taxi industry-specific minibus fleet, a comprehensive taxi driver-training programme and, possibly, subsidising the taxi industry. If the TRP does not become the framework through which the taxi industry is comprehensively regulated, violence is curbed and road accidents that include mini-bus taxis are drastically decreased, many more lives will be lost, thus contradicting the principal objective of commuter safety.

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Introduction to the Study

Public policy should reflect, be conceived and executed in accordance with the public interest. Public interest groups include civil society organisations, interest groups, and non-governmental organisations. Diverse and competing interests should be provided with the opportunity to influence policy, in accordance with society-specific goals. Policy-making is an inescapably political activity into which the perceptions and interests of individual actors enter, through democratic institutional frameworks¹. One of the central characteristics of democracy is plurality in the form of a multiparty system of government, the existence of interest groups, non-governmental organisations and other civil society groups. This is based upon the view that democracy is a form of institutionalisation of continually conflicting interests². The capacity of particular groups to realise their interests through policy is shaped by the specific institutional arrangements of a democratic system³. This norm specifically implies that multiple groups can be organised to promote their interests and to have institutionally guaranteed access, to political institutions to influence policy⁴. However, within the context of existing, ‘institutions that shape prior probabilities of the realisation of group-specific interests’⁵, it appears that the opportunities of broader consultation may be swiftly declining in democratic South Africa.

In South Africa, the existence and organisation of institutions through which competing interests are processed is a permanent feature of democratic politics⁶. For example, institutions such as the National Economic Development and Labour Council (NEDLAC) exist and influence public policy. NEDLAC has a dispute resolution function for trade unions, government and business on issues of socio-economic policy. Broader civil society may also access and influence policy through political institutions that embrace political plurality. In South Africa, the outcomes of conflicting interests are not, ‘uniquely determined either by the institutional arrangements or places occupied by participants within the system’⁷.

¹ Hill, M. (ed) (1998) *The Policy Process: A Reader* (Prentice Hall/Harvester Wheatsheaf, London) p.7

² Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation* (Garland, New York and London) 1997, p.130

³ Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation* (Garland, New York and London) 1997, p.130

⁴ Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation* (Garland, New York and London) 1997 p.128

⁵ Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation* (Garland, New York and London) 1997, p.130.

⁶ Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation* (Garland, New York and London) 1997, p.128.

⁷ Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation* (Garland, New York and London) 1997, p.130.

Therefore, and as this study will show, it is the very nature of democracy that no-one's interests are guaranteed⁸.

The Taxi Recapitalisation Programme (TRP) is an attempt by the South African government to regulate and formalise the taxi industry, reduce taxi violence and road accidents and to collect revenue from the industry. Eight years after implementation, and revision, the TRP has not achieved these goals. Implementation of the policy has become the main focus of competing interests. The impact of the implementation of the TRP has given rise to a variety of concerns by the taxi industry and the public in terms of the policy's intended objectives. By regulating the taxi industry, the South African government aimed at assigning each taxi route to a particular taxi association in order to formalise and restructure operations. This was done through the registration of all taxi organisations (pirate and legal) the conversion of a radius permit into a route-based operating license, and by frameworks to ensure that no taxi organisations were formed later on. This, the government hoped, would serve three purposes. First, it was hoped that this would prevent the influx of more taxi operators into the industry. Second, it was envisaged that this would regulate anarchy and conflict over routes and function as a principal medium in ending taxi violence. Half of the taxi industry claims not to have route-based operating licenses which makes it impossible to benefit from the TRP and other related programmes⁹. Taxi violence is still an issue of great concern in the South African taxi industry. Taxi organisations aggressively compete for routes, commuters find themselves caught in the cross-fire during taxi violence and this has led to many deaths. Hence, public safety is constantly in jeopardy. Third, it was believed that this would decrease road accidents.

The taxi industry is notorious for being involved in road accidents because of the use of unroadworthy mini-bus taxi vehicles and as a result of overloading them. In addressing the issue of commuter safety, the South African government has introduced a new mini-bus taxi fleet (with a variety of models) which many in the taxi industry claim is more expensive and unreliable. The public contends that the majority of new vehicles on the road are unsafe. Government offers a compensatory subsidy of R50,000 per voluntary scrapped unroadworthy vehicle, to help operators purchase a new mini-bus vehicle or in order to leave the industry to explore other business ventures. Those in the taxi industry claim that this amount

⁸ Selection of the work of Adam Przeworski in Etzioni-Halevy, E. (ed) *Classes and Elites in Democracy and Democratisation*, Garland, New York and London, 1997, p.129

⁹ An example would be the Bus Rapid Transit System (BRT) whereby government subsidises certain routes, which were previously used by the mini-bus taxi industry, and uses the taxi industry as a feeder-mode to BRT vehicles which transport the public to city centres .The government aimed at making deals, by compensating them for leaving these routes. In addition, former taxi drivers were to be trained to drive BRT vehicles and were to be employed under the South African labour frameworks.

is insufficient. In addition, there are conflicting views concerning the objectives of the TRP objectives by the two major taxi federations, Santaco and the National Taxi Alliance (NTA). In order to influence policy, the taxi industry has engaged in countless strikes and protests against the TRP. These were followed by a legal case against the government, the outcome of which was in the industry's favour.

The specific ways and means by which the integration of the taxi industry within the broader national revenue system will take place is unclear. This is despite the fact that the taxi industry transports 65-70% of South African commuters, daily¹⁰. The industry is one of the largest employers in the country, but its labour conditions are still not formalised under legal employment frameworks. Taxi drivers still work between 16-19 hours a day and are without employee benefits. This is despite the fact that the TRP traces its existence from South African labour legislation and other related frameworks. Drivers have embarked on strikes, fearing job losses because of the implementation of the TRP. As much as the objectives of the TRP are arguably aimed at the greater public good, there is no indication that there was any form of participation in the formulation of the policy by a broader public. This directly implies the absence of public input in the formulation and implementation of the TRP.

In this dissertation I examine the impact of the implementation of the TRP upon competing interests. I examine the main challenges faced by the taxi industry and the processes followed in the formulation and implementation of this policy. With this in mind, I explore whether the TRP reflects the interests of all those it affects. If not, I examine which interests are excluded and for what reasons. I further explore whether the implementation of the TRP will solve the problems in the industry and I provide recommendations on how it should be revised and re-implemented. I consider these themes through the theoretical framework of public policy implementation.

Public policy implementation is concerned with both the content of policy and the processes of decision-making and application of that policy. According to Grindle¹¹, the content of public policy is an important factor in determining the outcome of implementation initiatives. In the case of the TRP, a key question is what impact the content of the policy has had upon the interests affected by it and in their acceptance of it? Although implementation may be the main objective of an institution its success largely depends on the implementation model employed, which constitutes the process. Implementation models provide for different forms of conflict and bargaining by a range of competing interests and actors.

¹⁰ Fourie, L.J. (2003) *Rethinking the Formalisation of the Mini-Bus Taxi Industry in South Africa* (University of Pretoria, Pretoria)

¹¹ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.10

In a democracy a range of competing interests are involved in this process. This ensures that different views and interests are considered in an inclusive manner and that the objectives of the policy are met and sustained. Accordingly, this process should take place within a democratic, representative framework that values consensus, accountability, transparency and legitimacy. Such a framework is determined by the larger context. According to Brynard, ‘the focus here is on the institutional context which...will necessarily be shaped by the larger context of social, economic, political and legal realities of the system’¹².

I employed a qualitative research approach in this study. I used the methods of surveys, focus groups and semi-structured interviews with commuters, officials from the Department of Transport and the Transportation Board. I also conducted surveys, focus groups and interviews with the taxi leadership (executive members of local, regional and provincial taxi organisations) taxi operators, taxi rank managers and drivers, who collectively comprise the taxi industry. Dietz argues that an impact, in a policy context, is, ‘a significant improvement or deterioration in people’s well being or a significant change in any aspect of community concern’¹³. Furthermore, ‘impacts are intangible phenomena that cannot always be measured directly’¹⁴, but require interactive impact assessment. These enable one to understand the combination of objective information of the changes brought by the policy or programme with subjective experiences, impressions and opinions of actors involved in these processes. In taking this into account, in this study, I considered the, ‘perceptions interpreted or perceived by those affected’¹⁵. These perceptions have been weighed against objective impact indicators which were directly measured, by myself, whether or not the affected actors agree with them¹⁶.

¹² Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.180

¹³ Dietz, T. (1987) *Theory and method in social impact assessment*. Sociological inquiry, 57 (1): 54-69. Manson University, as cited in Cloete, F. and Wissink, H. (2000), *Improving Public Policy* (Van Schaik Publishers, Pretoria) p. 224

¹⁴Dietz, T. (1987) *Theory and method in social impact assessment*, Sociological inquiry, 57 (1):54-69. Manson University, as cited in Cloete, F. and Wissink, H (2000) *Improving Public Policy*, (Van Schaik Publishers, Pretoria) p. 225

¹⁵ Dietz, T. (1987) *Theory and method in social impact assessment*. Sociological inquiry, 57 (1): 54-69. Manson University, as cited in Cloete, F. and Wissink, H. (2000) *Improving Public Policy*, (Van Schaik Publishers, Pretoria) p. 225

¹⁶ Dietz, T. (1987) *Theory and method in social impact assessment*. Sociological inquiry, 57 (1): 54-69. Manson University, as cited in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p. 225

‘Rather than being a technical exercise, the choice of policy instruments or policy content is very much affected by larger social and political constraints and contexts’¹⁷. The Durban taxi industry provides the immediate context for this study, although the study is also a reflection of the broader South African taxi industry. The Durban taxi industry is diverse and comprises many different routes and many local and long distance taxi associations. It is also one of the largest taxi industries, within the broader national taxi industry, and it serves as a nexus for all provincial and national destinations. The industry is also powerful and politically active. For example, the KwaZulu-Natal Taxi Alliance, a provincial National Taxi Alliance affiliate, was instrumental in filing a legal case against government over the implementation of the TRP. This case affects the entire industry and not just the Durban context.

This study is divided into four chapters. In chapter one I discuss the key concepts and themes of this study through the theoretical framework of public policy implementation, public policy decision-making and organisational models of policy implementation. I also provide, in chapter one, a reflection upon the methodology of the study.

In chapter two I locate the study in its historical context, that of the socio-economic and political history of the taxi industry since the 1930s. I claim that partial deregulation of the mini-bus taxi industry resulted in a number of factors. First, the industry proved to be a more successful and popular mode of transport than the subsidised bus and trains services. Second, deregulation meant that the taxi industry came to regulate itself. Third, partial deregulation resulted in violent competition among taxi organisations over lucrative routes. Fourth, labour issues were never strategically addressed.

In chapter three I explore the challenges facing the taxi industry as a direct consequence of the implementation of the Taxi Recapitalisation Programme. Drawing upon fieldwork surveys, interviews and focus groups I explore and analyse the competing interests within the taxi industry. I claim that the various interests that should have been extensively consulted on the formulation of the TRP were not. I further claim that the TRP does not adequately address the challenges facing the taxi industry or commuters. I argue that taxi violence must be thoroughly addressed as a priority if the taxi industry is to be effectively regulated and restructured. Finally I claim that the introduction of a new safer taxi fleet to introduce road accidents is anomalous if the contributing factors to road accidents and taxi violence are not addressed.

In chapter four I discuss factors that were overlooked by the government in the formulation and implementation of the TRP. I claim that the disregard of these factors means that this public policy will

¹⁷Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.9

not meet its intended objectives. I engage with the “public good / public service - private business dichotomy” in which the taxi industry as a collection of private business interests, exists to provide a public service. I consider the direct influence of politics on the taxi industry and the relationship between the ruling party and the taxi industry in the contemporary political context. I claim that the taxi industry, in its opposition to the policy, was not concerned with the broader public interest or the public good of providing a safe and reliable mode of transport. Instead, the private economic interests of taxi operators were the basis of opposition to the TRP. I further claim that the ruling party’s historical relationship with the taxi industry was utilised as a bargaining medium. Based upon these claims, I conclude by suggesting ways in which the policy may be re-formulated to meet the challenges within the taxi industry.

Chapter One

Theories, Concepts and Methodology

In this chapter I explore the concepts and themes of this study through an exploration of the way in which the literature that has gone before it has problematised them. I claim that in as much as theories of policy implementation provide a substantial body of literature it does not fully capture the realities of implementation in this context. In the second part of this chapter I provide an account of, and a reflection upon, the methodology that I have used.

1.0 Key themes and concepts

I begin this chapter by defining policy implementation, the first theme of my dissertation. Policy implementation is a process that includes the delivery of services through a programme, or the execution of a specific function, by an institution or agency. This occurs according to the ways in which the government and the public (in the form of civil society, interest groups, labour federations and non-governmental organizations) have reached consensus on the ways in which that service or function will impact upon society. It involves a complex matrix of reaching policy outcomes through planning, forecasting, consultation, bargaining, execution and evaluation. The institutional dynamics (of whichever agency will be delivering that service) are also important in policy implementation. It is important to successful implementation that these are closely aligned with delegation of tasks, the budget, and the period imagined for the policy's life span. There are also issues external to, and beyond the control of, implementing institutions that play a major role in the policy itself. These might be such factors as regime change or natural disasters, such as floods and earthquakes. Therefore, factors both internal and external to the implementing institution's capacity are very crucial for consideration. Both may potentially impact negatively on the process of policy implementation.

The creation of an effective institutional network through which the process of implementing policies will be realized is the cornerstone of reaching policy goals in accordance with the expectations of affected actors. Public policy should be implemented within an environment of structurally capable and complimentary departments and sub-units in order to increase the efficient execution of policy outcomes. If this basic condition is not adequately met the whole process of implementing a policy is bound to face complex setbacks. To qualify this argument, Grindle contends that,

‘the task of implementation is to establish a link that allows the goals of public policies to be realized as outcomes of government activity. It involves, therefore, the creation of a “policy

delivery system”, in which specific means are designed and pursued in the expectation of arriving at particular ends.¹⁸

It is imperative then that each and every institution through which public policy is implemented be designed and capacitated in order to function effectively. This should occur so that the potential range of known and unknown factors that might impact upon policy implementation can be adequately addressed by the agency. From a systems management approach of policy implementation Elmore argues that,

policy implementation consists of defining a detailed set of objectives that accurately reflect the intent of a given policy, assigning responsibilities and standards of performance to subunits consistent with these objectives, monitoring system performance, and making internal adjustments that enhance the attainment of the organisation’s goals. This process is dynamic, not static; the environment continually imposes new demands and requires internal adjustments.¹⁹

The ability of institutions to respond to external factors by making internal adjustments in their structure has an impact on the success of policy implementation. This may, for example, include the reshuffling of departments, personnel or resources to respond to a change in the external environment. A range of inter-related functions and categories within an institution, or complementary institutions and their sub-units, should be examined in order to ensure that no contradictions occur in the process of delivering a service. According to Elmore, ‘implementation consists of identifying where discretion is concentrated, on which of an organisation repertoire of routines needs changing, devising alternative routines that represent the intent of the policy, and inducing organisational units to replace old routines with new ones’²⁰. This bureaucratic approach to policy implementation simply stipulates that routines need to be developed structurally or hierarchically in order to ensure that the process of implementation is reached. This includes devising new means on how to reach ends by devolving specialist tasks and responsibilities to specialists or subunits within an organisation in order to create an efficient and effective implementation system. . Therefore, the implementing organization, it’s human and capital resources, and other sub-units or organizations that are closely aligned and important to the implementation of any policy, should be structurally specialised or developed towards reaching a common objective.

Public servants play a major role in the way in which a policy will become evaluated after it has been implemented. All public policy is judged by those receiving services. Therefore, cohesion should exist between policy makers and implementers. This does not mean that civil servants, as key mediums of

¹⁸ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.6.

¹⁹ Elmore, R. (1976) ‘Organisational models of social program implementation’ *Public Policy*: 26,,pp.185-228 as cited in Hill, M. (ed) (1998) *The Policy Process: A Reader* (Prentice Hall/Harvester Wheatsheaf, London) p.244.

²⁰ Elmore, R. (1976)’Organisational models of social program implementation’ *Public Policy*,26,pp.185-228. in Hill, M. (1998), *The Policy Process: A Reader*. Second edition, (Prentice Hall/Harvester Wheatsheaf, London) p.249.

effecting service delivery through institutions, are the only ones who should try to ensure that policy objectives are reached by all legitimate means. It also implies that policy formulators should strive to ensure that within the complex network of policy processes there is unity. Each and every department and sub-unit within the implementation network should work together in order to accomplish whatever objectives a policy was set for. This is due to the fact that these complement each other in a lot of ways and if one segment of this system fails to function according to expectations the whole system is bound to be faulty. Elmore, drawing from an organisational development standpoint of policy implementation, contends that the,

implementation process is necessarily one of the consensus-building and accommodation between policy makers and implementors. The central problem of implementation is not whether implementors conform to prescribed policy but whether the implementation process results in consensus in goals, individual autonomy, and commitment to policy on the part of those who must carry it out²¹.

The process of policy implementation requires a lot of dedication in order for outcomes to be realized and this largely depends on the ‘policy delivery system’.²² Since, direction in how the implementation process will be executed usually comes from policy implementers or high ranking decision-making officials the policy delivery system should be strengthened. As Elmore has suggested above, new routines of actualising this should be employed. And they should come about without implying that traditional structures of implementation sub-units or organisations are less important than the overall policy chain of command. The restructuring of an institutional setting for it to better meet policy challenges and execute its purposes is dependent on the establishment of a well resourced and flexible environment. But this does not mean that formulators should compromise their objectivity in order to create an enabling implementation environment. On this point Warwick concludes that,

implementation means transaction. To carry out a program, implementers must continually deal with tasks, clients and each other. The formalities of organisations and mechanisms of administration are important as background, but the key to success is continual coping with contexts, personalities, and events. And crucial to such adaptation is the willingness to acknowledge and correct mistakes, to shift directions, and to learn from doing. Nothing is more vital to implementation than self-correction; nothing more lethal than blind preservation.²³

²¹ Elmore, R (1976) 'Organisational models of social program implementation' *Public Policy*, 26, pp.185-228 in Hill, M (1998), *The Policy Process: A Reader*. Second edition, (Prentice Hall/Harvester Wheatsheaf, London) p.255.

²² Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.6

²³ Warwick cited in Brynard, P (2000) *Policy Implementation* in Cloete, F and Wissink, H (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.176.

As much as institutions can work towards reaching policy objectives through implementation it is also vital that the range of networks (within the implementation process) are regularly examined for competency. During the process of policy formulation bargaining is one of the most crucial methods of reaching decisions. Because of this, implementation should also be a stage in which institutional sub-units adjust themselves, depending on resources and skills, in the interests of meeting policy objectives. Through bargaining, institutions are forced to change the manner in which service delivery functions are structured within institutions. All actors within the policy process might have been encouraged by their own and other interests in support of, or opposition to, the policy objectives. And these interests, which include that of the accumulation and use of power, might be very influential in shaping the policy. Elmore, drawing upon a conflict and bargaining approach to implementation asserts that, ‘implementation consists of a complex series of bargained decisions reflecting the preferences and resources of participants’²⁴. Therefore implementation can be executed if the conditions for the proper functioning of organisations, agencies or sub-units is paid attention to. This also means that the institutional network through which policy is implemented should be continually examined and adjusted to withstand attempts by various interests to shape policy away from its’ objectives.

The second theme of this dissertation is the multifaceted character of implementation failure. Implementation failure can be attributed to a variety of factors. These include poor planning, a lack of human and capital resources, corruption, a lack of vision, and unrealistic policy intentions. Public policy theorists specify different approaches in order to address this. Bovens and t’Hart contend that,

the absence of fixed criteria for success and failure, which regardless of time and place, is a serious problem for any one who wants to understand policy evaluation. Sometimes an entire policy regime can fail, while more specific problems within a policy field may be designated as successful or unsuccessful.²⁵

In this dissertation, Bovens and t’Hart’s account may not completely apply. Their claim that a lack of a fixed criteria for policy failure and success is crucial is not strictly true. The nature of a policy process dictates that certain compelling prerequisites be addressed in order to reach objectives. If any of these policy processes are not adequately addressed implementation is bound to fail. For example, consultation is a basic component of policy formulation so as to gather and understand what other actors within the broader implementation process feel about any policy. This is also done to ensure that valuable

²⁴ Elmore, R. (1976)’Organisational models of social program implementation’*Public Policy*,26, pp.185-228 in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.261.

²⁵ Bovens, M. and P, t’Hart. (1996) *Understanding Policy Fiascoes*, New Brunswick, New Jersey: Transaction Press. as cited in Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p. 207.

resources such as time and capital are not wasted on unpopular or illegitimate policies. Should consultation not form part of the formulation process and a policy ends up being implemented there is a greater chance that compliance will not be achieved. In such cases, there might be civil disobedience by those who oppose the policy leading to wasted resources and the use of force to effect implementation. The South African taxi industry concerning the Taxi Recapitalisation Programme is an example. Legislation, and a series of new traffic regulations aimed at the taxi industry, were enacted in order to effect compliance of the Taxi Recapitalisation Programme as there was resistance and protests informed by excluded interests in policy formulation. It is essential, then, to closely observe policy processes surrounding formulation and implementation of the Taxi Recapitalisation Programme in terms of policy implementation content and context and implementation theory in general. This should be necessary in analysing the basic conditions of implementation success, against Bovens and t'Hart's claim. It should also determine the absence or existence of policy-failure-criteria.

Hogwood and Gunn contend that implementation failure may result in the emergence of forces external to the administration or functioning of the implementation process. It is of great importance to note that they do not claim that there is no fixed criterion for implementation failure, but draw aspects external to the administration of the implementation process as accountable. As highlighted, institutional incapacitation in functional and resource terms is important in order to address implementation challenges accordingly. Given this context, there might be external issues that affect institutional policy implementation processes. For instance, a public housing programme aimed at providing 4 000 houses in three months might be devastated by heavy rainfall and floods during the first month of implementation, thus leading to delays. These factors may be different in nature and their impact on the failure of policy implementation could largely result from their character. Hogwood and Gunn claim that,

Some obstacles to implementation are outside the control of administrators because they are external to the policy implementation agency. Such obstacles may be physicalor they may be political, in that either policy or the measures needed to achieve it are unacceptable to interests.....which have the power to veto them'²⁶.

There are other factors that contribute to the failure of policies. The public policy implementation process may simply have flaws. Although external forces, as we have seen in Hogwood and Gunn, can be linked to the failure of policies the conventional structure of policy implementation, in organisational models of implementation terms, could also serve as a weakness. Simply, the circle of policy processes , from problem identification/agenda setting to policy evaluation, erodes the initial objectives of the policy to the extent that the implementation phase becomes an unfruitful default practice. Policy implementation is

²⁶ Hogwood, B. and Gunn, L. (1984) *Policy Analysis for the Real World* (Oxford University Press: Oxford) cited in Hill, M. (ed) (1998) *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.217.

characterized by a complex system that involves a proper co-ordination of all applicable pre-requisites. If these necessary steps are not followed, according to any of the organisational models of policy implementation, unintended results could occur. Though a range of inter-related and complimentary organisational functions exist within and around the policy implementation process they should be structured in a manner that does not put the implementation process in jeopardy. Pressman and Wildasky cited in Hogwood and Gunn, argue that the very system of implementation set out to achieve a general good could be inefficient.

Policies which depend upon a long sequence of course and the effect relationships have a particular tendency to breakdown, since ‘the longer the chain, the greater the risk and the more complex implementation becomes’. In other words, the more links in the chain the greater the risk that some of them will prove to be poorly conceived or badly executed²⁷.

Thus, the complex web of functions that relate to the implementation process of a policy is very crucial in determining how a policy will be carried out. The more decision points there are in the chain, the greater the possibility that the policy might fail. Pressman and Wildasky stress a very vital point as policies or projects might be deemed unsuccessful after implementation due to the conventional approach to implementation. The fact that sub-units need to exist within the policy regime in order to deal with specific and more detailed aspects is very true. But what happens when these very same sub-units distort functions in trying to be efficient and effective so as to deliver a service or execute a task? Not all guidelines within the policy systems are followed exactly, as prescribed by standard policy implementation protocol within the bureaucratic system, by sub-units or departments. As Hogwood and Gunn state,

official objectives are often poorly understood, perhaps because communications downwards and outwards from headquarters are inadequate. Even if objectives have initially been understood and agreed, it does not follow that this state of affairs will persist throughout the lifetime of the programme, since goals are susceptible to succession, multiplication, expansion and displacement²⁸

Pressman and Wildasky provide an account of the aspects that result in defective policy implementation, but make no suggestions on whether policy implementation processes should be reformulated or not in order to avoid suffering from its self-destructive long sequence. Based on Pressman and Wildasky’s claim, that an extra stage in implementation processes reduces policy being carried out according to the objectives of policy-makers, and the theoretical suggestion that for implementation to be realised it, ‘requires not only a complex series of events and linkages but also agreement at each event among a large

²⁷Hogwood, B. and Gunn, L. (1984) *Policy Analysis for the Real World* (Oxford University Press: Oxford) in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.220.

²⁸ Hogwood, B. and Gunn, L. (1984) *Policy Analysis for the Real World* (Oxford University Press: Oxford) in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.221.

number of participants²⁹. I find a gap in the literature as it does not provide solutions on how to improve upon the disadvantages of a long sequence of a policy delivery system of implementation. Further, Hogwood and Gunn acknowledge that opportunities for full and successful implementation are reduced by the existence of each decision point within the implementation process itself. They argue that the implementation model is based on an ideal-type approach of perfect implementation - while they conclude that there is no prescriptive model to replace the current one regardless its obvious disadvantages.

Each and every policy should be implemented in a context whereby its objectives are anticipated. There is nothing more self-defeating than a policy to be implemented, or a service delivered, in a situation whereby it does not play any upliftment or developmental role towards a certain target group or the general public. For example, a policy aimed at introducing a skills-based curriculum within the national education system should not be introduced unless the teachers were trained in how to implement that programme of study. The programme of study might be relevant considering the shortage of technical skills but it might take a while for the existing system to make way for the new syllabus. Institutions training educators might have already produced graduates equipped for the current programme rather than the new one. Thus, educators will have to go for further training in order to function properly and to render the service of providing the new curriculum. This wastes resources. Therefore, lack of knowledge and oversight contributes to the failure of policies in accomplishing the general good. Elmore concludes that,

the elaborate superstructure of regulations, guidelines, and management controls that accompany most social programs tend to have weak and predictable effects on the delivery of social services because street-level bureaucrats and their clients develop strong patterns of interaction that are relatively immune to change. Implementation failures, from this point, are the result of the failure on the part of policy-markers to understand the actual conditions under which social services are delivered³⁰.

This is relevant to what Bovens and t'Hart³¹ have alluded to in connection with what contributes to policy failure; that there is simply no criterion or recipe for policy failure or success. However, aspects that appear invulnerable to change should be identified, scrutinized and dealt with during the policy formulation phase in order to avoid obvious implementation complications. This means that civil servants

²⁹ Hogwood, B. and Gunn, L. (1984) *Policy Analysis for the Real World* (Oxford University Press: Oxford) in Hill, M. (ed) (1998) *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.220.

³⁰ Elmore, R. (1976)'Organisational models of social program implementation' *Public Policy*,26,pp.185-228 in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.251.

³¹ M and t'Hart (1996) *Understanding Policy Fiascoes*, New Brunswick, New Jersey: Transaction Press. p4 as cited in Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p. 207

within implementation institutions and other affected public organs should form part of the policy innovation process so that they could meaningfully contribute to its life cycle, while identifying existing and prospective weaknesses and implementation threats.

Success of an implementation effort can be gauged by looking at the extent to which implementers are involved in the formulation of the program, the extent to which they are encouraged to exercise independent judgement in determine their own behaviour, and the extent to which they are encouraged to establish strong work groups for mutual support and problem solving.³²

It could be concluded that lack of knowledge and consensus play a role in the failure of policies. Understanding the dynamics that surround external and internal aspects of public policy is necessary. This helps in forecasting and developing contingency plans in supplementing the policy in cases of unforeseen circumstances during the implementation stage. Compromise serves as another vital aspect that should be acknowledged as part of public policy processes as it creates a sense of fulfilment in bargaining, formulating and implementing networks. In clarifying this Elmore concludes that, ‘the features of the implementation process that matter the most are those that affect individual motivational and interpersonal co-operation, not those that enhance hierachal control’³³.

The last aspect of this theme that adds to the failure of policies is technology. In most policy implementation situations technology serves as one of the most important means of reaching an end. It basically makes the provision of services easier, but it can also be very expensive at the same time. The limited supply of technological resources is not an ideal situation in an implementation process as policies are bound to fail especially if their execution is largely structured around technology. For example, the Department of Transport can not identify and prosecute traffic offenders if the technological equipment used for speed limits is expensive or scarce. At some stages financial resources allocated for such a policy might not afford implementing organisations modern technology, and this might contradict or divert original objectives of the policy if alternative and affordable innovations are discovered. As stated by Howlett and Ramesh,

even if the technology is available it maybe more expensive than the society is willing to pay.....the availability of a new technology can also be expected to cause changes in policy implementation. Policies towards pollution, for example, often change in the cause of implementation after a more effective or cheaper technology has been discovered³⁴.

³² Elmore, R. (1976)’Organisational models of social program implementation’ *Public Policy*,26,pp.185-228 in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.257.

³³ Elmore, R. (1976)’Organisational models of social program implementation’ *Public Policy*,26,pp.185-228 in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ HarvesterWheatsheaf, London) p.257.

³⁴ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.192.

Policy implementation can fail due to a variety of issues discussed above. External forces to implementation, a long sequence of the implementation process, lack of knowledge or vision-and consensus, and technological challenges are just some of the dynamics that are more visible in the failure of policies. As Howlett and Ramesh have articulated, there is a serious problem concerning the success or failure of policies and this emanates from the view that there is no fixed standard which determines both these aspects³⁵.

The next theme is one of the most important determinants of how a policy will be conceived, formulated, implemented and evaluated. Power relations among all relevant stakeholders within the policy process are very crucial in influencing policy in the direction of the most resourceful or powerful actors. It is a natural exercise for policy formulators to identify all prospective clients that could be affected by the policy in order to point out if any coalitions exist or not. Client coalitions within the policy process help in stirring a programme towards a certain direction which sometimes was not initially envisioned, thus it encourages public participation. According to studies done by Brynard, ‘as with other variables, the first task is to determine and catalogue the potential clients and coalitions from the larger cast of characters in the implementation theatre’³⁶. This clearly sets out that actors within or outside policy circles, which might have a considerable amount of influence should not be ignored as they might form alliances for or against the policy. It is safer for policy clients to support policy objectives than for them to gang up against it. And it is understood that there will always be conflict within the public policy process itself, given the involvement of civil society, interest groups, NGO’s and trade organisations, whether existing or prospective clients have been recognized or not. By this Brynard further points out that not only important actors should be acknowledged. He concludes by stating that,

the constellation of actors who are directly or indirectly affected by the implementation process is likely to be far larger than the set of key constituencies whose interests are impacted enough for them to have the desire, or the ability, to influence the implementation process in return. The danger of so limiting the scope of enquiry as to leave out key actors is both real and serious. However, being bogged down with so many ‘minor’ actors that any exploratory investigation becomes unmanageable is equally dangerous. It is important, then, to underscore the saliency of consciously seeking to identify key relevant stakeholders, as opposed to all identifiable actors³⁷.

Power relations among actors play a very significant role in the implementation stage of a policy. The coalition of clients for any conceivable end concerning implementation somehow creates a certain kind of

³⁵ Howlett, M. and Ramesh, M. (2003), *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.208..

³⁶ Brynard, P. (2000) *Policy Implementation* in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.185.

³⁷ Brynard, P. (2000) *Policy Implementation* in Cloete F, and Wissink, H (2000), *Improving Public Policy*, (Van Schaik Publishers, Pretoria) p.185.

cohesion amongst affected parties and actors; which is my second point on issues relating to power relations among stakeholders. Resourceful actors comprising private organisations, civil society groups or NGO's in the implementation network all seek to manipulate policy outcomes according to their institutional objectives or expectations. It is imperative, according to Howlett and Ramesh, that the implementing supervisory body makes some legitimate arrangements with resourceful and influential actors so as to incorporate them within the implementation procedures. In short,

powerful groups affected by a policy can condition the character of implementation by supporting or opposing it. It is therefore quite common for regulators to strike compromise with groups, or attempt to use groups' own resources in some cases, to make the task of implementation simpler and less expensive³⁸.

But, then, what happens in a situation, such as in the Taxi Recapitalisation Programme, whereby no compromise has been reached in order to ensure that policy goals are not ambiguous, compliance is achieved and implementation is not frustrated? Do the implementing institution and its sub-units carry on with the function of service provision despite resistance and grievances; or methods of creating an enabling environment to effect cohesion among affected actors are devised?

Grindle's account of third world policy implementation processes points out the very same aspects discussed above. Cohesion amongst affected clients or actors in the implementation system could result in constructive coalitions; which actually work together in realizing policy goals. If this has been occurring under transparent policy formulation and implementation processes, distinguishable policy objectives and an environment that encourages bargaining or compromise policy implementation could live up to its conventional function. As Grindle claims,

the implementation process may be the major arena in which individuals and groups are able to pursue conflicting interests and compete for access to scarce resources. It may even be the principal nexus of the interaction between the government and the citizenry, between public officials and their constituents. Moreover, the outcome of this competition and interaction can determine both the content and the impact programs established by government elites, and thus influence the course of a country's development³⁹.

It goes without saying that consultation forms the backbone of policy formulation and implementation. This is due to the fact that it serves as a medium of public participation, not only for reaching compromise during formulation, but also to ensure compliance during implementation. Howlett and Ramesh, Friedman , Meyer and Cloete , believe that consultation, in the form of public hearings, is a mechanism of

³⁸ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.189.

³⁹ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.19.

securing regulatory compliance. They also acknowledge that in some instances public participation sessions prepared by a decision-making body are often “after the fact” public information mediums as opposed to true consultative devices. Their extensive studies conclude that members of policy subsystems should be consulted thoroughly and it does not matter whether this takes place for a short period of time or a couple of years, just as long the gulf between policy-makers and citizens is bridged so that legitimate policies could be properly implemented.

Policy implementation theorists contend that consultation, as a means of utilising an audience as a sounding board and eliciting opinions, suggestions, advice or recommendations before or after a decision is taken unilaterally is an unproductive mode of participation if the decision-maker is not committed to accept public views. There is no guarantee that decision-makers will consider views expressed during consultation processes or that those consulted can veto a policy decision. Therefore, consultation, although a very vital component of policy formulation and implementation, can sometimes be exercised as a symbolic function of the policy process rather than as a tool of transparency and legitimacy.

The first feature of public participation is representation. Meyer and Cloete contend that public involvement is of great significance and it should come about through the recognition of civil society representations. For this to occur, a culture of democracy that is tolerant of dissent, representation, consultation and consensus needs to develop at a grassroot level.. As Meyer and Cloete argue,

community participation can occur through the involvement of leaders of legitimate organisations in the community which represent different interests of and segments in that community (e.g. civic, cultural, religious, welfare, recreational, youth, business and other organisations). Obviously, the more substantial the interests that are presented, the more influential will be the involvement of the organisation and its leaders. There must also be regular feedback from these leaders to their constituencies in order to legitimise their actions⁴⁰.

When government consults with communities on issues concerning policy, organised civil society is normally the most vocal. Public participation, in this regard, is shaped by the public through civil society leadership. It is up to policy formulators to see to it, then, that representation is encouraged at all levels to avoid any political actions against policy implementation, and to create a suitable environment for social cohesion. ‘Flexibility in policy execution may even be part of a polity-wide accommodation and conflict

⁴⁰Meyer, I. and Cloete, F (2000) *Policy agenda-setting*, in Cloete, F. and Wissink, H (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.104 .

resolution system used by political elites to maintain the often tenuous cohesion of the political community itself⁴¹.

Transparency as a part of promoting popular participation and the principle of democratic rule needs to be a pillar of policy implementation. In South Africa there is framework called the Batho Pele document which deals with achieving high standards of service delivery in public institutions, and transparency is one of its major codes. On the quest of promoting public participation there should be mechanisms put forward in order to ensure that society supports policy implementation. This is due to the fact that there is no fixed system of predicting the success or failure of policy. But by achieving public participation at most stages of the policy process the function of implementation could face less complications. Friedman in supporting this declares that for everyone affected by policy to feel involved transparency should prevail throughout the life cycle of policy. He further says that,

where reactions can not be predicted, incentives and disincentives may create more problems than they solve. Part of the solution lies in stronger links between policy-makers and those whom policy affects; where the latter is represented by organisations, incentives and disincentives may be achieved through⁴².

Justifiable policies are easy to set objectives around as opposed to policies that the public are forced to accept and comply with. Legitimacy is an imperative principle of democracy and the policy life cycle. Policy implementation theorists believe that the two components of endorsing public participation such as representation and transparency are pre-requisites in order for legitimate policy implementation to take place. Legitimacy, the last theme of public participation, paves the way for public participation. This results from the view that if proper representation was attained during the policy formulation stages transparency would automatically surround the whole policy regime. It follows, then, that the dual existence of representation and transparency, through consultation, are of great importance in effecting legitimacy. According to Meyer and Cloete,

both approaches to participation are legitimate if they meet certain requirements, the most important which are; The existence of opportunities for members of the community to exercise democratic choices in determining development priorities for the community. The absence of coercion in the process. Responsiveness of development priorities expressed by the community itself. Fourth, negotiation with the representative and legitimate community leaders, organisations and community members concerned, if it is deemed necessary to change the priorities, design or implementation of aspects of a project. Consistency participatory planning, design and implementation of the different stages of the project

⁴¹ Grindle, M, (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.18.

⁴² Friedman, S. (1998) 'The Problem with Policy', *Policy Brief* (Center for Policy Studies, Johannesburg) p.3

concerned. Flexibility of implementation in order to adapt to changing circumstances and needs of the community⁴³.

In some sectors, such as intelligence, foreign policy and science and technology, public attitudes play very little role in policy formulation and implementation. In other sectors, public attitudes do play a role. In sectors where public attitudes matter, they may be either positive or negative, which could result in implementation success or failure. I would like to suggest that public participation forms part of an essential criteria which determines the direction of policy implementation. How would we rate policy implementation if there was considerable public participation from the onset? Would we rate it the same way in which participation was not encouraged during the entire policy process? One thing is for certain. The evaluation results of policy implementation processes will never be the same.

Every public policy has a context, which impacts upon implementation. Brynard contends that the context should be comprised through cohesion between all relevant stakeholders and the government. A lack of consensus prevents cohesion among all affected actors within the policy arena. If this becomes a dominant feature in the policy context, implementation becomes a futile exercise and a waste of resources because there are greater chances of policy objectives not being realized. In this regard Hogwood and Gunn further developed this argument. They state that,

‘...it is nowadays relatively rare for implementation of a public programme to involve only a government department on the one hand and a group of citizens on the other. Instead there is likely to be an intervening network of local authorities, boards and commissions, voluntary associations, and organised groups’⁴⁴.

Meanwhile, bargaining amongst all stakeholders should form part of policy formulation as it may result in a win-win situation. ‘In implementation, as in all bargaining problems, parties with strong divergent interests are locked together by the simple fact that they must preserve the bargaining arena in order to gain something of value.’⁴⁵ This means bargaining parties in the form of government, various collective public interest groups in civil society, NGOs, trade unions organisations and the private sector work together. To qualify what other policy implementation studies and theorists posit, Friedman concludes that, ‘policy is not made in a social vacuum. While it may try to shape social reality, it is also shaped by it. Where this is not acknowledged, policy is likely to be incapable of implementation⁴⁶. Therefore,

⁴³ Meyer, I. And Cloete, F. (2000) *Policy agenda-setting* in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.106.

⁴⁴ Hogwood, B. and Gunn, L. (1984) *Policy Analysis for the Real World* (Oxford University Press: Oxford) in Hill, M. (1998), *The Policy Process: A Reader* (Prentice Hall/ Harvester Wheatsheaf, London) p.221.

⁴⁵ Elmore, R (1976) ‘Organisational models of social program implementation’ *Public Policy*,26,pp.185-228, in Hill, M. (1998), *The Policy Process: A Reader* (Prentice Hall/ Harvester Wheatsheaf, London) p.262.

⁴⁶ Friedman, S. (1998) ‘The Problem with Policy’ *Policy Brief* (Center for Policy Studies, Johannesburg) p.2

cohesion amongst all relevant stakeholders in a policy implementation context should also form part of any criteria which determines the fate of implementation.

Policy implementers, the bureaucracy, and the rest of the hierarchy that works with and within public policy processes should not disregard the fact the dynamic interest groups are there to safeguard democratic principles that govern the provision of services through policy implementation. The Batho Pele⁴⁷ framework which promotes good governance and high standard public service delivery in South Africa were established to ensure that public officials are accountable for their actions. According to Lane,

implementation in a democratic system of government rests upon the public power entrusted to politicians and public officials. Politicians and officials are supposed to deliver on policies; this is the basic restriction on the degrees of freedom of decision-makers and implementers in relation to their principles, the citizens.⁴⁸

In the context of policy implementation power also plays a major role in determining what direction the policy will take. Power is a medium that considerably shapes policy implementation. Political and economic resources are normally utilized as means to a variety of ends in the policy life cycle. They can be used to sanction, to distort policy and to exclude some key players within the public policy process.

Political power can also influence the decision-maker who wants to protect his own interest. For example, as a result of political power, he could satisfy a need instead of taking the best decision. Although the decision-maker may use quantitative techniques, the influence of political power will still be dominant⁴⁹.

What Brynard⁵⁰ contends is valid and has been the case in the South African taxi industry, whereby crucial decisions around the Taxi Recapitalisation Programme have been influenced by high ranking public officials and politicians instead of taxi operators. As a result, taxi operators complain that the programme does not reflect their interests and they regard it as a plot to force them out of the taxi industry. Howlett and Ramesh in a discussion of power relations among stakeholders conclude that, ‘the political and economic resources of target groups, especially, have major effects on the implementation of

⁴⁷ The Batho Pele principles function at every level of government in the South African public sector as a structure of promoting effective, efficient and uniform service delivery.

⁴⁸ J-E, Lane (1987) ‘Implementation, accountability and trust’ *European Journal of Research*, 15 (5), pp. 527-46 in Hill, M (1998), *The Policy Process: A Reader*. Second edition, (Prentice Hall/ HarvesterWheatsheaf, London) p.309.

⁴⁹ Cloete and Wissink, H (2000), *Improving Public Policy*, (Van Schaik Publishers, Pretoria) p.158.

⁵⁰ Brynard, P. (2000) *Policy Implementation* in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria)

policy⁵¹. Thus, in accordance with this, weak political and economic resources of taxi operators have had a negative effect on most aspects surrounding policy processes about them.

Policy implementation context also includes interests and strategies of actors involved. Most players in the policy arena might use different methods in order pursue their own interests. And in this regard the success or failure of a policy might be determined by the application of certain strategies by dominant players. And this could result to policy's objectives favouring particular actors over others, and to some actors remaining in the decision-making arena appears better than being passive compliers. Elmore confirms this.

The success or failure of implementation is therefore largely a relative notion, determined by one's position in the process. Actors who are incapable of asserting their purposes over others, however temporarily, will argue that the process is 'successful'. Those with a disadvantaged in the bargaining process to proceed even when all actors regard it as unsuccessful, because the costs of refusing to bargain may exceed the costs of remaining in the disadvantageous bargaining relationship⁵².

This is true when one looks at issues of consultation in the taxi industry. A quantitative strategy was put in place for pursuing the interests of dominant actors. Policy implementation theorists call this gate-keeping, a time-limit strategy through which to prevent too much civil society participation and to necessitate progression on the subsequent stages of decision-making. Different actors, including government, use different strategies in order to direct policy to their own objectives. This makes the policy implementation context a contested terrain in which various tactics are employed in order to sway policy.

The nature of institutions provides a good basis in terms of predicting how policy processes will be carried out from formulation to evaluation. Public officials should be accountable on issues concerning service delivery. Brynard acknowledges this requirement and asserts that,

besides the normative guidelines that operate in public administration, there is one aspect which the decision-maker in a specific institution cannot ignore, namely the leadership and accountability function of the governmental superstructure. The representatives of the people, the Cabinet, the approaches, points of view and preferences of the individual ministers must all be given due consideration.⁵³

⁵¹Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.183.

⁵²Elmore, R (1976) 'Organisational models of social program implementation' *Public Policy*,26,pp.185-228, in Hill, M. (1998), *The Policy Process: A Reader* (Prentice Hall/Harvester Wheatsheaf, London)p.264.

⁵³ Brynard, P. (2000) *Policy decision-making* in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.159.

This is not to imply that public officials should not use their discretion in emergency situations. Rather that, as much as they have the institutional means to respond to policy challenges, they should recognize internal and external forces that influence policy. Whether the institution, its sub-units and agencies are capable or equipped to withstand these dynamics largely depends on system of governance. The complex network of policy should have enough necessary resources for carrying out the function of service delivery. Brynard concludes that,

the focus here is on the institutional context which...will necessarily be shaped by the larger context of social, economic, political and legal realities of the system. This is no way to underestimate the importance of the larger conceptuality, but emphasises the importance of this impacts on the implementation process, primarily via the institutional corridor through which implementation must pass...⁵⁴.

Regime characteristics result in social, economic and political forces that shape policy according to their nature. It is expected that implementation institutions will perform according to how forces surrounding the policy regime are conditioned. This emanates from the view that public institutions infested with unaccountable, corrupt and incapacitated officials cannot, under any situation, perform the function of service delivery effectively and efficiently. Therefore, decision-makers should always consider the impact of the institutional and regime characteristics as far as the policy context is concerned in policy implementation.

The last component of this theme is compliance and responsiveness from those affected by the policy. Grindle⁵⁵ argues that officials should strive to achieve compliance at all costs in order to attain policy objectives. She further asserts that, as part of the policy implementation context, public officials should have the support of political elites at higher and lower levels of government institutions and the intended policy beneficiaries. Other implementation theorists have not incorporated the concepts of compliance and responsiveness within the context of implementation. Grindle identified their significance in informing what might become of policy implementation regarding their inclusion or exclusion in the policy life circle. Grindle states that public officials should ensure that they win the confidence of those who might be harmed by the policy while attracting and keeping those who might be excluded but desire to form part of the policy actors from sabotaging policy implementation⁵⁶. She acknowledges the fact bargaining, co-ordination and conflict should serve as mediums of accomplishing this goal. This has also

⁵⁴ Brynard, P. (2000), *Policy implementation*, in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.180.

⁵⁵ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.12.

⁵⁶ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.12.

been recognized by theorists such as Elmore⁵⁷, Howlett and Ramesh⁵⁸ and Brynard⁵⁹ in relation to creating favourable conditions for implementation.

As stated in the Batho Pele principles, public officials should be responsive to the citizens on issues concerning service provision. Grindle confirms this point. She claims that bureaucracies should exercise this function in order to improve relations between the government and the public. ‘In addition, without a considerable amount of responsiveness during implementation, public officials are deprived of information to evaluate programme achievement and of support crucial to its success’⁶⁰. Therefore, it is of great importance for most of the public to comply with the policy and for the implementing agency to be responsive to the public’s needs. A lack of these two components in the policy process serves to guarantee a crisis in implementation as programmes could be directly undermined as they do not serve to achieve a general good. There could be an absence of accountability in public institutions and agencies, as watchdog organisations of the public, could deem that particular policy illegitimate.

The last theme of this dissertation is concerned with interrogating the content of policy implementation. Each policy has a context and content. The content of a policy can not be divorced from the context, as they complement each other. The first element of this theme deals with the interests affected by the policy. It goes without saying that many interests might be affected by the implementation of the policy, owing to its content. For example a policy designed to change behaviour is always more difficult. ‘The size of the target group, for example, is a factor affecting administrative discretion insofar as the larger and more diverse the group, the more difficult it is to affect its behaviour in a desired fashion’⁶¹. The taxi recapitalisation programme, for instance, was also designed through rules and regulations to attempt to change taxi driver behaviour. This was a very ambitious goal considering the size of the South African taxi industry.

⁵⁷Elmore, R. (1976) ‘Organisational models of social program implementation’ *Public Policy*, 26, pp.185-228, in Hill, M (1998), *The Policy Process: A Reader*. Second edition, (Prentice Hall/ HarvesterWheatsheaf, London)p.261

⁵⁸ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada)

⁵⁹ Brynard, P. (2000) *Policy implementation*, in Cloete, F. and Wissink, H. (2000), *Improving Public Policy*, (Van Schaik Publishers, Pretoria)

⁶⁰ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.17.

⁶¹ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.192.

Improving the standard of public transport vehicles is a brilliant plan and a relevant socio-economic strategy for South Africa, but ensuring that traffic rules are followed by all drivers is a serious concern. Howlett and Ramesh make the following claim.

Thus, because of a small number of manufacturers involved, for example, policy designed to improve the safety feature of automobiles is easier to implement than a policy designed to make thousands of careless drivers observe traffic safety rules. The extent of the behavioural change the policy requires of the target group hence is a key determinant of the level of difficulty faced in its implementation⁶².

Part of the problem is that the taxi recapitalisation programme is a regulatory policy. Those who fail to comply with it face legal penalties. Taxi operators who fail to convert their old permits to operating licences face two threats; to have their vehicles confiscated and written off or get arrested or pay a fine for operating with illegal documents. To most taxi operators this was not what they expected from the programme. It is also vital to know the policy content so as to comprehend how actors' interests could be affected during implementation. As Brynard states,

in very broad terms, distributive policies create public goods for the general welfare and are non-zero-sum in character; regulatory policies specify rules of conduct with sanctions for failure to comply; and redistributive policies attempt to change allocations of wealth or power of some groups at the expense of others⁶³.

If the taxi industry fully understood how their interests were to be affected by the policy content we would have minimal or no nation-wide taxi violence over routes, strikes, boycotts or legal cases against the government in relation to the programme. 'Target groups, that is, groups whose behaviour is intended or expected to be altered by government action, play a major direct and indirect role in the implementation process.'⁶⁴ This means that policy could result in different kinds of politics; as has been the case with the taxi recapitalisation programme.

Policy content outlines the types of benefits which are due to the public recipients. In certain instances, development-orientated policies (such as those of improving the standard of public school facilities and building more schools across the country, especially in rural areas) are normally met by broader national compliance. But if policy benefits are not relevant or parallel to national needs there is a huge chance that it might be opposed. Grindle contends that differentiation must be made between programmes providing

⁶² Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.192.

⁶³ Brynard, P (2000) *Policy implementation*, in Cloete and Wissink, H (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.179.

⁶⁴ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.188.

collective benefits⁶⁵, which normally demand a high degree of attention and less conflict from the public during implementation, and policies with divisible benefits which may encourage conflict and competition among actors in the policy arena which might result in difficulties implementing policy.

The extent of change envisioned by policy formulators and implementers is another dynamic that forms part of the policy content. Policy content should clearly stipulate what the policy seeks to achieve, there must be a contingency plan, a financial plan, an implementation plan and a period stipulated or imagined for that particular policy to reach its objectives. For example, if a policy is aimed at changing the behaviour of taxi drivers, as the Taxi Recapitalisation Programme is, it should be expected that its objectives could be the most hard to achieve, due to the fact that there is no sub-programme devised for such an end. For Grindle,

differences in the degree of behaviour change the programme envisions for it's intended beneficiaries is another way the content of policy affects its implementation... Moreover, programs that are designed to achieve long-range objectives may be more difficult to implement than those whose advantages are immediately apparent to the beneficiaries.⁶⁶

Although public policies are designed in order to effect ends, of which we would like to think are for the benefit of the broader society, they should not be too ambitious or take too many years to implement.

The last component of this theme is the site of decision-making in the implementation system. Policy implementation theorists such as Howlett and Ramesh⁶⁷ and Grindle⁶⁸ contend that the site of decision-making in implementation plays a very crucial role in how programmes will reach objectives. Howlett and Ramesh state that the fact that there might be national, provincial and local bureaucratic agencies with diverse ‘interests, ambitions and traditions affect the implementation process and shape its outcomes’⁶⁹. Similarly, Pressman and Wildasky argue that the longer the sequence⁷⁰, or chain of implementation there is, the more complex implementation becomes and the more policy is susceptible to

⁶⁵ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.8.

⁶⁶ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.9.

⁶⁷ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystem* (Oxford University Press, Canada)

⁶⁸ Grindle, M. (1980) Politics and Policy Implementation in the Third World, (Princeton University Press, New Jersey)

⁶⁹ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.187.

⁷⁰ Hogwood, B. and Gunn, L. (1984) *Policy Analysis for the Real World* (Oxford University Press: Oxford) in Hill, M. (1998), *The Policy Process: A Reader*. Second edition, (Prentice Hall/ HarvesterWheatsheaf, London) p.220.

failure. Grindle provides a comprehensive account of how the site of decision-making, as part of policy implementation content, could have any potential result. She concludes that,

as the site if decision-making becomes more dispersed, both geographically and organizationally, the task of executing a particular program becomes more difficult, given the increase in decisional units. There may be, for example, differences in the capacity of various bureaucratic agencies to manage programs successfully. Some will have more active, expert, and dedicated personnel than others, some will enjoy greater support of political elites and have greater access to resources, and some will be more able to cope with the range of demands made upon them.⁷¹

As per the definition of policy implementation a complex system is required. This includes assigning responsibilities to sub-units, a monitoring system and a series of bargained decisions in order for policies to be realized as objectives. The very nature of policy implementation requires that each and every component that forms it be acknowledged and put into practice. A policy life cycle can fully reach the stage of completion if all that comprises it has been addressed, thus the implementation and evaluation processes may not be subject to a great deal of disappointment.

It should be very clear at this point, as articulated in all the themes on implementation, that policy implementation is not an easy function. ‘To be effective, then, implementers must be skilled in the arts of politics and must understand well the environment in which they seek to realise public policies and programmes’⁷². As far as public policy processes are concerned; on the process of determining what transpired in the policy dynamics of the taxi recapitalisation programme, arguments raised by policy implementation theorists on the formation of these themes will be further interrogated throughout this dissertation.

2.0 Methodology of the Study

The nature of this research project is empirical and largely based on both exploratory and explanatory features of data collection and analysis. My sources of data collection have been interviews, surveys, government policy documentary material concerning the Taxi Recapitalisation Programme and media articles. The respondents are local, regional and provincial taxi association leaders, taxi operators, taxi drivers, taxi rank managers, commuters and KwaZulu-Natal Department of Transport representatives.

2.1 Choice of respondents

⁷¹ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.10

⁷² Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.13.

In choosing respondents I was concerned to ensure that my sample was reflective of the broader taxi industry to make sure that the information that I gathered, and the analysis that I then did, was valid. My respondents thus consisted of a sample from five taxi ranks, comprising taxi association executive members, taxi operators, rank managers and rank marshals, taxi drivers and passengers. In order to collect broader public perceptions on the taxi recapitalisation programme 105 respondents were selected from five taxi ranks, which consisted of two prominent long distance and three local distance taxi associations. Respondents were selected with the view that ‘respondents in politically unstable environments may be a good deal more suspicious about the goals and purposes of the research project’⁷³. As a consequence of this I followed the procedure below in negotiating access.

2.2 Negotiating access

The executive of any taxi association plays a major role in the direction, organization and every day functioning of taxi ranks. As a result, anyone who comes to a taxi rank needing information related to the taxi business should start by consulting with the taxi organization’s chairperson or executive body. Considering the violent nature of the taxi industry it was imperative to ask for informed consent from taxi leaders prior to commencing with the fieldwork. Violence is still on the rise in the taxi industry. Any stranger carrying files and asking questions about the business could be considered a threat as many operators suspect a government plot to force them out of the industry.

I tried by all means to ensure that all prominent local taxi associations formed part of this study while trying to incorporate the long distance frame at the same time. Unfortunately the long distance association was not prepared to assist nor give permission for surveys to be conducted at any of their ranks. Further attempts were made in order to include the long distance taxi associations but they were in vain and resulted in a limitation in this study. An issue that affected data collection for the study was that the Durban Long Distance Taxi Association’s chairperson refused to meet with me or delegate someone else from the executive committee to do so. This association controls more than 45 different long distance taxi ranks situated at Durban station and at the YMCA precinct, in front of the Teachers Centre on Alice Street. However, I partly managed to circumvent the limitation of this on the findings and conclusions of this study due to the fact that the KwaZulu-Natal Taxi Council (Kwanataco), a provincial component of the South African National Taxi Council (Santaco), confirmed that DLDTA is its affiliate through regional structures and guaranteed to assist with the provision of information on behalf of all of its members. The main limitation of this for this study is that the opinions and perceptions gathered are provincially, rather than nationally based.

⁷³ Burnham, P. and Gilland, K. Layton-Henry, Z. (2004) *Research Methods in Politics* (Palgrave/ Macmillan, New York).p.208.

2.3 Construction of Questions

Questions were constructed for each “group” of respondents in accordance with the information that they logically could be expected to know, depending upon the position that they occupied in relation to the information that I was seeking. For example, the taxi association executive members were asked different questions to the taxi drivers because the position that both groups occupied meant that their knowledge base of the industry was different. This enabled me to ensure that the information that I was provided with through the interviews and surveys was valid, and further that the analysis that I provide is authentic.

2.4 Conditions of the Surveys

The taxi leadership understood the objectives of this study and gave me permission to proceed with my survey in the ranks. However, getting respondents for surveys was a time consuming process as everyone in a taxi rank is always in a hurry rushing to different destinations. Rank managers were told in advance about my arrival and they were very helpful in encouraging taxi drivers to participate in the study. Taxi ranks are very noisy and this made the collection of information difficult, but not impossible. Taxi drivers were given a chance after each survey to add anything they thought might be useful, or to add to any aspect that they thought I did not engage with. The same exercise was done after every semi-structured interview. This gave me an opportunity to explore and record various useful issues that arose during surveys and interviews.

2.5 Responsiveness of Interviewees

Overall respondents were willing to answer my questions. All information was collected anonymously and respondents were informed that their participation in the study was entirely voluntary, that they could withdraw at any time. This was necessary to protect the autonomy⁷⁴ of the respondents. All surveys and interviews were conducted in isiZulu where necessary, and I recorded responses myself to avoid embarrassing illiterate respondents. This also allowed me to control what questions were answered by the respondent as not all were applicable to each person, and to follow up on the responses that were provided to me.

2.6 Interviews

I interviewed more than twenty people from the various taxi associations during the fieldwork. Although some of them belonged to the same association they often disagreed with one another. Most taxi

⁷⁴ Burnham, P. and Gilland, K. Layton-Henry, Z. (2004) *Research Methods in Politics* (Palgrave/Macmillan, New York).

associations did not have a problem with sharing information relating to the taxi recapitalisation programme, violence in the industry and their experiences as taxi operators, drivers and rank marshals. About half of the taxi leadership I interviewed also asked other executive committee members, taxi operators, rank managers and colleagues from other departments to talk to me so that I heard their versions and opinions.

This, on occasion, changed the circumstances in which I planned to hold interviews as in these few cases I had more than one respondent at scheduled interview. It became clear in both interviews and focus groups that taxi operators often deal with issues concerning the industry as a collective. I make this claim because, of the taxi leaders that I interviewed, the majority also assembled their colleagues, taxi organisation executive members and powerful operators within that particular organisation to contribute information. This changed approximately half the interviews into focus groups. I experienced the same thing with the KwaZulu-Natal Provincial Taxi Organisation executive in Pietermaritzburg. I held one short interview and was then invited back to meet with an official from the Department of Transport and a taxi organization leader. They all contributed in their own ways, experiences and capacities as taxi industry leaders and government representatives.

2.7 Conditions of the focus groups

The focus groups that ensued had advantages and disadvantages. Bryman, in Burnham et al, argues that, the, ‘focus group is as much more natural environment for sharing information and contributing to research than situations such as an interview in the street or alone in one’s home’⁷⁵. I found that there were advantages as many taxi operators were at my disposal at the same time and I had an opportunity to get different views from the group. This was because no one wanted to be left out, especially on questions relating to consultation, new vehicles, operating licences, issues this programme should prioritise, violence and the overall financial implications of the programme. Their behaviour was in accordance with what Burnham had observed. He says that, ‘in a group situation, people’s confidence will grow as they find others in the group with similar views and experiences struggling to find solutions to common challenges’⁷⁶. It follows, then, that some within the group were dominant in articulating further on any given question. But this also helped because whenever others in the group did not agree with the dominant speaker other interviewees would intervene and provide a different opinion or different

⁷⁵ Burnham, P. and Gilland, K. Layton-Henry, Z. (2004) *Research Methods in Politics* (Palgrave/ Macmillan, New York).p.109.

⁷⁶ Burnham, P and Gilland, K. Layton-Henry, Z. (2004) *Research Methods in Politics* (Palgrave/ Macmillan, New York).p.109.

information. According to Burnham et al⁷⁷, in a focus group situation one should never place too much reliance on any one respondent, however eloquent they may be or however much their views may support the argument being made. Alternative perceptions concerning the Taxi Recapitalisation Programme and the taxi industry in general were not prevented as questions were never directed at one person, but the whole group. As Burnham put it, ‘members of a focus group may be able to raise issues, with the support of other members of the group, which were not initially a priority of the researcher and so have an impact on the research agenda’⁷⁸. Before every question, and after every answer, I paused in order to let anyone respond, object or add anything to what had already been said.

Interviewing multiple respondents at the same time also had shortfalls because in most cases someone, who was on the right path on answering the question, would be interrupted by a comment which would introduce us to another issue. Sometimes focus groups limit the “other” dissenting viewpoints from the dominant voice. They also reinforce socially constructed hierarchies and prevent those lower in the hierarchy from having an equal voice. Hence, although the focus groups in this study opened and clarified avenues of investigation that had potentially influenced the nature of the taxi industry, and how the industry relates to government and broader society, the information gained from them was not interpreted alone. It was, in my analysis, compared to semi-structured interviews and surveys in order to limit the impact that the dominant voice would have on the overall findings.

2.8 Use of equipment in the interview and Interview Records

All my interviews were recorded and the use of a tape-recorder was used to enable correct referencing and to allow proper interpretation of the interview transcripts. All respondents were offered and provided with anonymity to protect their identity. Hence, the names of the interviewees do not appear in this dissertation. The interviews were typed up immediately after each one took place to allow me to analyse the information before I moved on to the next interview. This was helpful in enabling me to see quickly which lines of enquiry required further investigation as the interviews progressed and to explore any contradictions and conflicting opinions further.

Having discussed the themes and concepts of this study and reflected upon the research methods, I now turn to a discussion of the history of partial regulation of the taxi industry.

⁷⁷ Burnham, P. and Gilland, K. Layton-Henry, Z. (2004) *Research Methods in Politics* (Palgrave/ Macmillan, New York).p.109.

⁷⁸ Burnham, P. and Gilland, K. Layton-Henry, Z. (2004) *Research Methods in Politics* (Palgrave/ Macmillan, New York).p.108.

Chapter Two

A History of Challenges and Partial Regulation

In this chapter I examine the history of the Taxi Recapitalisation Programme and the regulatory frameworks that preceded it and govern the taxi industry. I begin by providing an overview of the evolution of the taxi industry, by tracing it back from the horse-drawn wagons to the engine-powered vehicles. I then look at the challenges created by partial deregulation and the impact of these on the industry in a context of competition with the bus and train services. In the second part of this chapter I focus on why and how the Taxi Recapitalisation Programme was formulated. I do this in the context of economic and political factors that have shaped it. In the final part of this chapter I look at the various components and objectives of the Taxi Recapitalisation Programme and how the taxi industry has responded to them.

1.0 The History of the South African Taxi Industry

The taxi industry is one of the most lucrative transport and business sectors and an important pillar of the South African economy. The birth of this industry was as a direct result of industrialisation, which forced black South Africans from their traditional homesteads to the cities to look for work. The Natives Land Act of 1913⁷⁹ dispossessed the majority of people from their land and forced them into the urban labour market⁸⁰. Given this account, the taxi industry traces its roots from among one of the early business sectors that would later play a significant role in the economic development of South Africa. As argued by Khosa, ‘the phenomenon of black taxis can be traced to the turn of the century. The predecessors of the modern black taxis were horse-drawn cabs which emerged in the late 1800s’⁸¹. As more people moved to urban areas in search of employment, some of them were hired as horse-cart drivers, and eventually accumulated sufficient financial resources to enable them to emerge as entrepreneurs within the taxi business. Therefore, with the increasing number of cart owners, competition became a component

⁷⁹ The Natives Land Act (No. 27 of 1913), also known as the Black Land Act, was passed because of constant pressure by Whites to prevent the encroachment of Blacks on White areas. This law incorporated territorial segregation into legislation for the first time since Union of South Africa in 1910. In effect, over 80% went to White South Africans, who made up less than 20% of the population. The Act stipulated that Black South Africans could live outside the reserves only if they could prove that they were in White employment. Although the law was applicable to the whole of South Africa, in practice it applied only to the former Transvaal and Natal.

⁸⁰ <http://santaco.windows.co.za/index.php?option=comcontent&view=article&id=20:santaco-history&catid=4:history&Itemid=6> (Date accessed: 17 February 2007)

⁸¹ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’, *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

of the then underdeveloped transport industry which comprised of wagons flooding taxi ranks or waiting stations.

1.1. The introduction of engine-powered vehicles: early competition and regulation

The introduction of engine-powered vehicles in the South African transport landscape meant that the commuter service became efficient in terms of covering different logistical demands. This was also important in improving communication networks as engine powered vehicles were more effective in the functioning of the postal services. The taxi industry was comprised of both black and white operators. The majority were white operators, but the number of black operators gradually increased between 1900 and 1930. Khosa concludes that, ‘for many Africans in urban areas, it took between 10 and 20 years of working in menial jobs before they could afford a second hand vehicle to start a taxi business’⁸². It is during the early 1900s that segregative legal frameworks to govern the taxi industry were firstly introduced. For example, as Mileham claims,

In 1902 the Johannesburg council created two racially distinctive licensing categories whereby all black cabbies had their licenses relegated to second class. As such they could not transport whites and the scene was set for a racially divided transport mode. With the introduction of motorised taxis, taxi ranks were no longer used by horse-drawn cabs.⁸³

Barolsky⁸⁴ argues that the first motorized taxi catering for black commuters was established in 1930 in Nataalspruit⁸⁵. A context whereby competition was contained and access was restricted in the taxi industry, which was now in the form of cabs, was created through the licensing system. Khosa states that, ‘following recommendations of the Le Roux Commission the Motor Carrier Transport Act⁸⁶ was passed in 1930 which introduced transport regulation on a scale unprecedented in South Africa: competition was stifled and transport monopolies were cited’⁸⁷. The Act governed all transport related matters, and these ranged from goods and services to commuter transportation. The pillar of this Act was the transportation

⁸² Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ *Transformation* 24 p. 55-71.p.61

⁸³ Mileham, T. (1993) *The Journey to work of Black commuters in Durban: Privatise or Subsidise*. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences, Durban.p.57.

⁸⁴ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.2

⁸⁵ Katlehong, formerly known as Nataalspruit, is a township located to the south of Germiston in Gauteng.

⁸⁶ The Motor Carrier Transportation Act of 1930 [Act No.39 of 1930] prohibited all goods and services transportation by road for profit without service permits obtained from Local Road Transportation Board. The Act had specific stipulations as to who must own a public transport vehicle, which only carried about four passengers at the time.

⁸⁷ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

permit which regulated most logistical functions and services. It basically, ‘prohibited all goods and services transportation by road for profit without service permits obtained from the Local Road Transportation Board (LRTB)’⁸⁸.

The Act had specific stipulations as to who could own a public transport vehicle, which only carried about four passengers at the time. Meeting minimum requirements was impossible for the majority of black South Africans who wished to pursue business interests in the industry. Throughout the 1940s and 1950s black South African entrepreneurs were subject to a complex network of legal restrictions controlling the location, size and types of business they could undertake in urban areas.⁸⁹ Some of these requirements included a documented and traceable residential history, backed by proof of employment for a considerable number of years in a particular magisterial district. The applicant also had to be in possession of a Daily Labour Permit⁹⁰ in order to acquire a public transport permit. This was the framework of segregationist and then Apartheid legislation preventing black urbanisation. As Khosa claims that,

only those who qualified for urban rights under the Urban Areas Act of 1945 were entitled to trading permits .To get a taxi permit, any applicant had to be in urban areas legally, be a registered tenant, be in possession of a Daily Labourer's Permit, and have a good employment record’.⁹¹

This was part of the influx control system extended under the Apartheid regime which segregated black South Africans and restricted their movement in urban areas. Therefore, it was almost impossible for most black South Africans to obtain permits from their nearest Local Transportation Board.

1.2 Subsidies as a means of containing competition

The government’s public transport plans were centred on the bus and train systems and extensive regulation was effected in order to sanction the taxi industry. A transport monopoly, consisting of trains and buses, was created by the state through the enactment of the Motor Carrier Transport Act⁹². This was

⁸⁸ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’. *Violence and Transition Series*, Vol. 4, May.

⁸⁹ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

⁹⁰ Daily Labour Permit was a document carried by black South Africans in urban areas, it contained the residential history, proof of employment and the bearer’s number of years in a particular magisterial district.

⁹¹ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ *Transformation* 24 p. 55-71.pp.60.

⁹² Mileham, T. (1993) *The Journey to work of Black commuters in Durban: Privatise or Subsidise*. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences, Durban.p.58.

because the taxi industry was not regarded as an integral part of the country's transport system. It was not regarded as so because taxis were only active in townships and were not functional in white residences. Magubane argues that, 'assuming that the transport sector was a market, the fact that most commuters during the Apartheid era used buses as an available and subsidised mode of transport, meant that buses could operate with no or little competition as they were protected by the government and hence their service was poor'⁹³. Leaving the taxi industry to black South Africans through partial regulation and a series of segregationist laws enabled a racialised public transport system. It also discouraged the ambitions of taxi operators in exploring other opportunities beyond the taxi industry. As Dugard claims, 'regulations were used by the apartheid regime to enforce racial segregation of transport and to protect the near-monopoly held by the South African Transport Services (SATS), which incorporated railways and, through a complex subsidy system, the emerging bus industry'⁹⁴. Therefore, the majority of applications for operating licenses by blacks were unsuccessful and this meant that entry into the transport industry was highly regulated. In addition, complimenting the Act, a quota system that regulated the issuing of permits functioned to enable only a few taxi operating licences to be issued each year. Taxis gradually became a popular mode of transport in black townships and their role become important as they offered an affordable, convenient and flexible service. As Mileham (1993) contends,

as an immediate public transport system, cheaper than metered taxis and more convenient than buses, un-metered shared taxis were also popular in black townships during the 1950s and 1960s. Operating as a feeder service to railway stations and bus ranks for long distance trips, the black taxi was keenly patronised. At this time black taxis were mainly 5 seater Chevrolets and Valiants⁹⁵.

Things were not easy for taxi operators as they were in competition with well administered and resourced bus and rail services. However, because a large number of people used taxis as their preferred mode of transport taxi operators managed to improve their services as well. Half of the people using taxis to and from urban areas were employment seekers as there was high unemployment rates owing both to lack of jobs and to legislation preventing the development of free enterprise. Beavon and Rogerson contend that, 'before 1976, the policy of the government was to discourage black trading and business in African townships by using various brutal and repressive strategies including the infamous "One-man-One-

⁹³ Magubane, N. (2003) *Perceptions of taxi-owners towards the government's recapitalisation scheme: A case study of taxi owners in Pietermaritzburg*. Master of Sociology, University of Natal, School of Human & Social Studies, Faculty of Human and Management Sciences, PMB) p.4.

⁹⁴ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)'. *Violence and Transition Series*, Vol. 4, May.

⁹⁵ Mileham, T. (1993) *The Journey to work of Black commuters in Durban: Privatise or Subsidise*. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences, Durban.p.58.

Business” policy⁹⁶. This meant that the taxi industry was one of the few profitable business sectors which blacks could exploit. However, an operator was not eligible to have more than one taxi and, as mentioned above, entry was restricted.

1.3 Economic and political dynamics surrounding the taxi industry

During the 1970s living conditions in townships were not conducive for the development and operation of business ventures. The system of government was detested and unemployment rates had escalated. According to Mileham, ‘high unemployment meant that economic opportunities had to be created outside the formal sector. This, coupled with the profitability of the taxi industry, encouraged many new entrants’⁹⁷. There was discontent among all those affected by the unfavourable economic conditions resulting from the repressive Apartheid system. There were evident signs of subversive moods, in townships, that could be triggered by anything into a violent reaction. Struggle in the mid-1970s centred on both political and economic freedom. Barolsky concludes that, ‘as a result of the township unrest, many bus companies withdrew their operations to the outskirts of townships to avoid their vehicles becoming targets of attack. This left taxis with an expanded market’⁹⁸.

As a result of political instability during the 1970s the government (in an attempt to pre-empt public transport boycotts that could have been sparked by the 1976 Soweto uprising) saw to it that the Van Breda Commission of Inquiry⁹⁹ into the Road Transportation Bill was established in 1977. McCaul asserts that the Commission concluded that the transport industry ‘had reached a stage of economic and industrial development which enabled it to move towards freer competition in transportation’¹⁰⁰. This meant that the Apartheid regime, through gradual implementation of deregulatory policies, was prepared to allow black entrepreneurs to pursue economic interests in the industry. This was one of the few steps

⁹⁶ Beavon and Rogerson cited in Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

⁹⁷ Mileham, T. (1993) *The Journey to work of Black commuters in Durban: Privatise or Subsidise*. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences, Durban.p.58.

⁹⁸ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no.114 March 1990.p.2.

⁹⁹ The Van Breda Commission was established by the Apartheid government in 1977, due to the political uprising which started in Soweto in 1976, and fearing that continued intervention in the transport sector would result in heightened politicisation and that black South Africans might resort to sustained bus and train boycotts the government established a commission of inquiry into transport deregulation It reflected the growing realisation that passenger transport was an unattractive government investment due to its escalating politicisation and economic inefficiency of the late 1970s..

¹⁰⁰ McCaul cited it Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. *Violence and Transition Series*, Vol.4, May.

towards regulating the industry. As Sekhonyane and Dugard conclude, ‘the Commission’s findings reflected a neo-liberal shift in economic policy that resulted in generalised deregulation, commercialisation and privatisation, beginning in the late 1970s’¹⁰¹.

In real terms the government was partly preventing a commuter exodus from buses to taxis, which would have been perceived as a huge consumer boycott, without having played a legislative role. It was not in the interests of the government to lose a large number of commuters from the bus service to the taxis without effecting it through legal frameworks. It is in this context that the Van Breda Commission was established, in order to indicate and emphasise the “relevance” of the taxi industry. Basically, it was diverting attention from subversive bus commuters through relaxing restrictions and regulating the taxi industry. According to Magubane one of the signs of a policy-shift was, ‘when an eight seater minibus kombi was legalised by the Road Transportation Act of 1977¹⁰². Taxi operators perceived, without knowing the long-term implications, that this was a step towards fully integrating the industry into future national transport policy frameworks. The introduction of the eight-seater mini-bus taxi marked the genesis and growth of an industry that would be instrumental in linking up most of South Africa’s commuter-transportation channels. It also meant the emergence of one of the country’s would-be largest employers and functionally categorised transport sectors.

1.4 The structure of the taxi industry

The structure of the taxi industry has evolved since the 1900s. Changes in this structure have been an important factor in the implementation of the Taxi Recapitalisation Programme. As the structure of the industry has changed over time so has competing interests in the industry. It is to some of these changes in the structure of the industry that I now turn. The introduction of the eight-seater mini-bus towards the end of the 1970s effected numerous changes within the taxi industry’s structure. Initially taxi operators were self-employed as they drove their own vehicles, but the introduction of new vehicles provided a quick route for operators to accumulate more capital and increase their eight-seater mini-bus taxi fleet. There was more responsibility for operators and assistance was needed as the taxi business expanded. With this in place, taxi operators also identified the need to unionise themselves as entrepreneurs. They established taxi organisations and this created considerable employment opportunities and changed the structure of the industry.

¹⁰¹ Sekhonyane, M and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. *SA Crime Quarterly*, Vol.10, December. p.13-18. pp.14.

¹⁰² Magubane, N. (2003) *Perceptions of taxi-owners towards the government’s recapitalisation scheme: A case study of taxi owners in Pietermaritzburg*. Master of Sociology, University of Natal, School of Human & Social Studies, Faculty of Human and Management Sciences, Pietermaritzburg .p.6.

The taxi industry has four categories of employment, namely the owner-driver, the fleet owner, the taxi driver and the rank marshal. Most taxi operators begin their career by driving their own vehicles for a couple of years before they can afford a second vehicle and employ a driver. As Khosa asserts, ‘the owner-drivers are entrepreneurs who enter the taxi business by driving their own vehicles on a particular route’¹⁰³. By conventional taxi industry standards, new operators used to be assigned on less lucrative sections of operational routes. This means that they also received unfavourable treatment in relation to ‘rank space’.¹⁰⁴ According to Khosa this is known as the ‘internship system created by some groups of operators who have established dominance on particular routes... a new operator has to abide by an informal hierarchy enforced by existing operators’¹⁰⁵. Once the owner-driver has enough money from their existing operation, they usually place a deposit for the purchase of another vehicle and employ a driver to operate the second taxi.¹⁰⁶ This puts the former owner-driver in an advantageous position as he might even have an option of employing two taxi drivers, or family members, in a move to run the business of his taxis. As Khosa argues,

operating a taxi was a less capital intensive activity and operators did not need to employ bookkeepers or accountants to manage their businesses. Whereas literate taxi operators would take care of the administrative side of their business, others left such matters to able and experienced members of their family.¹⁰⁷

Most operators with one or two taxis prefer to be involved in driving their own vehicles as it helps in saving profit and in learning how the taxi industry operates and the challenges in the industry. It normally takes two to three years for operators to purchase a second vehicle depending upon the route an operator has been allocated because some routes are more lucrative than others.

The second category of employment in the taxi industry is the fleet owner. ‘Many of the operators who own three or more taxis employ full-time drivers to operate all their taxis. They prefer on running their “taxi business” and to keep a closer eye on all their operations’¹⁰⁸. Fleet owners are in a better economic position than owner-drivers in financing their businesses because their vehicles accumulate more revenue.

¹⁰³ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

¹⁰⁴ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March

¹⁰⁵ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March

¹⁰⁶ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.7.

¹⁰⁷ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ *Transformation* 24, p. 55-71. p.61

¹⁰⁸ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.7.

This means they are able to afford to service their vehicles, to remunerate taxi drivers and to possibly purchase another mini-bus taxi vehicle. Most fleet owners are experienced, seasoned operators and well connected members of the taxi industry. They normally sit on the executive committees of their respective taxi organisations, or associations, in representing specific needs to the government. In order to establish a code of conduct in the industry, taxi associations were needed. Mileham contends that historically, such associations arose from the desire to set fares, organise ranking facilities and divide routes between operators¹⁰⁹. It is through these administrative and regulatory systems that operators enforce the rules of engagement, administer disciplinary committees, and oversee community outreach initiatives. Barolsky concludes that,

Some fleet owners have stated that they are under pressure from the community to use the young unemployed blacks as drivers. The owners say that the young drivers tend to be “aggressive and like showing off” and thus contribute to the poor safety record of mini-buses. Unemployed youths are often asked to wash and clean the mini-bus vehicles for a set charge per taxi.¹¹⁰

Taxi operators create a variety of employment opportunities within the industry. As the industry grows by the day the need to structure its functional and administrative systems appeared to be important. Since the 1970s and 1980s the number of taxi vehicles has increased within taxi associations and per operator and so has the demands for more employment in a variety of capacities. Khosa suggests that, ‘as operators increasingly secure fleets of kombis, they become taxi managers and employ workers in the capacity of drivers, cleaners, mechanics, taxi marshals, taxi receptionists and accountants’¹¹¹. Hence, then as in today the vast majority of operators no longer drive their vehicles and prefer to employ others as drivers. This, since the 1970s, has contributed to increased employment opportunities and lessening poverty rates in rural areas and townships.

Taxi drivers comprise the third type of employees and the highest percentage of workers in the taxi industry. Taxi drivers on urban routes have to return a specific target income each day to the owner of the vehicle.¹¹² The majority of drivers are not well paid. Jorgensen and Khosa contend that in the late 1980s

¹⁰⁹ Mileham, T. (1993) *The Journey to work of Black commuters in Durban: Privatise or Subsidise*. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences, Durban.p.59.

¹¹⁰ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.7.

¹¹¹ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.63.

¹¹² Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure* ,Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.7.

taxi drivers earned between R100-R250.¹¹³ out of an average of R800¹¹⁴ generated per week. In the 1990s they earned per week between R200-R400 and generated about R1600-R2000 or more.¹¹⁵ In 1990 the Wage Determination Regulation 452 stipulated that a minimum weekly amount of R146.09 was to be paid to drivers who carried more than seven passengers. According to this sectoral determination these wages were to increase yearly. Despite the regulation it is possible that there is an exploitative relationship between the operator and driver, as there is no evidence whether taxi operators observe the Wage Determination Regulation 452 or not. Owners generally demand more during weekends than on weekdays. The battle over seconds and minutes in the taxi industry has raised militant consciousness among drivers¹¹⁶. Most taxi operators believe that drivers keep surpluses therefore deficits are often forfeited by taxi operators. Khosa further contends that drivers are also exploited through the ‘postponed wage’¹¹⁷ system as part of the prescribed probation process whereby they would only get 20% of their wages. Operators would promise to pay the rest of the money when the taxi driver had passed the probation period. Unscrupulous taxi operators then retrench these taxi drivers without remunerating them in full claiming that they have failed their probation period¹¹⁸.

According to Majeke the majority of drivers enter this industry out of desperation through lack of employment and they then find that working conditions in the industry are extremely harsh¹¹⁹. For example, taxi drivers ‘work from 5 a.m. in the morning to 9 p.m. at night, 16 hours a day, seven days a week’¹²⁰ and operate in an environment where their safety is under threat because of hi-jackings¹²¹ and taxi violence. Taxi drivers, due to the structure and political and economic history of the industry, have no employee benefits such as the Unemployment Insurance Fund, pension fund or maternity leave. From the

¹¹³ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.63

¹¹⁴ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.63

¹¹⁵ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.64

¹¹⁶ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.63

¹¹⁷ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.64

¹¹⁸ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.64

¹¹⁹ Majeke, A, C. (2003) Formalising the informal: The South African Mini-Bus Taxi Industry at the Crossroads. Master of Business Science, University of Cape Town, School of Economics, Cape Town. p. 22.

¹²⁰ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.56

¹²¹ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.64

late 1970s the drivers hired by taxi operators had no benefits and were not protected by any legal framework such as the Basic Conditions of Employment Act. Furthermore, ‘many of the taxi drivers... [were] employed on a casual basis’¹²². Even today, in the context of the Basic Conditions of Employment Act which forms a part of the legal framework, an improvement in the employment conditions of taxi drivers seems not to be a priority.

Rank managers/marshals are another important group of workers within the taxi industry. They ensure the observation of the code of conduct in taxi ranks. According to Mileham, ‘the advantage of controlled taxi ranks with their rank marshals is stressed as being one of the important roles of taxi associations’¹²³. The manner in which most ranks formerly functioned was chaotic and would frequently lead to conflict over rank space between taxi operators. In response to this, taxi organisations have hired independent individuals with knowledge of the taxi industry to ‘log the arrival and departure of taxis and also give orders for them to wait for passengers’¹²⁴. This, in turn, ensured that there was an equitable sharing of rank space in accordance to the first come first served basis used for the loading of vehicles.

The role of rank marshals is of great importance as a regulating mechanism in providing equal opportunities and creating order. As Khosa argues, ‘the employment of the Queue Marshalls ushered in the formalisation of a certain moral code of conduct, which “pirates” generally ignore’¹²⁵. There have been allegations that rank marshals have forged alliance with operators against taxi drivers. Khosa, reflecting on an interview with a taxi driver, argues that rank marshals are bribed by operators for information relating to strikes, meetings or any militant actions¹²⁶. One explanation for this alliance is that queue marshals are generally paid more than taxi drivers. Queue marshals usually collect a fixed fee from every taxi which leaves a taxi rank with passengers. The greater the number of taxis leaving the taxi rank the larger the amount queue marshals collect¹²⁷. This, however, does not mean that the majority of rank marshals have an antagonistic relationship with drivers and vice versa. Nor does this imply the absence of

¹²² Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71.
p.63

¹²³ Mileham, T. (1993) The Journey to work of Black commuters in Durban: Privatise or Subsidise. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences, Durban.p.59.

¹²⁴ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. Journal of Southern African Studies, Vol. 18, Issue 1, March.

¹²⁵ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. Journal of Southern African Studies, Vol. 18, Issue 1, March.

¹²⁶ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71.
p.64

¹²⁷ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71.
p.65

co-worker conflicts within taxi organisations in respect to roles. In some cases there is an informal alliance between taxi operators and rank marshals. This appears to work against taxi drivers.

1.5 The South African Black Taxi Association: access to capital and deregulation

Before the introduction of the eight-seater minibus in the late 1970s taxis were mainly used for short journeys in and around townships but could be hired for special long-distance trips. This dual-distance function of taxis which intensified after 1977 meant that taxi operators had to improve their services to the public. Local taxi associations were formed to enhance their members' buying power in respect of vehicles and accessories¹²⁸. It was not until 1979 when taxi operators started to organize themselves and formed the South African Black Taxi Association (SABTA). This association came about after twenty one members of different taxi associations decided to form an organisation to address common challenges they faced within the industry. Barolsky states that,

through lobbying at national and local government levels they secured a number of changes that benefitted and protected the industry. By representing a large number of operators, they were able to establish a powerful negotiating platform to both the government and the formal sector. They used their economic power to market the industry very successfully and to provide some "formalisation" of a relatively uncontrolled and unorganised trade¹²⁹.

From the early 1980s SABTA exerted pressure on the government in order to fully deregulate the industry and effectively determine the quantity of taxis. This was in response to the rising number of pirate taxi operators who competed for commuters with legal operators. And because, during the mid-1980s, there were train and bus boycotts while at the same time new taxi vehicles (both pirate and legal) flocked into the transport industry. According to Sekhonyane and Dugard, 'within the commuter sector, the consumer and bus boycotts of the 1980s were viewed as further evidence of the imperative to deregulate transport. Such boycotts also had the unanticipated effect of increasing demand for alternative forms of transport.'¹³⁰ At the same time financial institutions, fuel and automobile companies started recognising

¹²⁸ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.1.

¹²⁹ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand. Business Alert no. 114 March 1990.p.4.

¹³⁰ Sekhonyane, M. and Dugard, J. (2004) 'A Violent Legacy: The taxi industry and government at loggerheads'. SA Crime Quarterly, Vol.10, December. p.13-18. pp -14.

the taxi industry as one of the fastest growing economic sectors worth investing in. According to Barolsky these companies were later instrumental in lobbying¹³¹ for the deregulation of the industry..

During the 1980s taxi organisations managed to negotiate deals with financial institutions and automobile companies with success. Central to this was their objective of providing an improved service to taxi commuters which largely rested on getting the best vehicles and financial services for its members. It was through the intervention of SABTA that a number of favourable financial deals were arranged with some major financial houses in South Africa. Wesbank and Stannic (which specialise in vehicle finance) introduced concessions to taxi operators¹³². By this period the transport industry, which clearly constituted a market, had opened up opportunities for the taxi industry to have a considerable influence on the national economy. This move also encouraged prospective taxi operators to invest within the industry as it was quickly becoming profitable. Another economic development initiated by SABTA occurred and this further attracted operators to the industry. In Khosa's words,

an unprecedented breakthrough in banking history was made in July 1986 when SABTA negotiated a special finance scheme with Wesbank between July and December 1986, Wesbank financed R35 million worth of vehicles throughout South Africa. By September 1988, the finance scheme was said to be operating at 100 per cent¹³³.

Because of this economic breakthrough the industry became more lucrative to taxi operators and their business associates. As the number of people using taxis increased, due to their affordability, flexibility and the convenience they provided, financial institutions, automobile and fuel companies and taxi operators gained more profits. Further employment opportunities were also created within the taxi industry as more drivers, rank marshals and taxi cleaners were hired. There were also further employment opportunities linked to fuel companies and financial institutions because of this growth in the industry. There was growth in fuel consumption and vehicle purchases at the same time as financial assistance became de-linked from strict racial laws. According to Khosa, 'Shell, Total, BP, Castrol and Cera oil companies have become staunch partners of the organised taxi industry. Other oil and accessory companies, such as Trek Petroleum, Unipart, Goodyear Tyre and Rubber Company, and many other

¹³¹ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand. Business Alert no. 114 March 1990

¹³² Khosa, M. (1994) 'Accumulation And Labour Relations In The Taxi Industry' Transformation 24, p. 55-71. p.57.

¹³³ Khosa, M. (1994) 'Accumulation And Labour Relations In The Taxi Industry' Transformation 24, p. 55-71. p.57.

suppliers of spares negotiated some form of discount and kick-back with SABTA,¹³⁴. This clearly indicates that, ironically, the taxi industry had enjoyed a considerable amount of success because of the implementation of the Road Transportation Act and owing to the Van Breda Commission of Inquiry in 1977. The government at the time did not consider that the implementation of the Road Transportation Act, which introduced the eight-seater taxi as a medium, would lead to the growth and economic success of the taxi industry. The taxi industry fared relatively better than subsidised modes of transport. This is shown through purchases, for instance, of 800 million litres of petrol worth R750 million and over 3,5 million tyres each year¹³⁵. It ensured a turnover of more than R1 billion per annum for four major manufacturing companies, had a capital investment of approximately R3 billion¹³⁶ and created about 300 000 jobs between 1989 and 1990¹³⁷. However, there were also a variety of challenges facing the industry.

1.6 Political instability and the emergence of illegal operators

The political context of struggle and instability in the 1980s-1990s meant that illegal taxis penetrated the market with ease. Conflict between organised taxi operators, who did not tolerate piracy, and illegal operators became commonplace. As much as the taxi industry functioned under specific legal frameworks which regulated entry and set out the basic operation requirements of taxis there were those who were determined to operate beyond, or outside, normal conditions. The 1979 partial deregulation of the taxi industry had led to a fairytale-like success story when compared to the subsidised bus and train services. The economic conditions during the late 1970s and early 1980s were still unsatisfactory to most black South Africans living in townships. High employment levels meant that people were prepared to exploit the taxi industry illegally. Although SABTA advocated some deregulation of the industry it was against the wholesale opening up of the industry to illegal operators (which shall be discussed shortly). As Dugard argues,

ignoring warnings that deregulation would lead to violence, the government consciously opened the floodgates of the taxi industry. Although technically a permit system continued to

¹³⁴ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.59.

¹³⁵Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.59

¹³⁶ Khosa, M. (1994) ‘Accumulation And Labour Relations In The Taxi Industry’ Transformation 24, p. 55-71. p.56

¹³⁷Mileham, T. (1993) The Journey to work of Black commuters in Durban: Privatise or Subsidise. Master of Social Work, University of Natal, Department of Geographical and Environmental Sciences,Durban.p.59.

exist, transport generally, and the taxi industry specifically, was to all intents and purposes hurriedly deregulated in 1987, after which permit enforcement ceased to be a priority.¹³⁸

Before 1987, as highlighted earlier, the South African transport industry consisted mainly of bus and railway services. The bus service was provided by municipalities and the private sector while the train service was provided by the national government. According to Khosa, the bus service ‘was hopelessly inadequate, inefficient and expensive, and forced the majority of blacks to spend hours each day and up to 20% of their incomes on travelling’¹³⁹. Due to the rapid growth of bus and train boycotts as political tools between the 1970s and 1980s the transport industry had to be regulated. This regulation supported other industries, especially the private sector, by providing an alternative transport mode¹⁴⁰ for their labour force in while buses and trains were boycotted. The government had no choice but to reformulate legislation around the functioning of the transport industry. This resulted from private sector pressure as public transport boycotts meant that workers either came late or were absent from work for days or weeks at a time.

Due to consumer boycotts and political instability in the 1980s¹⁴¹ political instability many companies disinvested while others retrenched¹⁴² some of their workforce. Sekhonyane and Dugard argue that the taxi industry served as a platform that accommodated business interests of those retrenched by the private sector¹⁴³. This economic opportunity was also exploited by prospective taxi industry entrepreneurs who used the bus and train boycotts as an opportunity to operate illegally. As noted, this was in response to increasing demands for alternative forms of public transport within the industry and high levels of unemployment. It was difficult for the government to contain the situation through any sort of punishment for criminal activity, as taxis were the only means of transport used by the workforce.

1.7 The Welgemoed Commission, Sixteen-seater taxis and Operating Permits

Throughout the 1980s there were grievances from bus companies about the increased competition the taxi industry brought. These followed the implementation of the Road Transportation Act and the regulation of the industry in the late 1970s. Barolsky asserts that bus companies felt that they should be

¹³⁸ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. Violence and Transition Series, Vol.4, May.

¹³⁹ Khosa cited in Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. Violence and Transition Series, Vol.4, May.

¹⁴⁰ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18. pp14.

¹⁴¹ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18. pp14.

¹⁴² Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18. pp14.

¹⁴³ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18. pp14.

protected from the taxis and the industry should be re-regulated¹⁴⁴, because buses were restricted to fixed routes and inflexible schedules. This exposed them to unfair competition with the more flexible taxi industry. Barolsky states that,

in response, the government appointed a commission of enquiry in 1979, under Dr Piet Welgemoed, to investigate bus passenger transportation in South Africa. After hearing evidence from both camps in the deregulation dispute, the Welgemoed Commission sided very heavily with the case presented by the bus operators. In 1983, a draft Bill was drawn up based on the Commission's recommendations, but it was never debated in Parliament¹⁴⁵.

The Bill was criticized by most taxi associations, automobile manufacturers, oil companies and various chambers of commerce due to the economic potential the taxi industry had displayed. The Commission was in operation for four years from 1979 to 1983 and took a long time to complete its report. By the time the report was released the 'number of taxis had doubled'¹⁴⁶ and the industry had forged healthy relationships with various powerful businesses. Because of these relationships and the recommendations of the 1977 Van Breda Commission recommendations, the government was reluctant to implement the recommendations of the Welgemoed Commission. Three factors that were in contradiction to the recommendations of the Van Breda Commission influenced the government. First, the recommendations were against the government's privatisation policies. Second, the government viewed the taxi industry as an alternative plan in limiting its responsibilities and decreasing heavy subsidy capital paid to bus companies and the South African Transport Services. Third, the government wanted to retain an economically powerful black ally that aspired to free market values and was comparatively conservative in a political sense. It follows then that the recommendations of the Welgemoed Commission were not implemented as policy and, for the first time, administrative contradictions were identified within the transport system. As Barolsky concludes,

despite the fact that none of the Welgemoed proposals were legislated, a number of claims were made that the administrative arm of the Department of Transport (DoT) was implementing the recommendations without the aid of any Statute. Numerous allegations were also being made that the taxi operators were subject to police harassment and intimidation.¹⁴⁷

¹⁴⁴ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand. Business Alert no. 114 March 1990.p.3.

¹⁴⁵ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.3.

¹⁴⁶ Magubane, N (2003) *Perceptions of taxi-owners towards the government's recapitalisation scheme: A case study of taxi owners in Pietermaritzburg*. Master of Sociology, University of Natal, School of Human & Social Studies, Faculty of Human and Management Sciences, Pietermaritzburg.p.6.

¹⁴⁷ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p3.

Taxi operators were subjected to police brutality and other various forms of harassment from law enforcement agencies and the Department of Transport. In response to this the taxi industry complained to the government through the formal structures and business connections established by SABTA. Therefore, in order to bring transport policy in line with national economic reform policy the National Transport Policy Study of 1982 was established¹⁴⁸.

This was a year before the drawing up of the draft bill that had been recommended by the Welgemoed Commission. The Bill recommended not granting permits to applicants who wanted to operate vehicles carrying more than four passengers. According to Barolsky, ‘SABTA became involved in negotiations at local government level and participated in the DoT’s National Transport Policy Study’¹⁴⁹. It played a vital role during this. As Sekhonyane and Dugard assert,

in 1985, the National Transport Policy Study (NTPS) released its report, concluding that the highly regulatory framework of existing transport policy was “contrary to the principles of national economic policy that emphasise the role of competition”. Based on the NTPS findings and the recommendations of the Competition Board, which proposed the immediate and blanket deregulation of the taxi industry, the White Paper on Transport Policy of 1987 along with the Transport Deregulation Act of 1988, effectively legalised the 16-seater minibus taxis¹⁵⁰.

The introduction of the sixteen-seater taxi resulted in more bad than good consequences in the industry. A variety of issues such as corruption and violence plagued the newly deregulated mini-bus taxi industry. The holistic approach of the new taxi policy meant that granting of pre-requisites such as operational permits were a new avenue of wealth accumulation by government officials. These government officials did not observe operational permit application procedures and accepted bribes from desperate applicants. For example, permits granted in Johannesburg rose from 401 in 1984-85 to 15,160 in 1989-90¹⁵¹. Because operational licenses could be easily acquired this meant that there were more legal and illegal taxi vehicles on public roads. As Ford claims, ‘while the Welgemoed Commission and certain state bodies sought to [unsuccessfully] protect the major bus companies against kombi taxi competition, the kombi taxi industry appears to have withstood the pressures and continues to expand rapidly’¹⁵². The number of

¹⁴⁸ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987- 2000)’. Violence and Transition Series, Vol.4, May.

¹⁴⁹ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p3.

¹⁵⁰ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18. pp14.

¹⁵¹ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, 03057070, Vol. 18, Issue 1, March.

¹⁵² Ford, L, J. (1989) *Economic Role of the Black Taxi Industry*. Master of Business Administration, Faculty of Business Administration, University of Witwatersrand, Johannesburg. p.91.

these vehicles meant that there were more taxis in operation than were necessary for public transport. More taxi associations were formed and these consisted both of operators with permits and operators without permits. Dugard asserts that,

In terms of this de facto deregulation, taxi owners applying for permits did not have to prove a need for their service in a particular area or demonstrate any degree of financial security or competence, resulting in permits being “issued like confetti”. At the same time corruption was rife. Although the official price for a permit was between R100 and R200 (depending on the route), authorities were known to give cut-price deals to favoured applicants¹⁵³.

This was unfair to legal taxi operators. Because of the influx of illegal operators there was chaos on routes. Any taxi, whether legal or not, could claim its legitimacy for transporting passengers on any lucrative route. The difference between pirate and legal taxi services was that legal operators organised themselves into taxi associations, and were SABTA affiliates. On other hand pirate operators, although in possession of permits, did not organise themselves in this fashion. As highlighted, this resulted from a corrupt permit system. According to Barolsky, ‘SABTA became involved in deciding the number of permits that were to be issued by the DoT and as a result the Association was accused, by some, of attempting to monopolise the industry’¹⁵⁴. SABTA’s involvement was a result of the absence of legal frameworks on route operation and allocation and the corrupt behaviour of government officials who issued an extra permit on each application for one. According to Khosa¹⁵⁵ the number of licences issued rose dramatically from 7,093 to 34,378 between 1986 and 1987. This occurred even if the applicant did not qualify for the permit. Corruption and lack of legal frameworks formalising route operation and allocation further encouraged operators to use a single permit for more than one vehicle. The fact that the government did not have any direct economic interests in the industry and had not established legal frameworks for structuring and formalising it indicates that the industry operated in a context of partial deregulation, that would later pave the way for anarchy. The industry was now plagued with piracy, corruption, maladministration and unroadworthy vehicles. As Sekhonyane and Dugard put it, ‘this market “free-for-all” was exacerbated by corrupt officials who turned a blind eye to traffic enforcement and vehicle roadworthiness, meaning that from the outset, issues of safety and security were sidelined’¹⁵⁶.

¹⁵³ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁵⁴ Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p3

¹⁵⁵ Khosa, M (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March

¹⁵⁶ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18, pp.15.

This was the genesis of what comprises the current relationship between the taxi industry and the government, in relation to innovative policies in developing the industry.

The situation within the industry became worse as time went by and this largely emanated from issues surrounding operational permits which were the main medium of entering the fledgling taxi industry. Moreover, unchecked by the authorities, taxi drivers were able to operate without permits, leading to the mass entry of illegal operators into the system¹⁵⁷.

Taxi associations were established in every corner of the industry in order for new operators to fully exploit the benefits of the business. These organisations gradually transformed themselves from being platforms of collective political expression to agents regulating the variety of issues. In the absence of state regulation, groups of operators banded together to form local taxi associations, which intervened to regulate loading practices and prices. It was not long, however, before taxi associations began to use their organisational strength to extract income, commonly through the use of violence¹⁵⁸. For example, association representatives would go from one taxi rank to another demanding subscription and protection fees, and these varied according to route and affiliation. They used exploitation and coercion to build lucrative empires-cum-protection-rackets¹⁵⁹.

1.10 Taxi violence and lucrative routes

As lucrative as the taxi industry was, for new entrants, there was aggressive competition between taxi organisations. Entry restrictions in the taxi industry were relaxed further due to corruption in the industry. However, remaining in the industry was difficult because of violence and the threat of violence led to extortion. As Sekhonyane and Dugard put it, ‘while some were able to “strike it lucky”, for the most part the industry was characterised by exploitation and aggressive competition between operators attempting to poach passengers and ply the same routes’¹⁶⁰. As a result there were fierce conflicts within the taxi industry and because there was no legal framework on routes and prices every association was trying to reign supreme. Violence was inevitable. The Apartheid government did not try anything in order to contain the situation in the industry. Taxi violence was used as another means of creating havoc and to destabilise black townships and resistance to Apartheid. This was done in order to sustain and enforce the divide and rule strategy of the Apartheid state. Thus violence benefitted the state. Sekhonyane and

¹⁵⁷ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987- 2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁵⁸ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. *SA Crime Quarterly*, Vol.10, December. p.13-18,pp.15.

¹⁵⁹ Dugard, J. (2001) , ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987- 2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁶⁰ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. *SA Crime Quarterly*, Vol.10, December. p.13-18,pp.15.

Dugard have argued that, ‘between 1987 and 1994 official efforts to deal with the taxi industry were almost non-existent. When violence erupted the government invariably became part of the problem instead of the solution. At best, police behaviour during the late-apartheid period was negligent’¹⁶¹. Government’s inaction meant that the involvement of the taxi industry in township unrest was to the government’s advantage. Dugard and Khosa, having extensively studied taxi violence in the Cape Peninsula¹⁶² - Soweto, Katlehong and Alexander¹⁶³- respectively, contend that the late Apartheid taxi violence was largely connected with transition politics. The crucial cause of violence was the rapid deregulation of the industry to an unchecked rise of taxi organisations. They further violence to disputes over routes, rank space, poaching of passengers and undercutting of prices. Dugard concludes that today there is hardly a city or town that has not experienced a taxi war or wars in recent years¹⁶⁴.

Conflict in the industry was worsened by the fact that some civil servants, in the Department of Transport, and member of the police force also had interests in the industry. They owned taxi vehicles and used their institutional positions to protect them. According to Sekhonyane and Dugard, ‘in 1994 two police officers were found guilty of running a taxi business, which was registered in the name of the wife of one of them’¹⁶⁵. This occurred during the time when most of the operational frameworks of the industry were decided by associations. Dugard further stresses that, ‘in many areas, the police were implicated in attacks or were in other ways partisan. More generally, by their calculated inaction which included a failure to disarm attackers or to respond to warnings of imminent attacks the police fanned the conflict’¹⁶⁶. So whereas the industry was fragmented and chaotic, corrupt police officers and civil servants made it worse.

From the late 1980s, unroadworthy vehicles were a feature on public roads and violence escalated even further and claimed many lives. As for violence, it occurred both within long and short distance routes and between respective major associations. Dugard further maintains that during this period, ’disputes over rank space, poaching of passengers, undercutting of prices, and, the effects of deregulation emerge

¹⁶¹ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18, pp.15.

¹⁶² Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁶³ Khosa, M. (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March

¹⁶⁴ Dugard, J. (2001), ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁶⁵ Magubane, N. (2003) *Perceptions of taxi-owners towards the government’s recapitalisation scheme: A case study of taxi owners in Pietermaritzburg*. Master of Sociology (University of Natal, School of Human & Social Studies, Faculty of Human and Management Sciences, PMB).p.9.

¹⁶⁶ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987- 2000)’. *Violence and Transition Series*, Vol.4, May.

as key components in the constitution of taxi feuds'¹⁶⁷. Dominant associations determined the operation of the taxi industry through force, as they consisted of a huge membership which injected a lot of money into the industry. As a result, local associations detached themselves from their weak regional federations in order to join these more resourceful federations. This, in turn, caused conflict and amounted to further violent confrontations in the taxi industry. As Sekhonyane and Dugard state,

although widespread and seemingly random, it was notable that the most persistent conflicts occurred between associations using long distance routes. Many of these conflicts were inter-provincial, involving long distance taxi associations such as the Lethlabile Taxi Organisation (LTO), the Federated Local and Long Distance Taxi Association (Felldta) and the South African Local and Long Distance Taxi Association (Salldta). Another defining feature of this increasingly sophisticated form of violence was the mutative nature of the associations and the tendency for smaller associations to change affiliates in favour of the more violent and financially stable ones. Between 1997 and 1999 some of the worst conflicts took place at the Rietgat Taxi Rank in Soshanguve and at the nearby Mapobane station. Such conflicts revealed that there was more to taxi violence than politics alone.¹⁶⁸

In 1995 the post-Apartheid government established the National Taxi Task Team. This body was formed in order to root out the problems that had led to taxi violence. In Dugard's words, 'the NTTT comprised a chairperson from the national DoT, nine government officials from provincial departments of transport, ten taxi industry representatives, and nine special advisors'¹⁶⁹. The task team held approximately 36 public hearings between August and December 1995, meaning that it only took five months to determine the future of the taxi industry. In the following year the National Taxi Task Team issued its first report that recommended the re-regulation of the taxi industry. This, however, was highly resisted by prominent taxi associations which - it is believed - were also instrumental in taxi violence. Their main concern was that consultation was minimal and most leading taxi federations were not part of the public hearings and regulation recommendations.

Once the report of the National Taxi Task Team was released and discussions ensued about the report in the industry, violence erupted again. This was also coupled with boycotts, strikes and other militant forms of action to oppose the regulation of the taxi industry. Dugard asserts that, 'in April/May 1998 there was an increase in nation-wide taxi violence that was so marked as to raise suspicions that it was

¹⁶⁷ Khosa, M (1992) 'Routes, ranks and rebels: Feuding in the taxi revolution'. *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

¹⁶⁸ Sekhonyane, M. and Dugard, J. (2004) 'A Violent Legacy: The taxi industry and government at loggerheads'. SA Crime Quarterly, Vol.10, December. p.13-18, pp.16.

¹⁶⁹ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987- 2000)'. Violence and Transition Series, Vol.4, May.

orchestrated¹⁷⁰. Even at this point further consultation did not occur. Taxi industry regulation also showed marked contradictions in policy objectives as the Apartheid regime issued many permits, while simultaneously promoting pirate operators by overlooking application requirements. There was also the absence of the enforcement of the framework to regulate entry to the industry. In contrast, the post-1994 government did not recognise operators without permits. New permit applications were often unsuccessful in the post-1994 period, in contrast to the period before. This served to marginalise operators and to prevent them from participating in the regulation of the industry. Knowing that the taxi industry had been left to govern itself, through lack of comprehensive regulatory legislation and corruption by police and civil servants, the new government should have taken into consideration the issues around permits including the problematic application process. Eventually, it was discovered that taxi violence was instigated and financed by taxi associations who hired assassins for protection, hijacking or whatever the assignment entailed. Khosa states that,

the killings were executed during broad day light - displaying the daring only associated with the mafia ... Killers are rarely arrested. And in almost mafia tradition, there seems to be a conspiracy of silence... No one is willing to talk about the causes of the bloodletting. Inquiries about the killings are met with a stony silence¹⁷¹.

Smith and Vines assert that, ‘according to the police in Gauteng, hit men are paid R1 000 for the death of a passenger, R 2 000 for the death of a taxi driver, and R4 000 for the death of a taxi owner’¹⁷². Lack of police intervention was overlooked. Many members of the police force had business interests in the industry and used state issued weapons in the brutal operations of their taxi associations. They were also hired as bodyguards to taxi organisation executives. Baron stresses that in order to maintain the situation the police force would engage in more corrupt and malicious activities so as to, ‘hamper investigative work by stealing dockets or leading their contents, and warning suspects of impending arrests’¹⁷³. Majeke concludes that besides the incentive to extort money from taxi operators, there is a growing number of police officials that secretly own taxi fleets.¹⁷⁴

2.0 The Taxi Recapitalisation Programme

¹⁷⁰ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987 - 2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁷¹ Khosa, M (1992) ‘Routes, ranks and rebels: Feuding in the taxi revolution’. *Journal of Southern African Studies*, Vol. 18, Issue 1, March.

¹⁷² Smith and Vines cited in Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁷³ Baron cited in Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁷⁴ Majeke, A. C. (2003) *Formalising the informal: The South African Mini-Bus Taxi Industry at the Crossroads*. Master of Business Science, University of Cape Town, School of Economics, Cape Town. p.21

By 1996, the government, utilising the National Taxi Task Team suggestions, decided that the only means of dealing with the taxi industry was to regulate it. Regulation was supposed to be an all inclusive process, whereby the majority of associations participated in the process from the stage of policy formulation through to implementation. The National Taxi Task Team recommendations were not based on the collective views and suggestions of the entire taxi industry. Only a number of selected taxi associations formed part of its committee. This is regardless of the 36 nationwide public hearings that were held in the last four months of 1995. In 2001, Dugard set out the ambitious programme ahead. He said,

responding to the perceived failures and problems of the re-regulation process, since 1999 the government has shifted its focus to restructuring the taxi industry in terms of an ambitious recapitalisation programme. This bold programme envisages the creation of a new taxi industry, comprising larger 18- and 35-seater diesel powered vehicles, to be introduced in early 2001, and which will be regulated from the outset. A considerable gamble, restructuring will sideline mother bodies in favour of a new, more formal, taxi association- the South African Taxi Council (Sataco) - which, it is hoped, will ultimately represent a new generation of more legitimate taxi operators¹⁷⁵.

In the new ambitious programme, many associations were sidelined. Divisions within the South African Black Taxi Association resulted in the formation of the South African Taxi Council (SATACO) which was now known as the South African National Taxi Council (SANTACO). In 1998 SATACO appeared to be a modernised and well administered federation of taxi associations. This was the only organisation that the government consulted with in the formulation of the Taxi Recapitalisation Programme (TRP) which was to cost R7.7 billion to implement. This policy aimed at restructuring and developing the national taxi industry and was implemented through the National Land Transport Transition Act of 2000. The government did not include other associations within the industry and this caused further tension among associations both at local and national levels, as another federation claiming to represent the interests of the taxi industry emerged. As Dugard stated,

a month after Sataco was officially recognised, in June 1999, a splinter group of disgruntled taxi associations called the National Taxi Alliance (NTA) was formed. Claiming to represent “the majority of the taxi industry”, the NTA issued a statement to the media the same month that the tender for manufacture of the new vehicles was announced, in September 1999, stating that it did not recognise Sataco because the plans to restructure the industry were “compounding the problems in the industry” and were “directly responsible for the present chaos and violence”.¹⁷⁶

¹⁷⁵ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’. *Violence and Transition Series*, Vol.4, May.

¹⁷⁶ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’. *Violence and Transition Series*, Vol.4, May.

Problems coupled with the implementation of the Taxi Recapitalisation Programme largely rested on issues around consultation. The fact that Santaco seemed to be the sole representative of the taxi industry meant that some of the recommendations of the Taxi Recapitalisation Programme could not be accepted by half of the industry. A variety of problems around the programme resurfaced. These included operational permits, route regulation, vehicle capacity, electronic fare collection which would include tax revenue collection and vehicle tracking. The government argued that vehicle tracking would improve the ability to monitor and control operations more effectively, both from an enforcement and operators perspective. Basically, old permits were to be converted into route-based operating licences and, ‘no operating license.... [was to]... be issued for longer than five years’¹⁷⁷. A smart-card system was to be installed in taxis¹⁷⁸ so as to improve fare collection and the collection of tax. Taxi operators are given an amount of R50, 000 to either purchase a new taxi vehicle or to leave the taxi industry upon the scrapping their vehicles. Cokayne claimed that, ‘the NTA opposed the recapitalisation programme’s R50, 000 scrapping allowance for each registered taxi vehicle’¹⁷⁹. Other problems occurred which ranged from vehicle financing issues, and the absence of subsidies, proposed by the government, of which taxi operators considered to be unfavourable and a means to sabotage the taxi business. Sicelo Mabaso, president of the NTA, argues that, ‘the allowance is insufficient for vehicles that are in the market... Their estimated retail is R25, 000... An operator will pay R50, 000 and be left with R20, 000 to pay, minus the interest’¹⁸⁰. In a number of recent instances, violence has erupted because of organisations failing to reach consensus with regards to operational routes. The government fails to successfully address this, leaving taxi operators to solve this problem amongst themselves. This continues the circle of violence as no taxi organisation is prepared to give up a lucrative route.

Many taxi drivers and commuters have lost their lives through violence. At this point in time there are no legal frameworks governing or regulating routes. As such, ‘the safety of the taxi industry leaves much to be desired and, if not improved, could pose a threat to the industry’¹⁸¹. It is assumed that after an organisation has applied for a route and is successful (following the assessment of the application for that route in relation to existing operators by an independent body) other taxi associations will recognise and honour the route arrangement. But, ironically, lucrative routes are always contested despite the existence of recognised operators and despite legal documentation that shows which association is legitimately

¹⁷⁷ National Land Transportation Act (2000), *Government Gazette No. 21493*, VOL. 422 , 23 August 2000 .p.30

¹⁷⁸ This has been implemented so far in Gauteng only.

¹⁷⁹ Cokayne, R. (2007) ‘Taxi alliance going ahead with legal challenge’ *The Star*, 05 February 2007, p.14.

¹⁸⁰ Nandipha, K. (2006) ‘Taxi recapitalisation a mission impossible’ *City Press*, 01 October 2006, p.27.

¹⁸¹ Ford, L. J. (1989) *Economic Role of the Black Taxi Industry*. Master of Business Administration, Faculty of Business Administration, University of Witwatersrand, Johannesburg. p.66

permitted to use a route. However, formalisation should eliminate ‘mafia-like’ territorial positioning by addressing the destructive competition issue¹⁸².

There are also problems in relation to the new vehicle specifications that have been introduced in the Taxi Recapitalisation Programme. The conventional taxi vehicle that has functioned since 1987 in the South African transport landscape is the sixteen-seater mini-bus. Because of the capacity of the vehicle, taxi drivers have been under considerable pressure to meet their daily revenue targets which contributes to some accidents. Vehicle capacity is an area of dispute between the government and the taxi industry. This is because there are three different types of taxis under the new programme. These are the thirteen, eighteen and the twenty-two seaters; they are, the Toyota Quantum, Inyathi, Foton, Bafo bus, Sprinter and Iveco. The problem with these vehicles is that they are expensive and the majority of operators cannot afford them. The reason for this is that their designs prioritise commuter safety, which is of great importance. Each vehicle has seatbelts equal to the number of commuters the vehicle is permitted to carry. They also have more space to avoid commuter congestion and air conditioning for more comfort.

Taxi operators complain that these new vehicles bring more problems than solutions to the industry¹⁸³. The number of seatbelts determines capacity, so the new vehicles cannot be overloaded. The new vehicles result in decreased capacity which, in turn, means that revenue collection has drastically decreased. This is compounded by increased costs of tyres, fuel and spare parts. Most operators attribute their reduced revenue to a lack of consultation on the programme and on vehicle specification in particular¹⁸⁴. In terms of purchase costs for the new vehicles the initial deposit ranges from R60, 000 for a thirteen-seater and more for the eighteen and twenty-two seaters. The monthly instalments are much higher than for the previous vehicles. Because the government only provides compensation in the amount of R50, 000 for each scrapped vehicle it is very difficult for operators (especially small scale operators and those still paying for the old vehicles) to purchase new models. In addition, the fuel consumption of the new models is very high, spare parts are very scarce in the market and most operators have to use their buying power to import them. This is not feasible over the longer term. SANTACO has not managed to create and to maintain supportive business networks with major vehicle finance houses, fuel companies, and spare parts companies unlike SABTA did previously. Even the taxi-rank mechanics employed by taxi associations or individual operators find it impossible to fix parts of the new taxi models. Hence, all new models have to

¹⁸² Fourie, L, J. and Pretorius, P.J. (2005) *A Call for the Radical Restructuring of the Mini-bus Taxi Industry in South Africa*. Department of Engineering and Technology Management, University of Pretoria.p.4

¹⁸³ Focus-group discussion with Taxi Organisation members -respondent (4-C).

¹⁸⁴ Personal Interview with taxi organisation executive member (C-3)

be taken to the manufacturers for service. Because of these factors many operators do not comply with the recapitalisation programme. They choose instead to retain their old models and to service their taxis, themselves. Many such taxis have been operating for more than ten years, break down frequently and some are unroadworthy. This continues to contribute to accidents. Significantly, such operators remain outside the programme and unregulated.

The government claims that unroadworthy vehicles are the main contributor to accidents and loss of life in the industry. This is claimed despite no studies to determine whether or not this is actually the case. No consideration is given to the fact that taxi drivers are under pressure to reaching their daily income targets, which explains their questionable driving methods, intolerance of other drivers and recklessness on public roads. ‘The profit motive encourages the drivers to complete as many journeys as possible each day’¹⁸⁵. With the decreased capacity in the new mini-bus taxi vehicles drivers are under more pressure and their driving patterns possibly lead to more accidents.

Given all of these factors it seems that there is no substantial attempt by the government – through the programme - to minimise taxi violence and the amount road accidents, to increase revenue in the industry, and to empower and incorporate the taxi industry in economic growth and development initiatives through subsidising it. Instead, the policy seems doomed to failure as it is plagued with problems ranging from consultation, legitimacy, operating licenses, new vehicle maintenance, rank infrastructure, and payment plans to operators. The government does not heed calls for increased compensation and subsidies, nor address the issues around violence. On the 28 June 2004 the Financial Mail reported that,

from the industry’s point of view, the proposed scrapping allowance is not enough incentive to convert to the new system. At a cost of more than R300,000 for a new taxi, meaning maintenance leases of around R15,000 per month per vehicle, operators are demanding an equitable subsidy system, which they calculate should amount to around R10 billion per year. However, the treasury believes that this sort of subsidy is unaffordable¹⁸⁶.

Despite the introduction of a revised Taxi Recapitalisation Programme that began in the 2005/2006 fiscal year (and to function until 2014), taxi violence, operating licence-related problems and unroadworthy vehicles are still features of the industry today.

The Taxi Recapitalisation Programme, according to the government, is an innovative socio-economic policy which aims to regulate, empower and develop the taxi industry while integrating it within the

¹⁸⁵Barolsky, J. (1990) *The Black Taxi industry: Origins and Structure*, Master of Business Administration, The Center for Business Studies of the Graduate School of Business, University of the Witwatersrand . Business Alert no. 114 March 1990.p.7

¹⁸⁶ Sekhonyane, M. and Dugard, J. (2004) ‘A Violent Legacy: The taxi industry and government at loggerheads’. SA Crime Quarterly, Vol.10, December. p.13-18, pp.17.

broader national revenue system. This was to be done through introducing bigger capacity vehicles, at a reduced price, and favourable financing. However, this has not transpired as planned and the programme leaves much to be desired. To sum it up in Sekhonyane and Dugard's words, 'government investment and a reinvigorated, consultative recapitalisation process are needed to prevent the industry from sliding into anarchy and despair'¹⁸⁷. In the next chapter I investigate the specific challenges facing the taxi industry as a direct result of the implementation of the Taxi Recapitalisation Programme.

¹⁸⁷ Sekhonyane, M. and Dugard, J. (2004) 'A Violent Legacy: The taxi industry and government at loggerheads'. SA Crime Quarterly, Vol.10, December. p.13-18, pp.17.

Chapter Three

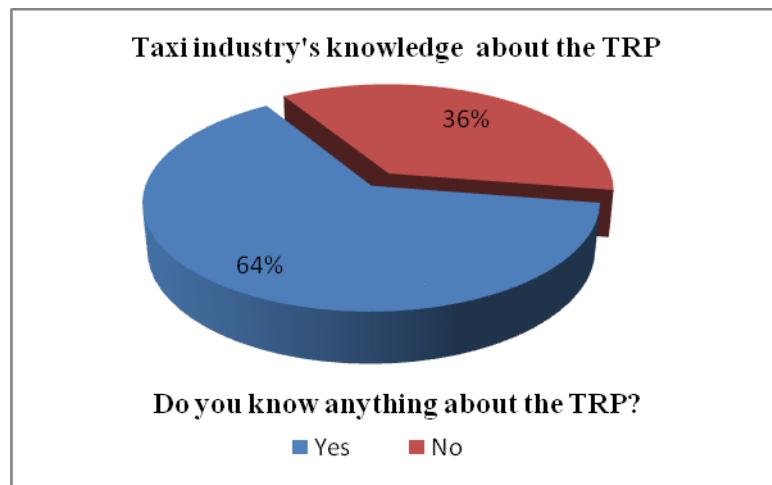
The Challenges Facing the Taxi Industry as a Direct Consequence of the Implementation of the Taxi Recapitalisation Programme.

In this chapter I examine the challenges facing the taxi industry as a direct consequence of the implementation of the Taxi Recapitalisation Programme. I explore and discuss these challenges by highlighting competing interests within the taxi industry and the policy processes surrounding the formulation and implementation of the Taxi Recapitalisation Programme. These challenges include a lack of consultation in the stage of policy formulation and a lack of consideration about the practicalities of implementation. Such practicalities include conflict over routes, unfavourable working conditions, poor systems and processes for the issuing and enforcing of operating licenses, an insufficient vehicle scrapping allowance and a failure to consider the impact that new mini-bus fleet specifications would have on income.

1.0 Knowledge, Perceptions and Understanding of the Taxi Recapitalisation Programme

The implementation context of policy is important, especially in ensuring that cohesion exists among all affected parties. Understanding the environment where a policy is to be implemented serves as a basic foundation in establishing consensus amongst policy actors. With this in mind, I sought to establish whether members of the taxi industry, particularly taxi drivers, have knowledge about the Taxi Recapitalisation Programme. Figure 1.1 indicates this.

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Figure 1.1



The graph shows that 64% of interviewees in the taxi industry know what the TRP is. Of these, most taxi drivers and taxi association office-bearers said that the TRP was concerned with regulation, the eradication of violence, subsidisation and fleet improvement as the main and original features of the policy. One taxi industry leader said that,

in fact, anybody who uses a fleet must recapitalize it. Government, taxi people, business people and whoever sitting at the NTTT, as representatives of the industry, were saying the taxi industry transports more than 67% of daily passengers or commuters. But the government has not subsidized this industry, and does not subsidize people moved by this industry. Instead, those who are moved by the bus and train services are subsidized... Everybody was saying that this industry is violent and conflicts are inevitable, people kill one another, and whatever. And they argued that those responsible should be prosecuted. The government said it can not prosecute them because this industry was not structured. When it came to subsidization, the government argued that it cannot subsidise an unstructured industry, it does not even know how to subsidize our passengers. Then a process of registration took place in order to regulate and formalize the industry. And that's where the recap comes from - in saying that the government will be able to subsidize only if certain things are met. On the other hand the government argued that there is too much congestion on taxis due to overloading. Then we suggested that we need a bigger vehicle so as to avoid overloading and move towards carrying eighteen passengers rather than the usual fifteen passengers. So the recap comes from there¹⁸⁸.

Most taxi operators know about the TRP and consider safety to be an important issue. However, 36% of the interviewees in the taxi industry claimed not to know about the policy. Some state that they only comply with it in order to avoid harassment from law enforcement agents. These operators have, like others who claim to know about the TRP, registered their vehicles, purchased new mini-bus taxis and applied for operating licences. One operator, who is also a taxi association executive member said, ‘we do not know anything about it, because no-one ever came to us explaining what the re-cap was, what it stood for, and how it is going to develop the industry. We were just informed through the media’¹⁸⁹. So whereas the majority within the industry know about the policy, some still do not and others choose not to comply with it. Of those that do know about it the majority do not know the origin of the policy or the reasons for the introduction of it.

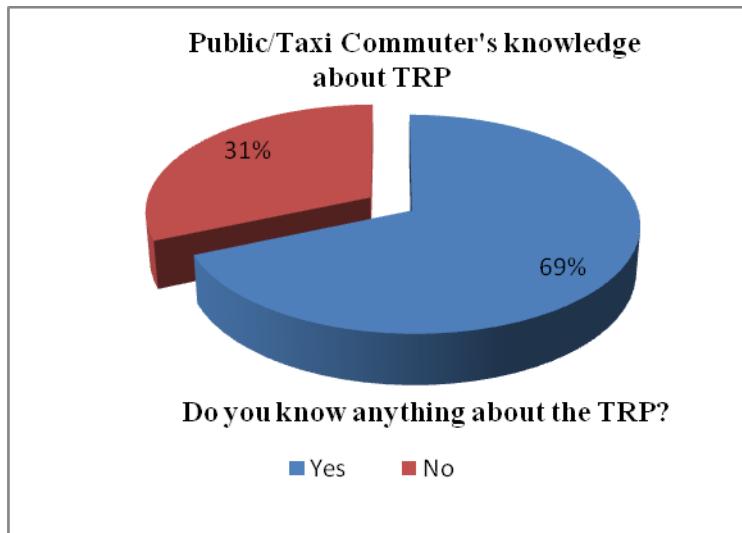
Commuters are beneficiaries of the policy and they play a vital role in the implementation context. They have the right to complain to taxi operators and organisations regarding safety and unfair treatment by taxi drivers. They also have the power to sanction the taxi industry through utilising other transport services which are subsidised, such as the bus and train modes. Sixty-nine percent of commuters

¹⁸⁸ Personal Interview with provincial taxi organisation Executive member (D-1).

¹⁸⁹ Focus-group discussion with Taxi Organisation members -respondent (4-C).

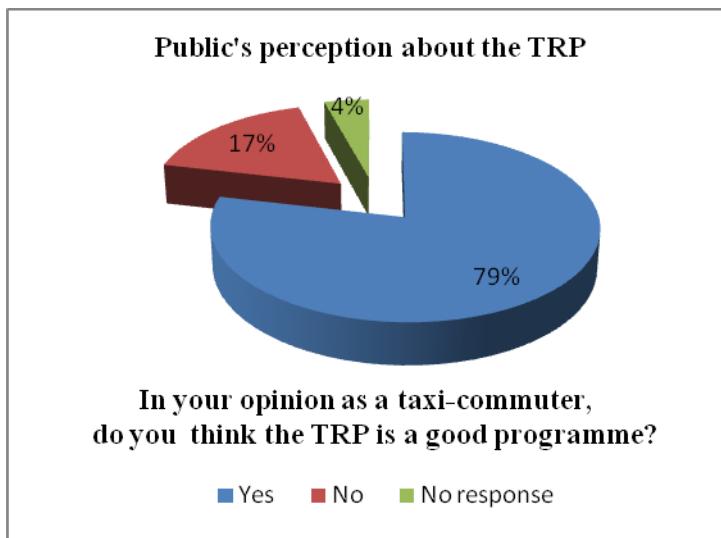
interviewed by me well are informed about the programme and 31% contend that they do not know what the programme is. This is illustrated in figure 1.2.

Figure 1.2



Knowledge about policy provides one with a better platform from which to comment, criticize or analyse something. The majority of commuters believe that the TRP is a good programme. This is illustrated in figure 1.3.

Figure 1.3



As depicted in figure 1.3, 79% of commuters think the TRP is a good programme, 17% think it is not a good programme and 4% gave no response. In 10% of these cases I explained what the programme was to

commuters who did not know what the programme is. On further probing I found two key reasons why commuters believe the programme to be a good one. The first reason is that commuters believe that the programme has improved safety. Interviewees discussed the spacious design of the new taxi vehicles, the fact that every seat has a safety belt and some claimed that the vehicles are designed in such a manner that makes it nearly impossible to overload them. The second reason commuters think the TRP is a good programme is because they believe that it forces operators with old taxi models to regularly service and maintain them. The perceptions of these commuters are also shared by some in the taxi industry. One taxi association leader said that,

there are no longer unroadworthy vehicles. All the existing vehicles have gone through tests and ninety five per cent of them are fit for public transport, as per the taxi requirements. We are very careful as the leadership of the industry. In cases whereby some of our vehicles are not fit to work we do not allow it to happen, we are very careful.¹⁹⁰

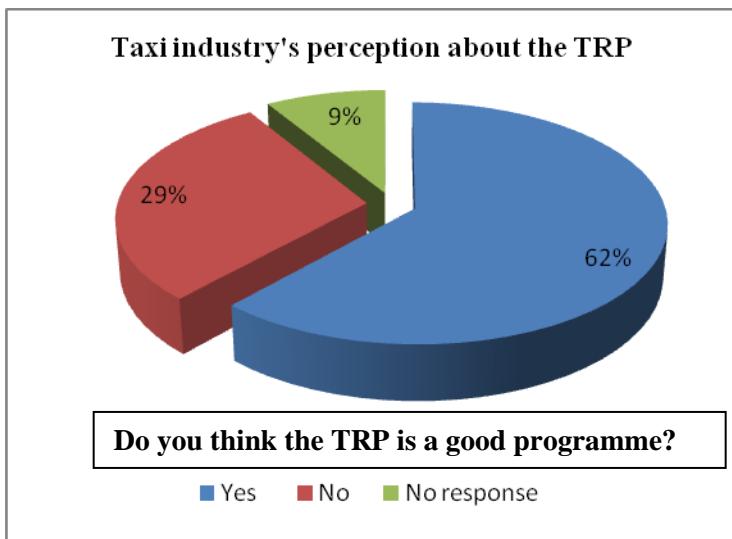
However, in contrast to these sentiments, commuters who do not believe the TRP to be a good programme claimed that most models within the new taxi fleet break down more often than the older models. This results in commuters arriving at work and school late.

A single declaration of intent¹⁹¹ in a policy does not necessarily mean implementation success. Other policy objectives are also of great importance, especially if they form an integral part of the policy itself. Policy success can be measured on a comparative scale in terms of bargained goals and decisions between policy actors. In this sense, promoting safety through improved vehicles has been achieved by the government. But there are other pressing issues too. Of those interviewed in the taxi industry 62% believe that the TRP is a good programme while 29% do not agree. This is illustrated in figure 1.4.

Figure 1.4

¹⁹⁰ Interview with local and provincial taxi organisations executive member (A-2).

¹⁹¹ Elmore, R. (1976) 'Organisational models of social program implementation' *Public Policy*, 26, pp.185-228 in Hill, M (1998), *The Policy Process: A Reader*. Second edition, (Prentice Hall/ HarvesterWheatsheaf, London) p.261



Of these responses, operators somewhat favour the programme because of the larger capacity 23-seater vehicles which they believe increases revenue. However, even though they favour the programme they believe that there are still challenges. Some of these are a direct result of the programme. According to one taxi operator who is also a taxi association chairperson, ‘the taxi re-cap is a good idea where people upgrade their vehicles... But let the government department... give us the right vehicle. One vehicle.’¹⁹² Such arguments derive from the fact that bigger capacity taxis co-exist with conventional 16-seater mini-bus taxi vehicles, which are more affordable and less difficult to maintain. In addition, government has legislated that mini-bus taxis manufactured in or before the year 2000 must be scrapped, yet they continue to coexist in practice. This suggests poor monitoring of policy implementation.

Others who are not in favour of the policy cite problems around operating licenses and conflict over routes despite formalisation and regulation. They also highlight challenges around the affordability of the new taxi fleet (as it also consists of thirteen-seater vehicles - which means decreased capacity but expensive vehicles). It follows, then, that operators are forced to increase taxi fares regularly in order to meet their monthly instalments, purchase enough fuel and to adequately remunerate their drivers. A taxi operator argued that the,

re-cap programme has forced operators with few years in this industry out. Emerging operators have been forced to exit this industry. Those who survive are operators who have already established themselves and no longer look to gain profit from the taxi business, those who have already made lots of money. The mode of transport that we use is very expensive and sometimes we are forced to increase our fares. Ordinary taxi vehicles were reliable and

¹⁹² Personal Interview with taxi organisation chairperson (A-1).

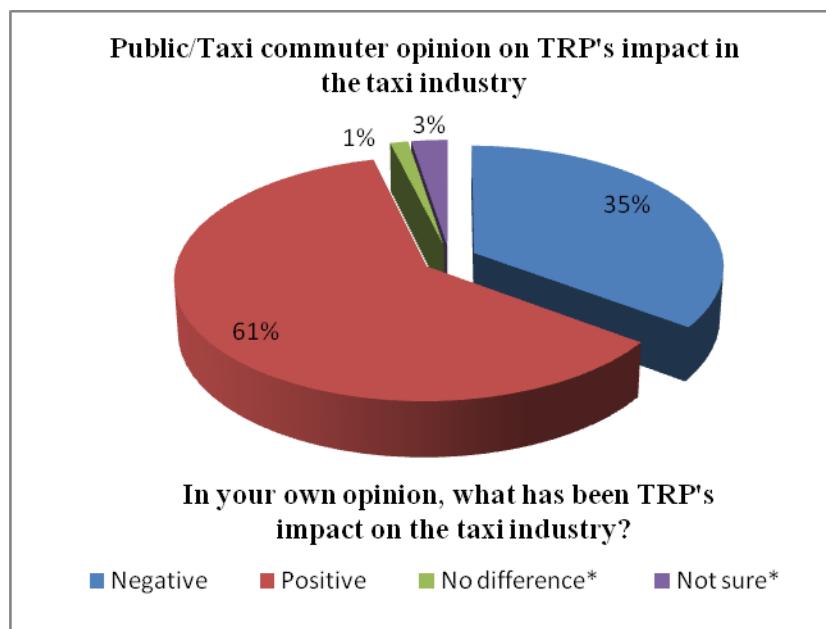
allowed us to charge fair prices because they could be maintained while running the business. These new vehicles rob us of our savings¹⁹³.

According to 29% of taxi operators, the TRP was implemented to regulate¹⁹⁴, rather than to empower taxi operators. These operators see little in the way of benefit to their compliance with the new programme.

2.0 The Impact of the Taxi Recapitalisation Programme

Grindle, in her analysis of the importance of policy content in implementation theory claims that the interests of target groups and beneficiaries must be taken into serious consideration.¹⁹⁵ The size and diversity¹⁹⁶ of the target group plays a crucial role in determining the way in which policy will be conceived. In this case, the interests of the public include an end to violence, fewer accidents, lower fares, spacious and roadworthy vehicles. According to interviews, the majority is satisfied with the policy despite a real failure to address taxi violence. Figure 1.5 shows the public perceptions of the impact of the TRP on the taxi industry.

Figure 1.5



¹⁹³ Focus-group discussion with taxi organisation members, respondent (4-A).

¹⁹⁴ Interview with local and provincial taxi organisations executive member (A-2).

¹⁹⁵ Grindle, M. (1980) Politics and Policy Implementation in the Third World, (Princeton University Press, New Jersey) p.10

¹⁹⁶ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.192

As shown in the chart, 61% of commuters think that the TRP has had a positive impact on the taxi industry. Again, safety appears to be the key reason for this. Respondents discussed safety belts, spaciousness and the protruding overhead design which serves as a protective barrier during road accidents. These features mean an improved public transport mode. Of the 35% of commuters who think that the TRP has had a negative impact on the industry, most point to taxi violence as a direct result of competition for lucrative routes. One of the key objectives of the TRP was to formalize the industry by assigning set routes to taxi associations. However, it would seem that the policy has failed in this objective. One taxi operator said that,

one taxi association would apply for a certain route and get full rights to operate on it. Next thing you know another association applies for the same route and claims to be the legitimate operator of that route. The institution responsible for such issues creates more violence as it grants operating rights to both associations. Violence is inevitable¹⁹⁷.

Unfortunately, commuters become victims as they find themselves in the middle of the crossfire during violence. And this tells us that the government has not established any means within the TRP's network to address disputes over operational routes. The existence of a regulatory policy in any public realm should function to solve social problems; lest its objectives appear ambiguous. It thus follows that implementation of the TRP has worsened operational conditions in the industry and has not established peace. This constitutes a compromise of the safety of commuters.

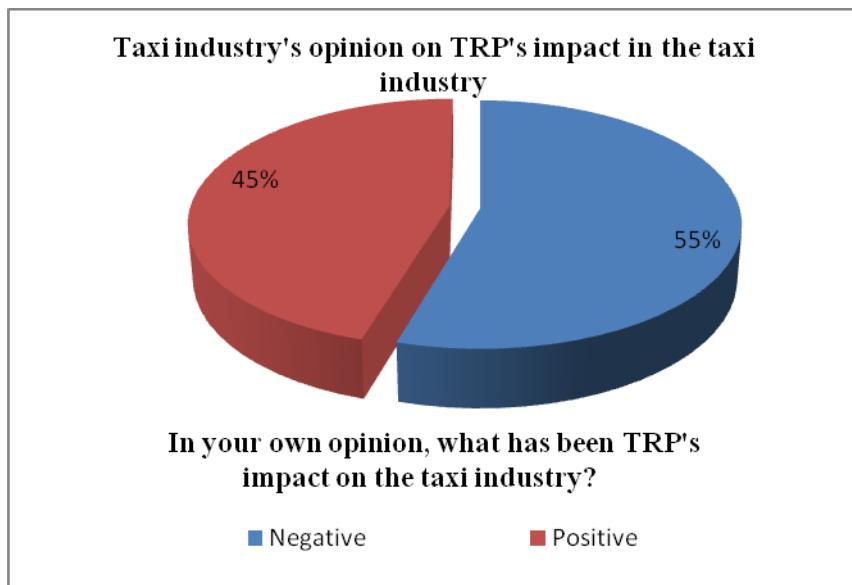
Three percent of interviewees in the taxi industry are not sure whether the implementation of the TRP has had a positive impact on the industry. These interviewees all pointed to questionable compliance and a lack of uniformity in implementation which unsettles them. For example, in Gauteng, taxi operators have installed the smart-card system for electronic revenue collection¹⁹⁸ whereas in KwaZulu-Natal most operators have not complied with this requirement. Non-compliance in one area makes operators feel that they may avoid compliance in others.

Fifty five percent of interviewees in the taxi industry believe that the impact of the TRP on the taxi industry is negative. Figure 1.6 illustrates this. They believe that the empowerment of taxi operators, as stipulated as an objective in the policy, has not been accomplished. This is despite government claims that the policy is a success because the industry is now formalized and properly regulated.

Figure 1.6

¹⁹⁷ Focus-group discussion with taxi organisation members, respondent- (4-A)

¹⁹⁸ Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)



Interviewees raised the problems of further road accidents, continued violence and a lack of economic empowerment, a failure of integration and compliance and a failure of the government to improve infrastructure. One operator argued that,

these are some of the conditions brought by the re-cap. They promised us that we will get safer vehicles that do not result in any causality in cases of accidents, but how many people have died on accidents involving the Quantum? There is no specific vehicle for re-cap, the government has not lived up to its promise, and it was just a bluff. I have not seen a vehicle that has been manufactured for the re-cap and has all the features we all wanted, nothing of the sort. It was just a plot to force... people out of the taxi industry. It is too bad that this is our own government, a democratic one, which was supposed to collaborate with us¹⁹⁹.

It is anomalous for the government to claim success in regulating, formalising and developing the industry while there are so many inadequately addressed challenges. The taxi industry is huge. It transports between 60-70%²⁰⁰ of the South African population daily. Operations vary in the industry. There are central business district, local and long distance route operations that encompass different interests. If the various interests (such as introducing affordable vehicles, addressing taxi violence and improving labour relations) of those affected by the policy are not reflected in implementation, the impact of the TRP will appear negative to the taxi industry.

¹⁹⁹ Focus-group discussion with taxi organisation members, respondent-(4-E).

²⁰⁰ Personal Interview with provincial taxi organisation Executive member (D-1).

Grindle claims that a distinction should be made between programmes that provide collective benefits²⁰¹ and those which encourage categorical demand during the implementation stage. The types of benefits a policy was set to effect should be uniform. A policy should not overlook aspects related to how the initial objectives or benefits should be reached, or rather distributed. For example, the TRP was formulated to end accidents that particularly involve mini-bus taxis due to the alleged unfit conditions of many of these vehicles. The new fleet was introduced in response to this. However, accidents are also the result of driver speed to make daily renumeration targets. This is a direct result of a formerly unregulated industry which still has unstructured labour conditions whereby verbal²⁰² contracts are made between two parties upon employment. Taxi drivers have to ensure that they bring in a standard amount of cash to the taxi operator at the end of each day. The introduction of the new taxi fleet could reduce some accidents, but taxi drivers are normally under pressure, which accounts for some of their controversial driving methods. The point that there seems to be no substantial means of transforming and integrating the taxi industry under conventional labour systems will always come back to haunt the TRP.

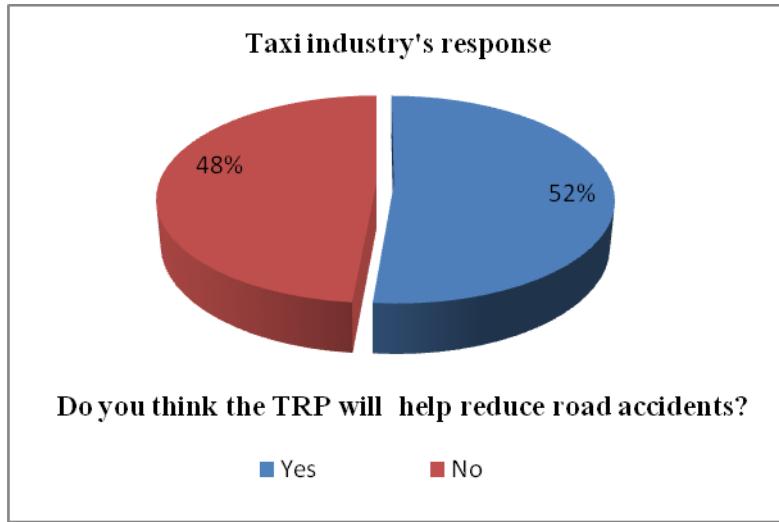
1.3 Road accidents

Many people have died on public roads as a direct result of unroadworthy taxi vehicles. A taxi-industry-specific initiative as in the TRP was initiated to also address safety issues in the taxi business as part of public transportation responsibilities. Considering that there might be other potential causes to accidents, especially those involving mini-bus taxis, the taxi industry have confidence in the TRP's commitment to accident reduction. Figure 1.7 illustrates the perception of the taxi industry on the ability of the TRP to limit road accidents.

Figure 1.7

²⁰¹ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.8

²⁰²Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)



A considerable 52% of the taxi industry interviewed believe that the TRP will help in accident reduction. This is due to the fact that the TRP has promoted vehicle safety through law enforcement, whereby traffic officers randomly inspect mini-bus taxis. In addition, the new fleet's design does not permit overloading – which also causes accidents. In contrast, 48% of taxi operators and drivers, are unconvinced about the effectiveness of the TRP in achieving this. A taxi operator made the following statement.

We don't see any transformation at all, because if these vehicles could have difficulties of any sort that problem would be worse than what we normally experience from ordinary taxi vehicles, and they said new taxi vehicles will have roll-over bars which will guarantee passenger safety during accidents but they have not fulfilled that as yet. The warranty is not the same when compared to that of ordinary taxi vehicles. And accidents occur more often with these new vehicles²⁰³.

This derives from the premise that some vehicles within the new fleet break down more often than ordinary mini-bus taxis. And the fact that their spare parts are very scarce in the local market makes the situation even more difficult. Apart from this, taxi vehicles still have the ability to obtain a maximum speed of 180km/h which could have been manually regulated to a maximum of 100km/h if commuter road safety was the central objective of the TRP. In addition, there are also labour dynamics which need to be solved in ensuring that drivers are no longer under pressure to accumulate the daily amount of money required by operators,. This normally leads to all sorts of mini-bus taxi related accidents.

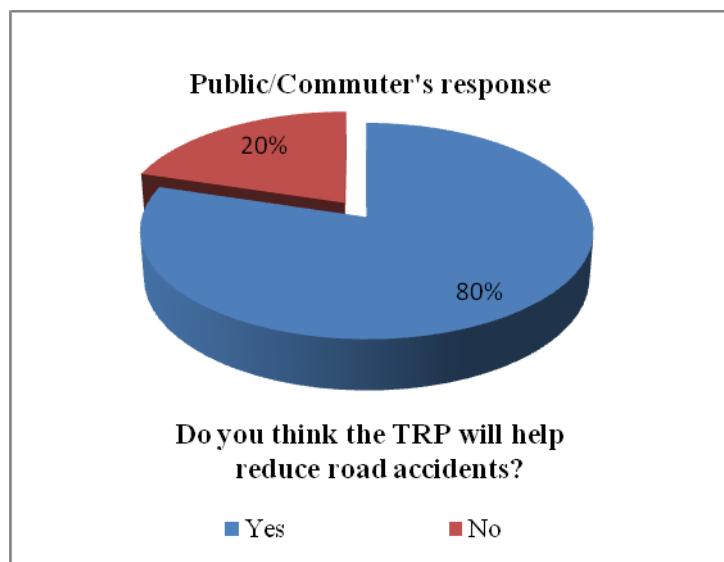
Accidents that involve taxi vehicles still occur and congestion cases are still reported despite the claim that, 'ninety five per cent of them are fit for public transport'²⁰⁴. Eighty percent of taxi commuters

²⁰³ Personal Interview with taxi organisation executive member, (B-2).

²⁰⁴ Personal Interview with local and provincial taxi organisations executive member (A-2)

interviewed believe that the TRP could be instrumental in reducing accidents. However, 20% of commuters disagree with this. This is illustrated in figure 1.8.

Figure 1.8



Regular commuters have extensive experience of how drivers drive. This does not imply that they are in a position to make substantial claims or predictions on how road accidents - that involve taxis- would be decreased or not. But for commuters to develop an opinion about such issues they need some indications concerning accidents. The fact that 80% of taxi-users feel that the TRP would be instrumental in decreasing accidents, owing to their everyday observer-participant role as commuters, validates this perception. It follows that someone with the resources to track mini-bus taxi accidents would be adequate to highlight more about this. One such person was a government official whom I interviewed who has institutional resources at his disposal to track vehicle accidents. He said that, ‘we now have new bigger capacity and well balanced vehicles with safety belts. And I think the accident rate has decreased’²⁰⁵, It should be noted , though, that as much as the occurrence of accidents depends on a variety of reasons they also largely depend on the condition of a vehicle. And for this reason if the fleet within the mini-bus taxi industry prioritises commuter safety and discourages overloading – which leads to accidents- it deserves credit.

²⁰⁵Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1) .

Having extensively examined the political and economic history of the taxi industry and policy content concerning implementation, one understands that the types of benefits a policy was designed to achieve should be all inclusive. This should be realised throughout the life cycle of policy. If one segment of the whole policy system is ignored it is bound to negatively influence other aspects and lead to potential failure.

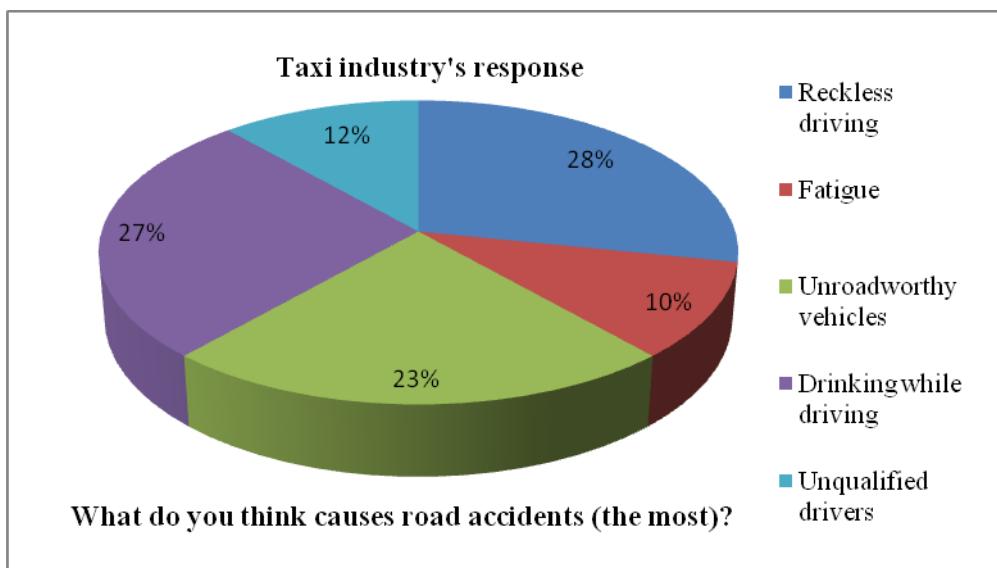
1.4 Attributes to accidents concerning mini-bus taxis

Road accidents will never be eradicated, but they can be minimised. Accidents involving taxis – because of the number of passengers – cause many deaths. It would have been logical to introduce, as part of the TRP, a compulsory taxi-driver training sub-programme in order to improve taxi drivers' awareness on public road safety. This would only be possible in an adequately regulated and formalized taxi industry whereby employment rules are enforced to prevent operators using temporary drivers. Accredited drivers could be directly recruited after training and operators could be required to use the services of those trained. Indeed, the second version of the TRP (introduced in 2006) shifted the focus to commuter safety. As the KwaZulu-Natal Taxi Recapitalisation Programme General Director has concluded, “the second” version of the recap is not based on any concept, in terms of mini-bus taxi affordability and so on. As far as the government is concerned it is based on making sure that there are safe vehicles within the country²⁰⁶.

Taxi drivers work under highly pressured contexts which lead to their controversial driving habits that result in accidents. Among other attributes road accidents are aligned to, the most popular are reckless driving, fatigue, unroadworthy vehicles, drinking while driving and unqualified drivers. Figure 1.9 illustrates the perceptions of the taxi industry on what causes road accidents.

Figure 1.9

²⁰⁶ Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2).



Taxi drivers feel that, among other causes, reckless driving is one of the major contributors to road accidents. A substantial 28% of those interviewed believe that taxi drivers are generally not careful, tolerant and patient as is required while using public roads. Taxi drivers not only compete for passengers but also for space at taxi ranks, especially on lucrative routes. This results in chaos on public roads during peak hours. As one taxi operator argues, ‘lets say I want five hundred rands a day. The driver goes full out in the morning, does all the wrong things during the day and returns with the full five hundred at the end of the day’²⁰⁷. It follows, then, that as long as taxi drivers work under pressure, road accidents could not be meaningfully reduced despite the introduction of safer vehicles for the industry.

Drinking while driving, as a source of accidents, is considered to be a significant cause of road accidents by 27% of those interviewed in the industry. This serves to indicate that the extent of drunk-driving has decreased with the initiation of programmes such as the Arrive Alive Campaign. This campaign raises awareness and emphasizes public road safety through deploying more traffic officers on public roads thus discouraging the use of alcohol by motorists. According to the Arrive Alive website, ‘effective and visible traffic enforcement is only part of the strategy to improve road safety in the minibus taxi industry’²⁰⁸. The visibility of law enforcement agents and random examination of taxi drivers and other motorists has helped in ensuring compliance of road safety rules. But this does not necessarily mean that taxi drivers, in particular, have drastically refrained from using alcohol while on duty.

²⁰⁷ Personal Interview with taxi organisation chairperson (A-1).

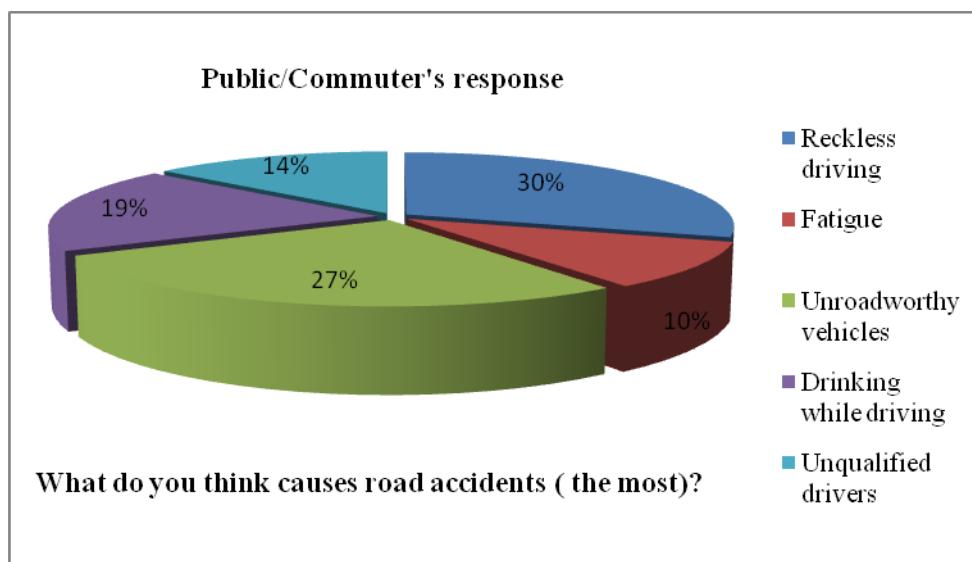
²⁰⁸ <http://www.arrivealive.co.za/pages.espx?=2850> (Date accessed, 21 July 2009).

The industry also feels that unqualified drivers have been another source of accidents. But this aspect was mentioned by only 12% of interviewees. The possible reasons for this perception are that most taxi drivers in the industry have driving licences. This has largely been in response to the TRP and other programmes such as Arrive Alive, which have discouraged the use of unqualified drivers. Taxi operators are more careful in relation to employing taxi drivers as they emphasize valid licenses as a necessary condition for potential drivers.

As it might well be expected, driving for long and extended hours might lead to accidents due to exhaustion. Taxi drivers are normally on the road for between 16-19 hours per day²⁰⁹ and have no opportunity to rest. Ten percent of taxi drivers hold the view that fatigue leads to accidents.

Given all of these factors that contribute to driving safety, it is no surprise that 30% of commuters believe that accidents are caused by reckless driving. The perception of the commuters is illustrated in figure 1.10.

Figure 1.10



Of these commuters, 27% believe that accidents are caused by unroadworthy vehicles, another 19% contend that a major contributor to accidents is drunk driving and only 14% point to unqualified drivers. Finally, the perception that fatigue is a cause of accidents rates at 10%, the same perception held in the

²⁰⁹ Khosa, M. (1994) 'Accumulation And Labour Relations In The Taxi Industry' *Transformation* 24, p. 55-71

taxi industry. Given these statistics people perceive that reckless driving and unroadworthy vehicles are the central determinants of road accidents involving minibus taxis. Grindle²¹⁰ argues that differences in the level of conduct, owing to policy objectives, are one of the main mediums in which policy content affects implementation. Visualising the extent of change is equally important as it gives the implementers an opportunity to forecast or predict the compliance and responsiveness of a policy. The principal manner in which there are differences in the attitudes -based on interests- of target groups, serves as a medium in which policy content affects the implementation process. For instance, both respondent groups, by virtue of their involvement in the industry as commuters and drivers, cite reckless driving as the main contributing factor to road accidents.

The government also largely attributed accidents to unroadworthy vehicles and enforced the introduction of a new fleet with safety features. This indicates that the issue of pressure that taxi drivers face to meet revenue targets (as a source of reckless driving leading to accidents) has not been addressed. It is an issue that warrants formalisation of the labour system in the industry. It is possible that in an environment whereby all taxi drivers were registered employees and functioned within a system that protected them under South African labour laws accidents would be decreased. The taxi leadership argues that bi-laws affect the industry.

The issue of bi-laws is another problem as cities or towns have different laws and these also clash with government objectives. For example, before applying for a permit an operator must comply with bi-laws that govern the transport industry of that particular city; this includes issues such as urban facilities and other aspects. So, the government did not consider these dynamics when implementing this policy and this is one of the problems resulting to failure of reaching policy objectives²¹¹.

In this context it is contradictory to implement certain legal frameworks in regulating the industry as a compliment to the TRP. Bi-laws, for instance, cause confusion especially for long distance taxis. This might also result in accidents or punishment from traffic enforcement agents. As an example, parking facilities in Johannesburg, may only be located near taxi ranks to avoid traffic congestion, which might not be the case in Durban where taxi ranks infrastructure has been developed. Therefore, a uniform approach in dealing or addressing issues within the a policy context should be instrumental to implementation success.

1.5 The New Mini-Bus Fleet and Road Safety

²¹⁰ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.8.

²¹¹ Personal Interview with taxi organisation executive member, (B-2)

As the TRP has been implemented to improve public transport safety in the taxi industry, it is equally important to consider whether new vehicle models contribute to the achievement of this objective. The KwaZulu-Natal TRP General Director argued that, ‘it was intended for commuter safety, at the same time. And that model was based on a tendered process, where certain companies would be appointed to manufacture vehicles. It meant that a sole provider would be in place, in terms of manufacturing, and this would help in cutting down costs’²¹². As a result of high prices from manufacturing TRP specific vehicles different companies ended up producing their own models and included some of the safety features that vehicles specific to this programme would have. This has raised a lot of concern about the durability and reliability of these vehicles as they have given operators various mechanical problems. One taxi operator argues that,

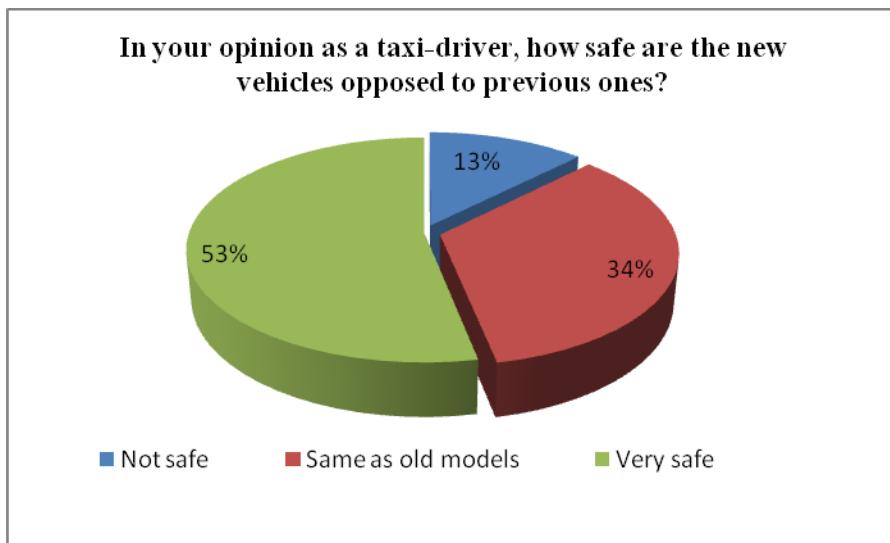
reports were published about vehicle specifications; these would range from 16 and 32 seaters. And these vehicles were supposed to have strict specification which prioritized the safety of commuters during accidents. But up to this day there has not been a specific vehicle for the project. And the companies such as Toyota stated that the government vehicle specifications, the requirements, are very expensive to meet and the price of which the vehicle should cost after these specifications will be very high. Until this very moment nothing has come up, there have been delays year after.²¹³

It follows, the, that the taxi industry is divided on the aspect of safety pertaining to the new fleet. Operators and taxi association leaders contend that most models of the new taxi fleet are not reliable and thus unsafe for transporting the public. The following graph, figure 1.11, shows taxi drivers’ perceptions on the reliability and safety of the new taxi fleets.

Figure 1.11.

²¹² Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2).

²¹³ Personal Interview with local and provincial taxi organisations executive member (A-2)



A 53% majority of taxi drivers feel that the new mini-bus fleet is very safe. They link this view with the fact that most new mini-bus taxis are Toyota Quantums, which are a comparatively better standard than other models. These vehicles, as already highlighted, have safety belts on every seat and a protruding overhead design for protecting passengers during accidents. Taxi drivers also contend that these vehicles are very spacious, the interior design enables luggage without accommodating overcrowding - which serves as an advantage during accidents as commuters would not be trapped.

Thirty four percent of taxi drivers contend that the safety and reliability features of these new vehicles are the same as the old models. The taxi industry's leadership, in supporting this maintains that, 'government argued that due to the fact that fibre glass is stronger than most vehicles manufacturing material a new taxi model produced with fibre glass shall be introduced to the industry'²¹⁴. According to a taxi industry leader, 'there were many specifications a TRP mini-bus should have, they were about nine'²¹⁵. These are a vehicle made out of fibre glass, rollover-bars, safety-belts on each seat, protruding roof, a reflective yellow line on both sides, double-rear wheels and a smartcard system for revenue collection.

Financial implications surrounding the production of these vehicles have made it impossible for the taxi industry to embrace an innovative mode of transport. It turned out that producing these vehicles would be very expensive. Their prices would be very high, compared to conventional mini-bus taxis. As one taxi operator asserts, 'the government told us that companies can not produce a vehicle with rollover bars and other safety features'²¹⁶. The increased competition on minibus taxi manufacturing has left operators with no option but to purchase any relatively affordable vehicle, within the wide variety, in order to retain

²¹⁴ Personal Interview with taxi Organisation executive member,-(B-1)

²¹⁵ Personal Interview with provincial taxi organisation General Manager (D-1)

²¹⁶ Personal Interview with taxi Organisation executive member, (B-1) (19 October 2009).

customers. Under this premise taxi drivers assert that the new taxi fleet, apart from being expensive and notorious for high levels of fuel consumption, are not that different from the normal Toyota 15-seater taxis in relation to safety. This suggests that, considering the competitive nature of the taxi business, commuter safety depends on the driver's patience and willingness to obey traffic rules and the vehicle safety features.

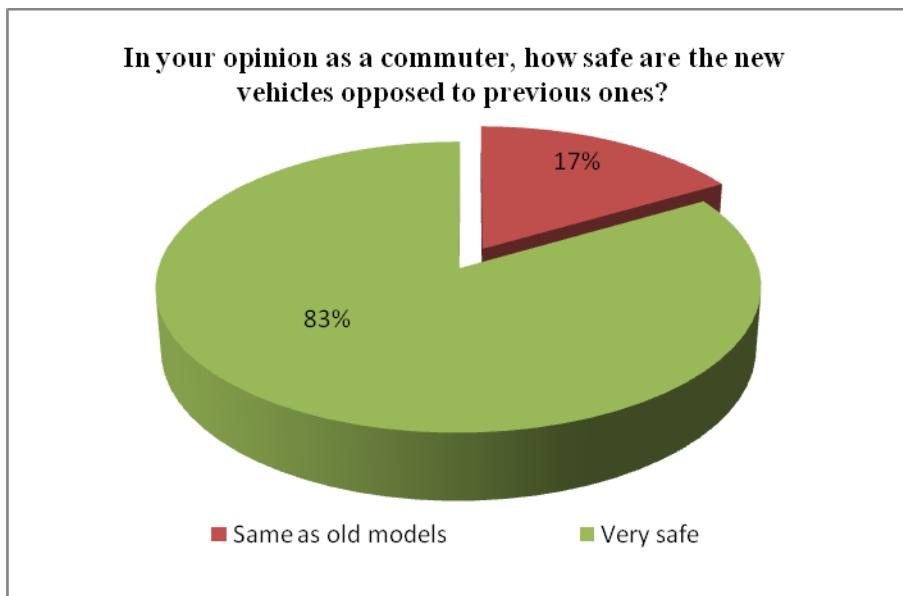
Finally, 13% of taxi drivers assert that the new fleet is not as safe as the old. This perception is based upon the view that it consists of various unreliable vehicles which were not initially designed for the industry but only integrated to get rid of old mini-buses. Within this group there are also those who argue that as much as road accidents affect taxis in the same manner, vehicles such as the Foton/CMC, 'are new but not in a good condition.'²¹⁷ Although they are part of the industry they do not go for a period of more than three weeks without breaking down on the road which leads to accidents. It should also be borne in mind that these vehicles are exempted from operation as public transport vehicles through undergoing fitness tests, only to disappoint taxi operators after being purchased.

As noted, commuters' perceptions on issues around safety as beneficiaries of the TRP are of great significance. Their views are not only relevant under the premise that the commuter-safety component of the TRP has been a government priority but also due to their large contribution to the existence of the taxi industry. The fact that the new bus taxi fleet has safety features has fascinated a lot of commuters in a sense that operators have started to shift from conventional vehicles to new ones, although they are not TRP specific. As one taxi operator concluded, 'another thing you should know is that the public likes new, safe and beautiful taxi vehicles... I like them myself'²¹⁸. As a result, 83% of the public using taxis think that the new fleet of taxis is very safe, and 17% says these vehicle standards equal that of normal taxis. This is illustrated in figure 1.12.

Figure 1.12.

²¹⁷ Personal Interview with Taxi Organisation Deputy Chairperson(D-3).

²¹⁸ Focus-group discussion with Taxi Organisation members, respondent (4-A)



In this regard, endowing the new fleet of mini-bus taxis with safety features has convinced commuters, and a considerable amount of the taxi industry, that these vehicles have an added advantage of decreasing the number of casualties and deaths during accidents. This is despite the view that a TRP-specific vehicle, which I imagine would have more obvious safety features, has not been introduced as of yet.

1.6 Broader Consultation

Grindle maintains that policy actors must be afforded the opportunity to pursue conflicting interests because policy processes should be a medium of the, ‘interaction between government and the citizenry’²¹⁹ if policy is to be successfully implemented. It is futile for policy to be implemented if there was no proper and extensive consultation. Implementation content looks at, among other aspects, ‘affected target groups’²²⁰ as an important consideration throughout policy processes. To further qualify this aspect from a conflict and bargaining approach of decision-making, policy implementation seeks that strong elements of bargained decisions²²¹ reflect the various preferences and resources of the broader public. This rests on the

²¹⁹Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.19.

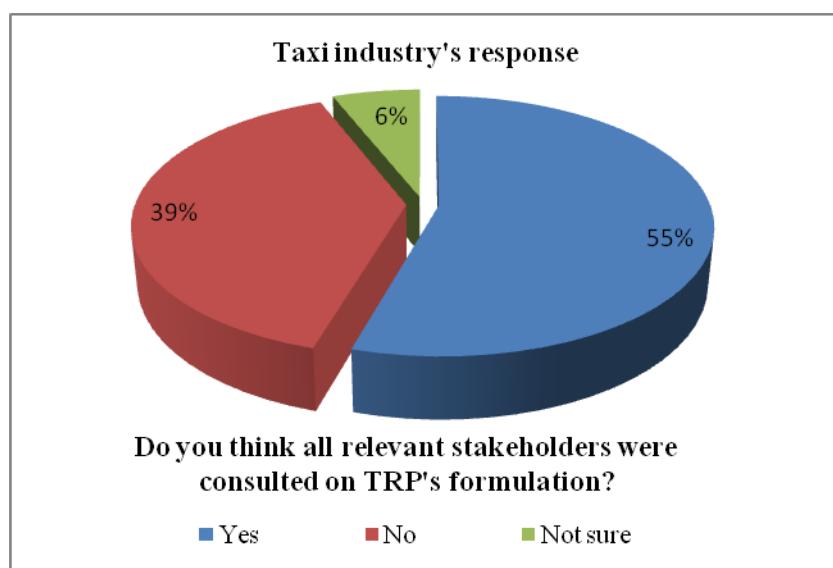
²²⁰ Howlett, M. and Ramesh, M. (2003), *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.192

²²¹ Elmore, R. (1976) 'Organisational models of social program implementation' *Public Policy*, 26, pp.185-228 in Hill, M (1998), *The Policy Process: A Reader* (Prentice Hall/ Harvester Wheatsheaf, London)

premise that during consultation the public, through different civil society groupings, has an opportunity to oppose and bargain on central issues concerning policy. This legitimises the entire policy processes.

There are conflicting views on whether or not broader consultation occurred prior the formulation and implementation of the TRP. I now explore whether operators, in the form of local, regional and provincial structures were consulted. This also includes looking at other crucial components such as civil society and commuter organisations, since the policy's objectives also consisted of providing a high quality and safe transport mode for the public. This government claims that the taxi industry and civil society were thoroughly consulted concerning the violent and chaotic nature of the industry which demanded deregulation. However, there are discrepancies in the taxi industry on whether extensive consultation occurred or not. Figure 1.13 illustrates the perceptions of the taxi industry on whether all relevant parties were consulted

Figure. 1.13



As is illustrated above 55% of the industry (operators, taxi association executive members and drivers) assert that there was consultation, 39% said that there was no consultation, while 6% are not sure if consultation was part of TRP's formulation or not. Relevancy, in this context, simply means being directly affected by the TRP either through being a taxi operator, holding an executive position within a taxi association, taxi driver or a commuter. According to the KwaZulu-Natal TRP General-Director the above-mentioned groups, with the exception of taxi drivers, influenced the aims of the TRP as far as developing and formalising the industry is concerned. SANCO, a national commuter's organisation, and Santaco, a

national taxi association are, ‘recognized by the government’²²², and were part of the National Taxi Task Team which resulted in the adoption of recommendations as central policy objectives. The TRP General-Director claims that, ‘consultation occurred at national level, from the national level - they came to provinces and hosted roadshows and so on. And we as provinces took the directive and ensured that there were taxi rank gatherings, and we were insulted and we disagreed to agree at the end of the day’²²³. During a series of ‘provincial taxi task teams’,²²⁴ which were part of the entire consultation process it became clear that public participation, in terms of formal structures, was not satisfactorily achieved owing to the absence of commuter organisations. Apparently, this led the KwaZulu-Natal Department of Transport to gradually facilitate the formation of 164 local passenger associations within the province, each with a ten-member executive that includes, ‘representatives from students, workers and elderly people’²²⁵.

This appears as an acceptable and democratic manner of encouraging policy participation, in terms of consultation. The taxi industry was given a platform (through roadshows and taxi rank gatherings) to raise concerns in relation to the policy. It follows, then, that under this democratic setting there were, ‘conflicting views; some thought it was an innovative policy while some totally disagreed with it. But in the end it was recommended, as it appeared to be a good programme’²²⁶. Operators even suggested that mini-bus taxis’ capacity be increased from ‘fifteen to eighteen-seater or more’²²⁷. It is under these conditions that a 55% majority, according to figure 1.13, of the taxi industry maintains that proper consultation did take place.

There have been nationwide taxi industry strikes and boycotts pertaining to the implementation of TRP. This has been largely attributed to the belief that the industry was not adequately consulted. These militant methods of negotiating access are in line with Meyer and Cloete’s conclusions of what happens in cases whereby consultation and participation were not encouraged in policy implementation and formulation stages. They further assert that consultation and participation can be, ‘achieved through direct involvement...in mass activities such as protest marches, consumer boycotts and any type of mass action’²²⁸. It follows, then, that 39% of the industry claims they were not consulted. This is despite the alleged provincial task teams which lead to the adoption of the National Taxi Task Team’s recommendations as central policy objectives. In a taxi operator’s words,

²²² Personal Interview with local and provincial taxi organisations executive member (A-2)Organisation

²²³ Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2).

²²⁴ Personal Interview with provincial taxi organisation Executive member (D-1).

²²⁵ Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2).

²²⁶ Personal Interview with provincial taxi organisation executive member (D-2).

²²⁷ Personal Interview with provincial taxi organisation Executive member(D-1).

²²⁸ Meyer, I. and Cloete, F. (2000) *Policy agenda-setting*, in Cloete and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.105.

Our government does not consult the taxi operators on issues that affect this industry. Everything has been imposed on us, we are told what to do and expected to comply without even questioning. That's why we have embarked on national strikes the government just throws a heavy rock on taxi operators, without any level of consultation. There is no consultation between the government and the taxi industry²²⁹.

These taxi operators feel that government's failure to consult with them, through relevant structures such as the National Taxi Alliance – a splinter organisation deemed more effective on a variety of fronts, indicates the existence of, 'a plot to force black people out of the taxi industry'²³⁰. To this group of operators the fact that, 'government consulted with Santaco'²³¹ and failed to include the NTA about the TRP clearly serves as a basis that not everyone in the industry was consulted. This follows the view that NTA's membership is considerably larger than that of Santaco. The only difference between these two organisations, according to operators, is that,

Santaco has air-conditioned offices provided by the government. They get paid and have expensive cars through the government. The government just tells them what to do, they agree and sign documents without even asking a thing, let alone consulting with us, about whatever the government proposes. Then the government will say the taxi industry has agreed to certain policies or terms leading to development...The Alliance...has no-one representing the taxi industry as part of that setting, national or provincial. The Alliance has its own offices that are run through membership funds, and it does not get any income from the government like Santaco...and only speaks for the taxi industry on issues that have already been discussed for us. It does not allow the industry to be dictated by the government²³².

Under these circumstances it is clear that the NTA's exclusion within the consultation process has caused operators to deem the policy process illegitimate and as a result they embarked upon strikes and boycotts. Besides this there has been a legal case, filed against the government by the NTA. It seems that the fact that Santaco functions closely with the government has translated into ambiguity in the objectives of the industry as far as TRP is concerned. This follows the point that, the majority of the taxi industry confirmed Santaco's consultation during the TRP's formulation. Therefore, following these perceptions, all affected groups played a role in the formulation of this policy. But there was no thorough or systematic process of ensuring the inclusion of every component – in terms of taxi organisations which broke away from Santaco to form NTA. This, it appears, resulted in half of the interests in the taxi industry being excluded and not reflected in policy implementation.

²²⁹ Focus-group discussion with Inanda Taxi organisation members, respondent (4-H)

²³⁰ Focus-group discussion with Taxi organisation members, respondent- (4-E)

²³¹ Personal Interview with taxi organisation executive member, (B-2)

²³² Focus-group discussion with taxi organisation members, respondent -4H (23 October 2008)

Consultation through public hearings, according to Howlett and Ramesh, should be utilized as a tool of the, ‘administrative system in securing regulatory compliance’²³³. This means that all members of the policy subsystem must form part of the policy formulation stage so as to enable an environment whereby different interests are bargained in decision making processes. There is a wide variety of consultation methods of which policy formulators could explore in an attempt to ensure that the public policy process is transparent. Howlett and Ramesh suggest that these,

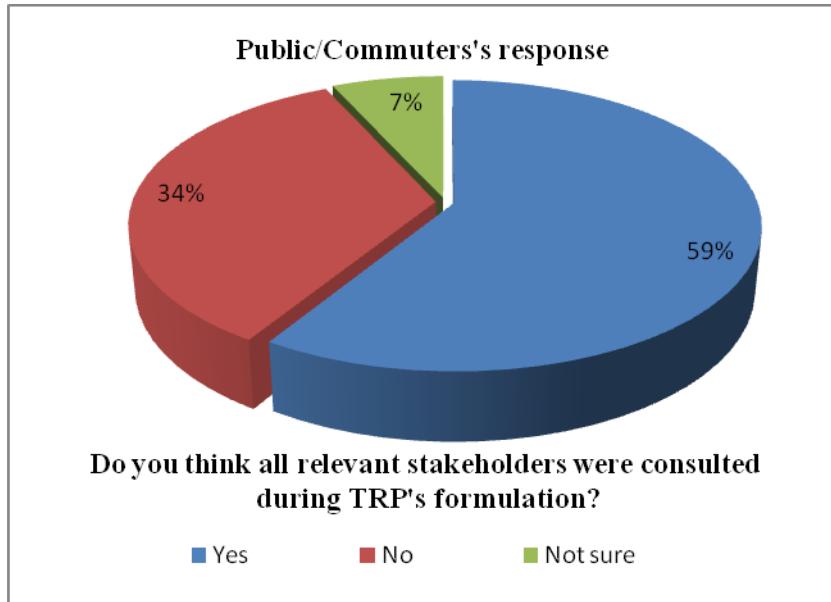
include setting up administration forums for public hearings and establishing special consultative committees, task forces and enquiries for evaluation purposes... and can range from small meetings of less than a dozen participants lasting several minutes to multi-national dollar inquiries that hear thousands of individual briefs and can take years to complete.²³⁴

In the case of the TRP, roadshows were supposedly held at every province’s taxi ranks in order to gather public and taxi operator views concerning the TRP. The media was used to alert the public about such gatherings and to encourage participation. And, contrary to the taxi industry on the aspect of broader consultation, the majority of the public interviewed believe that there was consultation. Figure 1.14 illustrates these views.

Figure 1.14

²³³ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.188.

²³⁴ Howlett, M and Ramesh, M (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.215.



Fifty nine percent of commuters perceive that all relevant groups were consulted. In contrast, 34% of commuters disagree and 7% is not sure how consultation took place or whether all relevant groups were consulted. There are a variety of reasons for this. First, the increasing number of new mini-bus taxis - which symbolizes policy compliance – shows commuters that change is happening within the industry. Commuters claimed that mini-bus operators would not even attempt to purchase the bigger capacity vehicles and other models within the new fleet of taxis if they were not directly consulted. This is despite the fact that the ideal vehicle for the policy has not been manufactured as yet. The point here is that taxi operators show the will to participate in developing the industry, which has always included the need to increase vehicle capacity²³⁵. Second, the decline in the number of unroadworthy taxis also indicates that a vehicle scrapping process is under way even though the government has not reached its target. If taxi operators were not consulted every step of the way they are at least aware of the basic aspects of the policy. Overloading is no longer an issue as the law enforcement agents have paid more attention to taxis as part of road safety programmes. Following one of the concerns raised by taxi operators during the NTTT process they, ‘asked the government to manufacture a vehicle that would carry eighteen commuters’²³⁶. As a result, the new mini-bus taxi fleet comprises of vehicles carrying twelve, sixteen and twenty five passengers. This is despite the fact that there is no eighteen-seater taxi but a vehicle that complements operator’s desires exists within the new fleet - which indicates to commuters that consultation occurred.

²³⁵ Vehicle capacity increase has always been a crucial factor in the evolution of the mini-bus taxi industry.

²³⁶ Personal Interview with taxi organisation executive member(B-1)

For a variety of reasons, the taxi industry has consistently appeared in headlines on radio, television and in the print media. It can be anything around taxi violence, the number of arrests made of taxi drivers driving under drug influence, the TRP or the recent rebellion against the Bus Rapid Transit Programme. Being a South African citizen who uses taxi and observing situations unfold it might be difficult to perceive the inclusion of the taxi operators as a continuous activity by the government. The perceptions of 34% of taxi commuters who do not think that the industry was consulted on the formulation of the TRP might derive from confusion caused by the unruly and militant nature of the industry.. Therefore, the lack of knowledge of the 7% in the commuter group indicates government's inconsistency and lack of transparency on the policy consultation processes as far as public participation is concerned.

The objectives of the TRP are centralized around providing the industry with safe vehicles and formalising and regulating the industry. Taxi-users' are still not subsidized and their safety during violence is still in question. Government promised operators, 'to subsidize only if certain things are met'²³⁷, and this included registering every taxi association and operator within the industry. The taxi industry is aware that the majority of South Africans use mini-bus taxis as a central mode of transport and was prepared to bargain in order to formalize the industry and acquire subsidies for its users.

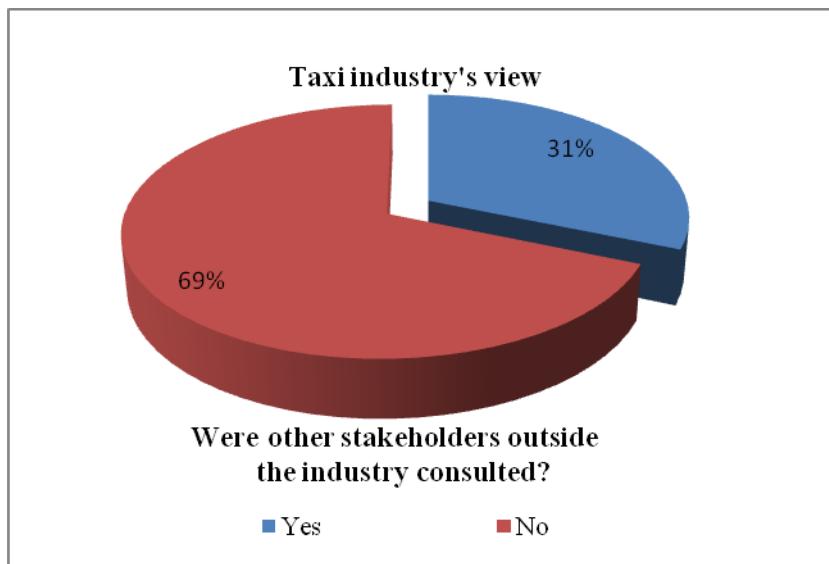
As highlighted earlier, mini-bus taxis are a popular means of transport in South Africa as they are more convenient and flexible than bus and train services. As a result, different community organisations such as interest groups, NGOs, religious groups, youth choirs, and stokvels²³⁸ extensively use the taxi service. The capability of interest groups, civil society and NGOs to positively influence policy and decision-making can not be underestimated in South Africa. The achievements of the Treatment Action Campaign and Abahlali BaseMjondolo, for instance, are cases in point. It follows, then, that including a variety of policy actors within the policy process, as far as subsystems are concerned, might have arguably resulted in a more innovative and public-centred policy.

Figure 1.15 illustrates the perception of whether other stakeholders outside of the taxi industry were consulted.

Figure 1.15

²³⁷ Personal Interview with provincial taxi organisation Executive member (D-1).

²³⁸ A stokvel is a township's women organisation established for saving money, funeral cover, groceries and sometimes paying for school fees.



The taxi industry is again divided into tow on whether policy actors or members of the policy subsystems were included within the formulation stages of a taxi industry's regulatory policy. The majority, which comprises of 69% of the industry, holds the view that broader public participation was not encouraged as civil society and interest groups were not part of the national and provincial taxi task teams set to conduct workshops on public transport needs so as to formulate the TRP. They argue that if some taxi associations were excluded within the consultation process of the policy then it was, by default, equally impossible for other policy actors outside the industry to be part of that system. As the taxi leadership has put it, 'most decisions were taken at the highest levels of the government; there is little they have done in collaboration with us, and they came to tell us what to expect as decisions were already made. There is a very minimum form of consultation'²³⁹.

Given these conditions exclusion of other policy actors, within and outside the industry, was considered a futile exercise or did not appear relevant upon that policy process. The NTA broke away from Santaco only a month after it was formed and close towards the NTTT policy processes. The two organisations have not had a good relationship since then. And government has not devised means of creating peace and unity among, SANTACO and the NTA, through central segments of the policy. Inviting policy actors - civil society and interest groups - outside the industry would be a miracle, in this regard, as there was no control of those functioning in the industry.

The taxi industry's leadership, operators and drivers which are under the impression that public policy actors outside the industry were part of the formulation process are incorrect. Even those who were part of

²³⁹ Personal Interview with taxi organisation Deputy Chairperson (D-3)

the consultation process dismissed arguments about civil society's participation in the TRP. As one of the taxi organisation leaders has stated,

the government has ensured that leadership structures exist, which is the Taxi Council and was consulted. I am a member of that Taxi Council. We work according to regions, these regions work like this; in KZN we have sixteen regional Chairpersons and these were consulted by the government.²⁴⁰

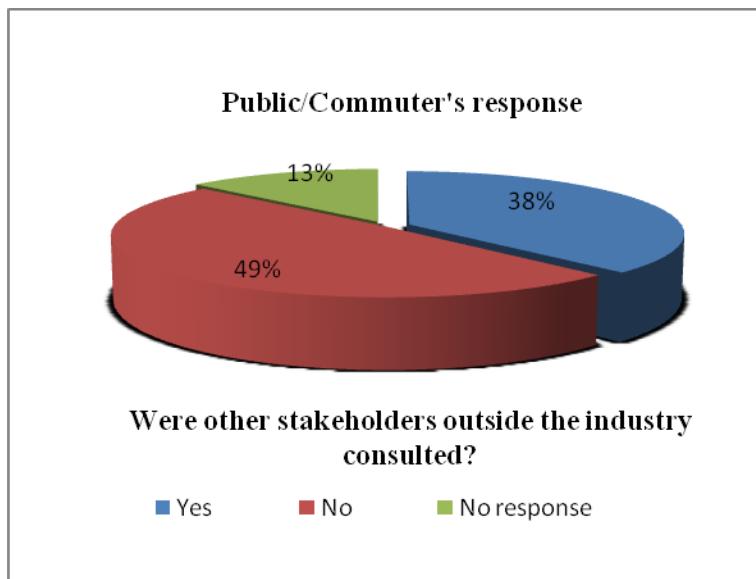
In addition, the National Taxi Task Team consisted of a chairperson from the national Department of Transport, nine government officials from provincial Departments of Transport and ten Santaco affiliated taxi industry representatives.²⁴¹ The government, closely working with Santaco and excluding other actors, held thirty six provincial public hearings across the country. It is obvious that the public voice was not incorporated as part of these processes. And the TRP, despite its ultimate goal of providing an excellent transport service, lacks the important element of extensive involvement of various interests.

There is a contradiction in the argument raised by the KwaZulu-Natal TRP's Director-General. He insists that organisations such as the Public Transport Passenger's Association, which are part of 164 provincial and four community regional structures within the province, were actively involved in roadshows leading to the formulation of the TRP. This contradiction is rooted in the different perceptions held by the taxi industry and the public on consultation. Figure 1.16 illustrates commuter's perceptions of whether stakeholders outside of the taxi industry were consulted.

Figure 1.16.

²⁴⁰ Personal Interview with local and provincial taxi organisations executive member (A-2) Organisation

²⁴¹ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)'. *Violence and Transition Series*, Vol. 4, May



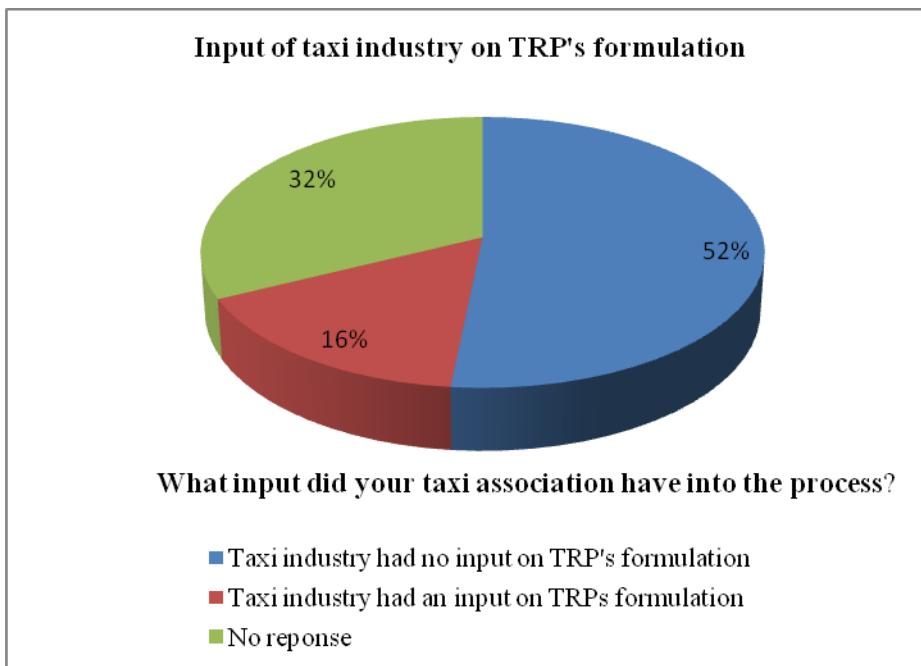
Forty-nine percent of commuters maintain that broader consultation has not been part of the formulation of the TRP, whereas 38% says there was consultation, and 13% did not respond to the question. The reasons mirror those of the taxi industry.

There is no clause in the NTTT recommendations whereby government indicates the establishment of an investigative commission on prosecuting taxi violence instigators, for promoting reconciliation or compensating those who lost family members to it. Instead, the government proceeded with policy processes to restructure the taxi industry without extensively addressing violence. It does not make any logical sense to introduce a mini-bus taxi fleet with all the safety features required for a public transport vehicle in promoting safety while there are greater chances of commuters not reaching their destinations due to violence.

1.7 Input of the Taxi Industry

As the taxi leadership, operators, taxi drivers and commuters hold the perception that consultation of relevant stakeholders within the industry occurred, it is only fair and imperative to establish their contributions within the process. This goes further than determining the validity of the argument that Santaco put upon itself to decide the fate of the entire industry. Figure 1.17 illustrates the perceptions held of the input into the process by taxi associations.

Figure 1.17



As illustrated in the graph, 52% of the taxi representatives feel that the taxi industry had no input into the formulation of TRP, while 16% believe that the taxi industry did have input in the process. It is worrying to have observed that 32% of the taxi industry did not give any response as they have no knowledge on whether their own taxi organisations had an input or not. Arguably, ‘the recap originated from NTTT’²⁴², which conducted 36 provincial road-shows or workshops on taxi ranks across the country. This means that most taxi associations had the opportunity to express their concerns upon learning about governments’ proposal. Ordinary taxi operators and drivers would, by virtue of leadership’s presence and engagement with government representatives, know what the discussions were all about and how the industry was involved. But the majority of the taxi industry, as the graph indicates, maintains that there was no input from the industry. In a taxi operators words, ‘I don’t think we had some input in that process, even a bit’²⁴³. These roadshows and workshops, according to a local taxi industry leader, were nothing more than government officials’ forums for, ‘telling us things that are already decided for us’²⁴⁴.

As indicated, 16 % of the taxi industry claim that they had input into the formulation of the TRP. However, in further probing the kind of input it became unclear whether they had any influence. One may speak of a top-down or bottom up process. If it was bottom up process in which consultation fed into decision-making, why then do a considerable 52% of interviewees contend that there was no involvement or input in decision-making? And if it was top down, why did 32% of the taxi industry not respond to the

²⁴² Personal Interview with provincial taxi organisation Executive member(D-1)

²⁴³ Focus group discussion with taxi organisation members, respondent (C-1) .

²⁴⁴ Focus-group discussion with taxi organisation members ,respondent(4-F)

question posed around consultation? Is it because they were excluded or is it because they are not sure what happened? This clearly points out that, ‘there was no consultation’²⁴⁵ of a substantive nature. In only a few hearings taxi operators, through executive structures, were briefed on how the TRP would be implemented. When the industry opposed this no further consultation was conducted. Instead, legislation was passed to enable implementation, and the media²⁴⁶ reported that the TRP was implemented after successful negotiations between the government and the taxi industry.

The government did not plan and execute these roadshows by itself. The industry’s leadership, Santaco, was part of the process. This explains the position of those who claim local taxi associations made input. And it is clear that only those who held executive positions within the taxi associations had input into these processes, as they are the ones who have any idea about the industry’s input. This explains why 32% of interviewees are in the dark about the level and type of the industry’s input. In brief, the taxi industry suggested the introduction of reliable, affordable, diesel-powered bigger vehicles, carrying eighteen passengers, rather than the usual mini-bus taxis that carried fifteen passengers.²⁴⁷ This was the input of the taxi leadership and perceived to be a solution to avoid congestion while recapitalizing the industry’s old fleet with an affordable, bigger and reliable mode.

1.8 Consultation within the Taxi Industry

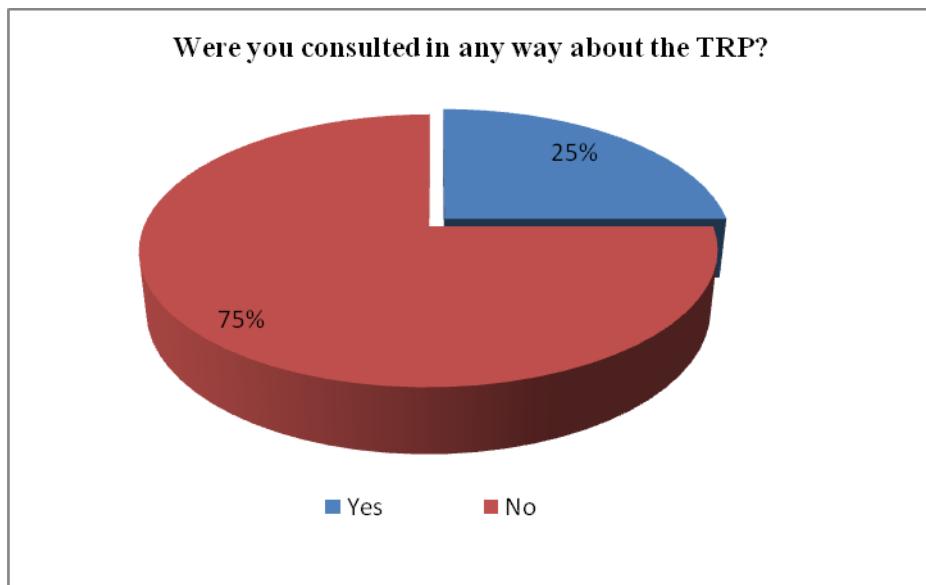
Local taxi operators, the leadership and drivers, since they represent different interest within the taxi industry, were supposed to be instrumental in these provincial public roadshows prior to the formulation and implementation of the TRP. This derives from the view that restructuring, formalising, developing and integrating an industry within the national revenue system requires active participation of those to be directly affected by public policy. It is known that all taxi drivers have to be registered, as per TRP long-term objectives, with the Department of Labour and their appointments should be governed under the South African labour laws and other related frameworks. This follows policy adjustments made owing to strikes, as a result of the impact of the TRP on jobs, that taxi drivers embarked upon in 2000. On these grounds – and illustrated in figure 1.18 - 75% of the taxi industry (leadership, operators and drivers) claim not to have been consulted about the TRP, while 25% agree to having being consulted.

Figure 1.18

²⁴⁵ Focus group discussion with taxi Association, respondent(C-1)

²⁴⁶ Focus-group discussion with taxi organisation members - respondent (4-C)

²⁴⁷ Personal Interview with provincial taxi organisation General Manager (D-1)



This simply confirms what I have already established, that local taxi associations, operators and drivers were not consulted until the emergence of the provincial taxi task teams. Only the taxi leadership then interacted with government officials in private meetings and went to ranks to hear what was already decided. As a prominent leader in the industry has indicated, ‘we had discussions on issues relating to transformation. But although we did not like some of the basic objectives of the programme the government goes ahead in implementing it. During public hearings, we would oppose mostly everything.’²⁴⁸ This was due to the fact that things were already decided at the national level of the taxi task team and provincial industries were merely being addressed and informed rather than consulted. Another taxi operator argues that, ‘if there was a way we could have contributed by airing our views it was too late’²⁴⁹. Informing people about something that has been pre-designed is not the same as creating a bargaining context for encouraging and incorporating views as part of policy formulation.

Despite the 25% of interviewees claiming that they were consulted, it was at a very minimal level. This was a process of being informed of what was about to take place rather than being provided with a platform of inputting into policy decision making processes. The taxi leadership asserted that, ‘we do have channels of putting our views across, and this is through our region, there was someone we elected from this region who is a vice-chairperson of Santaco’²⁵⁰. During these brief consultation sessions taxi operators opposed most of the policy’s objectives as they contradicted with how the industry functions²⁵¹. Opposition on issues included the installation of a computerised (smart-card) revenue collection system,

²⁴⁸ Personal Interview with local and provincial taxi organisations executive member (A-2).

²⁴⁹ Focus-group discussion with taxi organisation members, respondent (4-A).

²⁵⁰ Focus group discussion with taxi organisation, respondent(C-2).

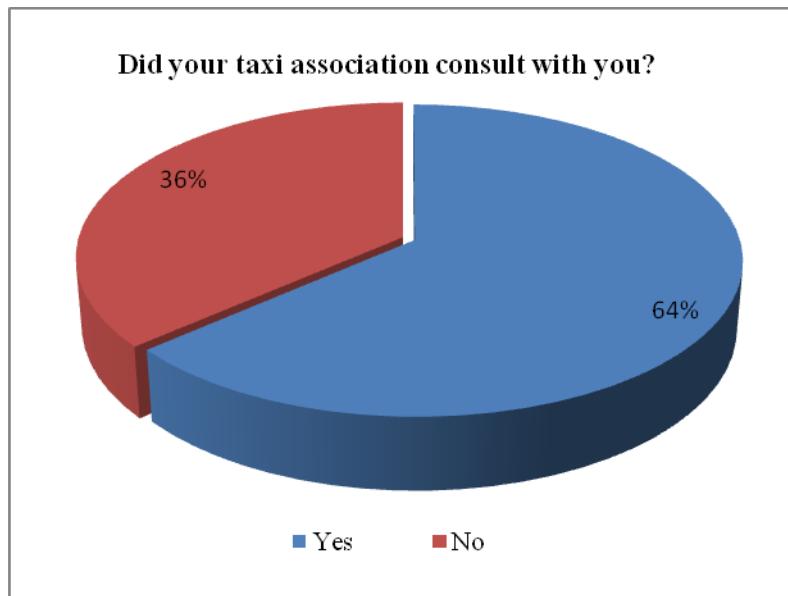
²⁵¹ Personal Interview with local and provincial taxi organisations executive member (A-2)

the conversion of permits into operating licenses and the expiry of operating licenses after five years. The very same aspects of the proposal that were opposed by the industry during these hearings later formed, as central policy objectives, legislation (National Land Transport Transition Act 2000 and the National Land Transport Transition amendment Act 2005) which affected the implementation of the TRP.²⁵²

Legislative implications are of great significance in policy implementation. In this case, the government utilized available legal capacities to legitimate the TRP. Howlett and Ramesh claim that governments normally use parliament to pass Acts in order to, ‘designate a specific administrative institution empowered to make whatever regulations are required to ensure implementation of the principles and aims of the enabling legislation’²⁵³. This is precisely what was done by the South African government without realizing the potential implications of implementing a rather controversial policy.

Figure 1.19 illustrates the perceptions of taxi operators as to whether they were consulted by their taxi associations on the TRP.

Figure 1.19



The majority – or 64% - of taxi operators and drivers claim that they were consulted by their taxi associations in relation to the formulation of the TRP. In contrast, 36% say that they were not consulted by their taxi associations. These figures explain why, as in figure 1.17, only 52% maintained that the

²⁵² Personal Interview with local and provincial taxi organisations executive member (A-2)

²⁵³ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.187

industry had no input in the process. It would appear that taxi operators are the only influential people when it comes to decision making in the industry. Taxi drivers and rank managers can not make any serious suggestions as they are only employees. Looking at what the taxi leadership suggested to the government as their policy concerns there was nothing discussed in relation to improving labour conditions. Therefore, local taxi associations only consulted their members to contribute to how the industry could be developed concerning the TRP.

1.9 Levels of Representation in the Taxi Industry

To determine the levels of representation and consultation in the taxi industry one needs to consider the membership bases of the umbrella taxi associations. Santaco is a powerful taxi association within the industry and it is very crucial on issues relating to consultation and decision-making in the taxi industry. The NTA arguably represents half of the taxi industry at a national level, while it also has provincial structures. Santaco is the largest taxi organisation with affiliates from provincial and local levels of the industry and it, ‘represents every South African taxi association²⁵⁴. It also works closely with the government. The NTA overlaps with Santaco at provincial and national levels of the taxi industry. As explained by a taxi industry leader,

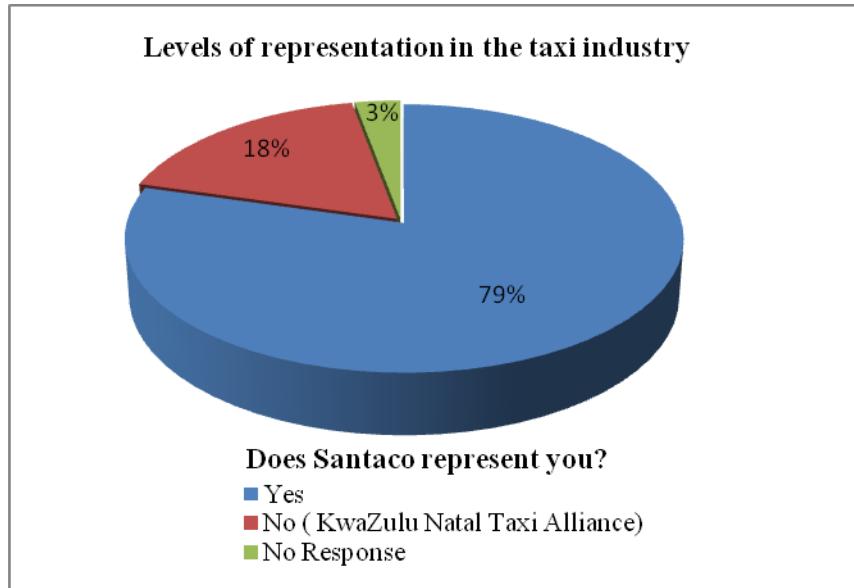
Taxi Organisation X consists of both Santaco and Alliance members, they are all under us as a Region, but when it comes to national representation Santaco has always been on the forefront. But because we sympathize with the Alliance as our brothers, we have not left them out and represent them as well so that they would know how things are progressing. And that's how the Taxi Alliance became known to the general public, as our brothers of the same struggle; because some of the people leading it are also members of the Santaco. They shifted their focus and explored other avenues as a Union²⁵⁵.

Figure 1.20 illustrates perceptions of whether Santaco represents the taxi industry.

Figure 1.20

²⁵⁴Personal Interview with local and provincial taxi organisations executive member (A-2)

²⁵⁵Personal Interview with taxi organisation executive member-(B-1)



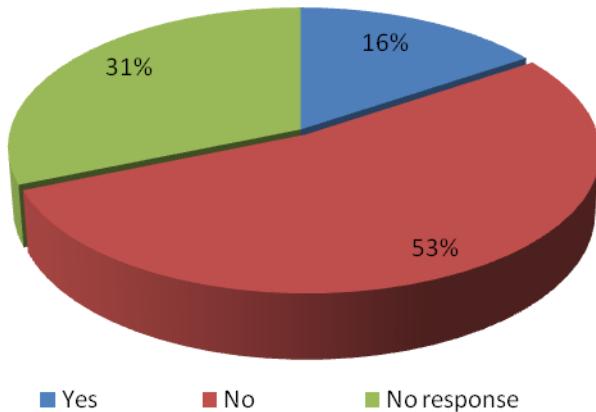
According to the graph Santaco, (KWANATACO) in Kwazulu-Natal, is the most powerful taxi association. Seventy-nine percent of the taxi industry claim that it represents them while 18% of the industry claim that they are represented by the KwaZulu Taxi Alliance, a provincial structure of the National Taxi Alliance. Santaco, as the most powerful and largest taxi association, has played a major role in the formulation and implementation of the TRP. With its large membership base, it had a larger platform from which to influence policy at national and provincial levels, than the NTA. It follows, then, that in as much as NTA is being represented - through networks within the taxi industry - within Santaco structures it was not able to influence policy in a manner that would have translated into a more public-centred policy.

2.0 Policy Influence

Due to the view that the government appears to have pre-designed the policy, the industry does not feel that consultation would have made any difference to the TRP. Figure 1.21 illustrates these perceptions.

Figure 1.21

As part of the taxi industry , do you think it would have made any difference if government consulted the public, taxi industry, NGOs and civil society with regards to all that involves TRP?



Fifty-three percent of taxi industry interviewees believe that consultation would have no impact upon policy outcomes. This is in contrast to a mere 16% of taxi industry interviewees who believe that public participation is important and would have made a huge difference, and 31% who did not respond to the question. This can be compared to figure 1.25, where 70% say that public participation would have contributed to positive outcomes, 7% who did not think this would have been true and 23% who were unsure.

These results are a direct result of two important reasons. First, members of the taxi industry feel that their concerns have not formed part of the policy decision-making process, regardless of them having resisted implementation through various methods, which should have been used as an opportunity to listen to their grievances.

During the formulation of taxi recap programme there were many colliding ideas between the government and the industry, and there were many strikes we were involved on, in opposing the programme. And this resulted to the rejection of the programme by the general industry, even those who were for it ended up opposing it. We wanted to know what was the recap, how was it going to function, what informed it and whose interests it pursued.²⁵⁶

The government responded by announcing that those who oppose the implementation of the TRP will be, ‘arrested for resisting government policies’²⁵⁷. The fact that the government did not use different inputs

²⁵⁶ Personal Interview with the taxi organisation executive member(B-1)

²⁵⁷ Focus-group discussion with taxi organisation members - respondent (4-A)

on policy decision-making, serves as a point of clarity. Although broader civil society and the taxi industry would have formed part of the new consultation phase their concerns would have made little or no difference as the TRP was already under way. This emanates from the fact that the, 'NLTAA (National Land Transport Transition Act of 2000²⁵⁸) legislation governing public transport'²⁵⁹ and effecting the implementation of the TRP was already passed, the budget was allocated, and automobile companies were already producing vehicles, while applications for new operating licenses were already processed.

In as much as many different and competing interests and priorities could not possibly form a coherent policy the concerns, suggestions and views are of as much significance in formulation as in implementation. Under this premise I claim that the interaction of interest groups in public policy processes in a democracy is crucial. Conditions of representing spheres of influence and decision-making outcomes largely depend on a structurally differentiated state and civil society of properly organised and politically distinct interest groups. Meyer and Cloete further argue that the legitimacy of a policy should be reflected through its flexibility to adapt to public needs.²⁶⁰ Figure 1.22 illustrates the perceptions of commuters on whether a broader process of consultation would have had an impact on the TRP.

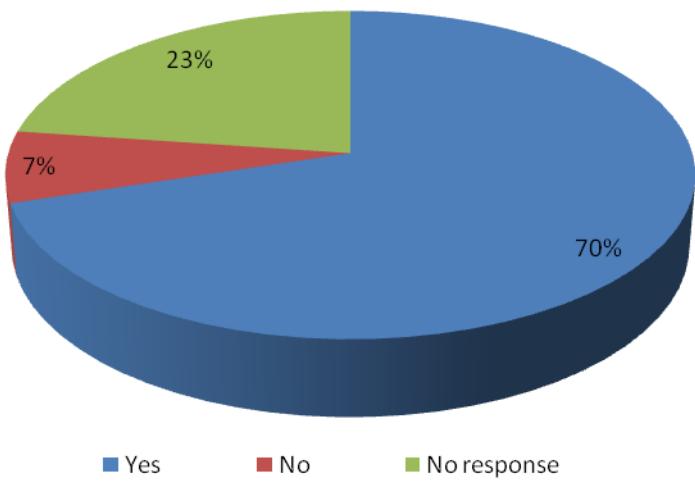
Figure 1.22

²⁵⁸ The National Land Transport Transition Act was amended in 2005.

²⁵⁹ Personal Interview with the taxi organisation executive members, respondent(B-2) .

²⁶⁰ Meyer, I. and Cloete, F (2000) *Policy agenda-setting*, in Cloete and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.106

As a commuter, do you think it would have made any difference if government consulted the public, taxi industry, NGOs and civil society with regards to all that involves TRP?



The public is more positive than the taxi industry on the effects that could result from a broader process of participation. Seventy percent of the public believe that broader public participation would have made a huge difference owing to the different contributions that would have been received from people with different perspectives, needs and wants. A small group of pessimists, comprising 7% of the public, contend that nothing parallel to a more innovative policy would have been yielded by this type of participation. Positive public perceptions were largely informed by the view that South African civil society is very active and influential on policy. Organisations such as the Treatment Action Campaign, Landless People's Movement and Abahlali BaseMjondolo have been able to influence policy, attract government's attention or raise concerns of social and political importance relating to policy.

2.1 The Court Case

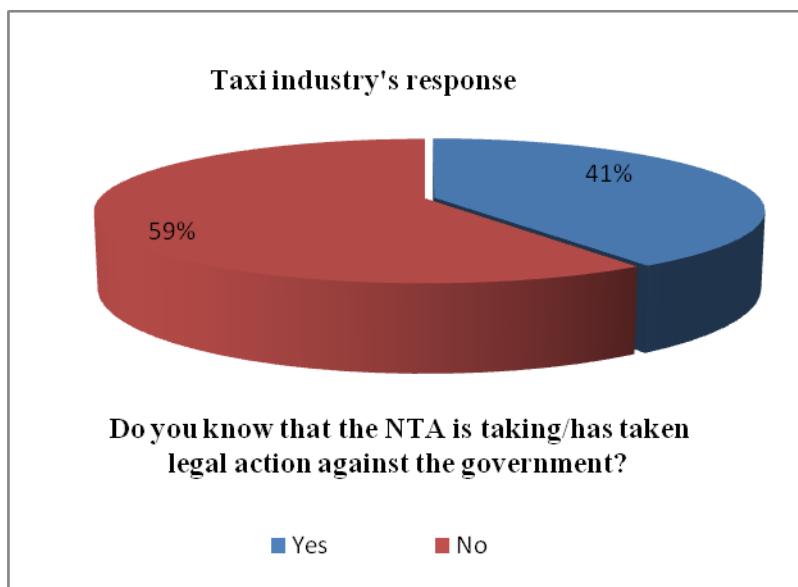
As already established, the taxi industry had opposed some of the objectives of the TRP. This occurred during the provincial taxi task teams consultation process which were supposed to serve as consultation platforms between the government and the taxi industry. The taxi industry embarked on nationwide strikes and boycotts in opposing the policy. This was then followed by a legal case filed against the government on some aspects of the TRP by the NTA, on behalf of the industry. A government official claims that, ‘the case was due to the fact that some operators could not participate on the recap, they were left out from the conversion process’²⁶¹. A considerable amount of taxi operators were left out during the registration and

²⁶¹ Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2)

application for permits process. This meant that they were not eligible to be considered as operators and they would be excluded from anything that concerns the TRP.

Figure 1.23 shows whether members of the industry are aware of the court case against the government.

Figure 1.23



As illustrated, of those who work in the industry (taxi drivers and rank managers in particular) 59% have no idea that there is a case against the government by the industry. On the other hand, 41% of the industry knows about the case against the government relating to the TRP. It should be borne in mind that rank managers and taxi drivers are employed by the taxi industry and only a few of them have a good understanding of policies such as the TRP. This does not dismiss the fact that there are, among taxi managers and drivers, those who fully understand every dynamic of the industry – this is a group that protested against the TRP because they feared job losses. This explains why the majority of those interviewed maintained that they do not know anything about the court case. In clarifying the case against the government an official made the following statement.

The underlying factors emanated from the ‘Clean-up’ process. Everyone was supposed to apply for the issuing of new operating licenses until the closing date. So, the Taxi Alliance was complaining that people were not properly consulted and told about the process until it was too late. Hence, we had phase two. Phase two tries to cover everyone, including those with vehicles but no permits and those who were not part of Clean-up process. It’s two-fold. So the people complained that they were not properly consulted and that is why they ended

up winning that case. The judges decided that they also deserve to be given a chance to register²⁶²

Those who acknowledged that they knew about this case were largely taxi operators and the leadership of the industry. They cited the same point raise by the government official. The government had proposed that for restructuring and formalising the taxi industry, which included the introduction of bigger capacity mini-bus taxis, certain basic requirements had to be met. As a taxi industry leader argues,

in order for the government to do this everyone must have legal documents to operate. Government decided that everyone, who was currently operating, in the industry should registered. Then they will be legalized as she or he operates. That's how the special legalization came about, which some call SLP for short²⁶³.

This means that each and every taxi operator should register themselves,, the number of vehicles they have and the taxi associations they belong to. However, a considerable number of operators were left out as there was no proper consultation on how this process would be executed. As a result, the industry held strikes and demonstrations so as to be accommodated within the process. When all else failed a legal case against the government followed. One executive member of a taxi operator made the following claim.

It was the conversion case. The applicants are three seasoned individuals in the taxi industry. I can't tell you who backed them, people like us are not supposed to know. But the document states that three operators challenged the government on grounds of lack of proper consultation. As the closing date was not communicated with everyone, it was like saying in 2005 or 2006 people who have not converted by then will never be considered as operators. I think the national Department (of Transport) was the one challenged...The national Department did not even oppose this. Therefore, all those who wanted an extension were granted. I know that you people are saying that that case was headed by the NTA, but it was the KwaZulu-Natal Taxi Alliance and claimed victory over the government.²⁶⁴

The NTA won the case against the government and unregistered operators were integrated within the system through a process known as “phase two”. This comprised a second phase of registration in the industry. The legal case against the government indicates that government did not communicate a most crucial step concerning restructuring the industry with the taxi leadership, or the industry in general. This basically serves to validate the argument that government ignored the taxi industry’s interests in pursuit of a policy that was thought to regulate the industry for the benefit of the public. The public, however, was also not engaged with about the policy.

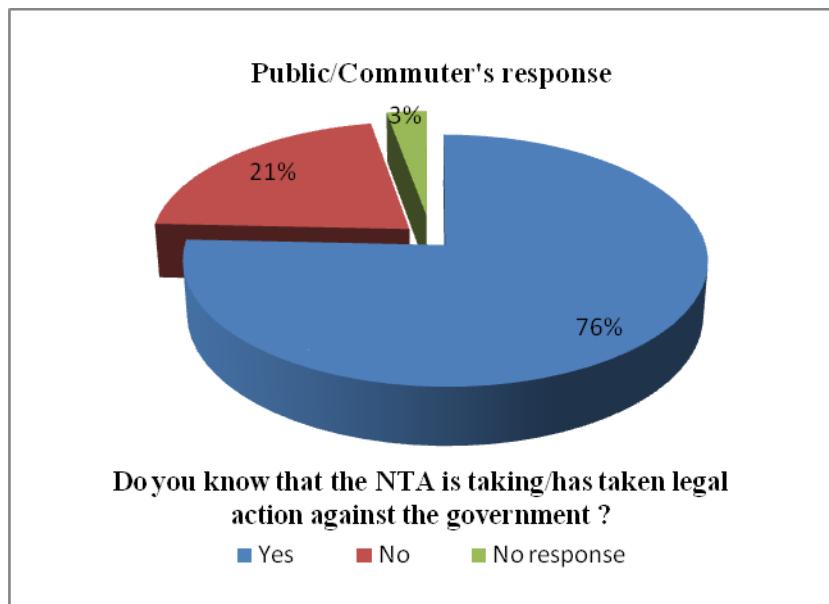
²⁶² Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)

²⁶³ Personal Interview with provincial taxi organisation executive member(D-1)

²⁶⁴ Personal Interview with provincial taxi organisation executive member (D-1)

A series of strikes and demonstrations meant that most people had to use bus and train services to get to work. Figure 1.24 illustrates whether the public were informed about the court case on the TRP.

Figure 1.24



As illustrated in the graph, 76% of the public interviewed - one of the most powerful groups in policy subsystems - know about the NTA's case. It should be remembered that the implementation stages of policy might be the major platform through which groups are able to pursue conflicting interests and compete for access within the whole policy process. This, indicates that power relations of stakeholders, might be utilized, during implementation, as a central medium of interaction between the government and the public. Unfortunately, the South African policy decision-makers turned a blind eye to this and only addressed the issue of unregistered operators, instead of using this opportunity to further consult the industry about possible concerns and their relation to objectives of the TRP. This is in line with the fact that, according to Howlett and Ramesh, powerful groups – already identified in this context - affected by policy can, ‘condition the character of implementation by opposing or supporting it’²⁶⁵. For this type of situation to prevail, as contended on chapter one, there should be cohesion amongst affected parties.

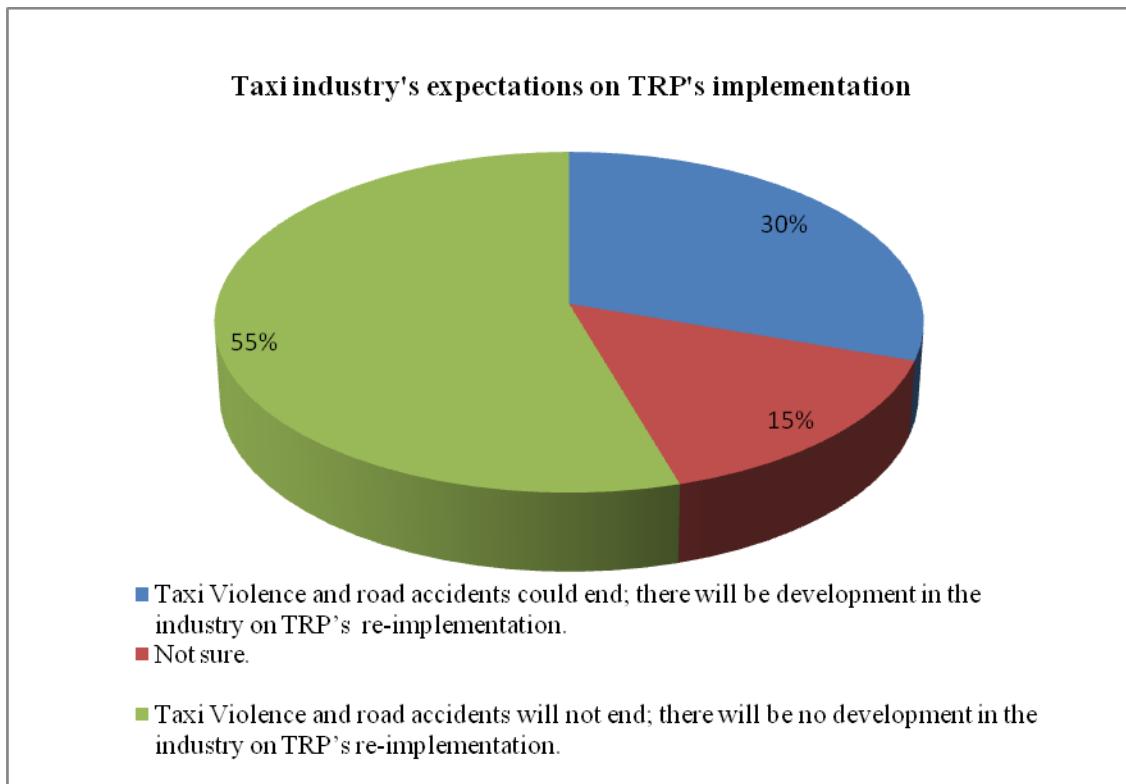
2.2 Taxi Violence

Being safe in the taxi industry is not guaranteed through the special safety features of the new fleet. It should be extended beyond that, through devising effective means in order to end taxi violence - which

²⁶⁵ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.189

will always undermine public safety. It is not only fair but also makes an excellent policy decision to eradicate taxi violence and the source of that violence. Figure 1.25 illustrates the expectations of the outcomes of the taxi industry on the implementation of the TRP.

Figure 1.25



According to 55% of the taxi industry, accidents will not be reduced and violence will not end with the implementation of the TRP. Thus the TRP will not contribute to development of the industry. In contrast, 30% of interviewees contend that road accidents could be reduced, violence will end and the TRP will develop the taxi industry. Given the chaotic and violent nature of the taxi industry, which the government has failed to address, 15% of the industry is unsure what would transpire upon the re-implementation of the TRP.

Another aspect that should be taken into consideration when one analyses this situation is that, according to Grindle the, ‘site of decision-making’²⁶⁶ also plays a major role in implementation objectives. The site of decision-making, as an important component in policy implementation content, influences policy

²⁶⁶ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.10

outcomes. For example, the simple fact that the TRP is being implemented at a national level, and must be reflected through provincial and local levels, means that the site of decision-making in implementation is very dispersed on the geographical and organisational fronts. Therefore, differences in legal and institutional capacities, considering specialisation and resource terms, might result in uneven or poor implementation. There is one national Department of Transport and nine provincial Departments of Transport. In addition there is national legislation - NLTT Amendment Act of 2005 - governing public transport and the implementation of the TRP, while there are also provincial frameworks doing more or less the same function. In KwaZulu-Natal, according to a government official, 'we use the Provincial Act 3 of 2005'²⁶⁷, for instance. Some of these legal frameworks and institutional capacities might not enable an effective and efficient process of executing policy objectives. As highlighted earlier, bi-laws have indirectly prevented some taxi operators from acquiring operating licenses at some provincial levels while the national Department of Transport is under the impression that every taxi operator is registered and has an operating license. In addition, the smart-card devices for revenue collection which is supposed to be identifiable in every mini-bus taxi in the industry, 'have already been introduced in places like Jo'burg'²⁶⁸, since 1999. This clearly highlights lack of uniformity on implementation as no vehicle in KwaZulu-Natal has the smart-card devices in them. According to a taxi operator there was, 'a rule that every taxi vehicle must have gold reflecting bars (lines) on each side. That rule did not apply until September 2006, 04 September 2006 to be specific, but the police arrested us way before that date. Some even made arrests as early as 2004 and 2005.'²⁶⁹ Given these instances, if considerable means for ending taxi violence - as one of the biggest challenges in the industry- by the central government, have not been made it will nearly be impossible for provincial and local bureaucratic capacities to successfully accomplish such a policy objective.

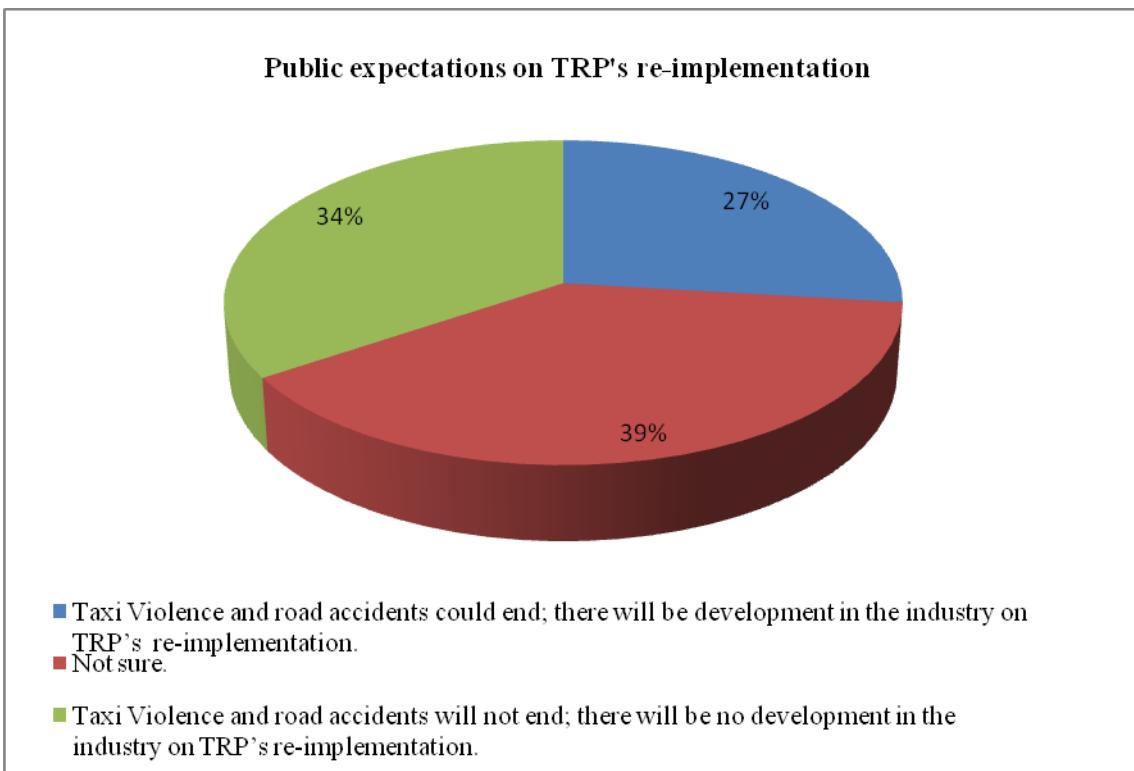
Figure 1.26 illustrates the public's perceptions of the outcomes of the re-implementation of the TRP.

Figure 1.26

²⁶⁷ Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)

²⁶⁸ Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)

²⁶⁹ Personal Interview with the taxi organisation executive member, (B-2)



As shown in the graph, 27% of the public using taxis are of the view that taxi violence and road accidents could be reduced through the re-implementation of the TRP. It is, rather, understandable why 39% of this group is unsure about this aspect seeing that the taxi associations are always at loggerheads with each other. Those who think that taxi violence will not end and accidents could not be reduced constitute 34% of the public.

An improved TRP, through the amendment of the NLLT Act of 2000, was re-implemented in the 2005/06 financial year and, ‘more than twenty thousand (20,000) vehicles have been scrapped in South Africa, since October 2006’²⁷⁰. But cases of taxi violence are still being reported, the cause being competition over lucrative routes. The government has done nothing tangible to address this issue but continues to preach public safety in the taxi industry as a central end of the TRP. Meanwhile, there are still unroadworthy mini-bus taxis which directly contribute to accidents on public roads. The Transportation Board has a taxi industry database, whereby each and every operator, their vehicle and association are captured. If government is serious about public safety this service could also be utilized to check the number of operators with old vehicles, mini-bus taxis purchased before 2000, within the taxi industry and legally encourage them to come forth for scrapping if their vehicles are not in good condition. A government official would disagree with my argument.

²⁷⁰Personal Interview with provincial taxi organisation executive member (D-1)

If the operators are not coming forward it does not mean that the recap has failed, it means that people are not coming. It means that there are, and very few, people within that province who feel that their vehicles are not yet on a state of falling apart. Or there are people who feel that even if they can surrender their vehicles they will be losing. There is nothing wrong with that.²⁷¹

It is left to the discretion of taxi operators to determine whether or not their vehicles are still fit for public transport. Violence is a very serious issue in the taxi industry. It has left many families without breadwinners, orphans and many people with permanent physical disabilities as taxi operators continue to fight for territory. There are no transparent systems, known to the public, in place that are working to end taxi violence. As highlighted by a taxi industry leader, ‘have you ever heard, anywhere, that the Scorpions are investigating the culprits who instigate taxi violence or those who have murdered people through taxi violence?’²⁷²

Figure 1.27 shows the perceptions of the taxi industry on whether or not they feel that the TRP is a method of ending taxi violence.

Figure 1.27

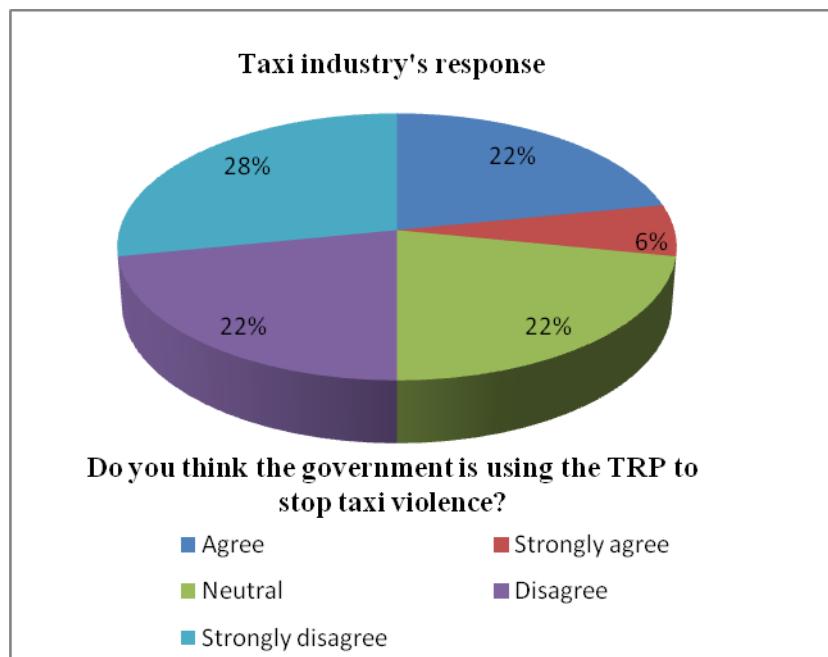


Figure 1.27 shows that 28% of the taxi industry strongly disagrees that government is using the TRP to end violence, while 22% agreed, disagreed and also stayed neutral on the issue. A further 6% strongly

²⁷¹Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2)

²⁷² Focus-group discussion with taxi organisation members, respondent-(4-H)

agreed that the government is using the TRP to end taxi violence. Hence 50% of the industry feel that the TRP could not be effective in ending violence.

There are serious factors behind territory feuds between taxi associations. But we can specifically attribute it to two main reasons. First, violence originates from two or more taxi associations operating on one route. The Transportation Board route assessors have a tendency to allocate more than one taxi organisation on a lucrative route. A taxi operator made the following claim.

This is how it works; before you can register as a taxi association, you must look for an area that does not have a taxi operation. Then you will have to describe how the route will work, including all possible stops and shortcuts. All this must be sent to the Board for approval, the Board will have to examine your application concentrating on the route and looking if there are no other associations operating on that route. And if there is no one using that route then your application will be successful. But the Board normally makes mistakes, by giving two associations the same route and that's why there is violence all over. The reason why taxi associations are at each others' throats largely owes to inefficiency and incompetence of the Board²⁷³.

There is also an argument that lucrative routes are normally contested by associations with high ranking government officials as members. ‘It has been discovered that lucrative routes are being allocated to government officials.’²⁷⁴ Original operators find themselves in a position whereby they are forced to share a route with these new influential associations. It is confusing why government permits such a situation to occur considering that operating licenses, introduced by the TRP to regulate route operation, stipulates - from both the operator and taxi association perspectives - legitimate route-users. In clarifying this, an industry’s leader maintains that,

it is not the association that determines this. An operator’s license is route-based, meaning that you only operate from point A to point B, it is governed. Sometimes violence occurs because some operators use routes illegally. This did not happen before the introduction of the route-based license, the route-based has come up with problems of its own²⁷⁵.

Second, as part of the first steps of regulating the taxi industry, there were many taxi associations (old and new) that had to be registered through the “clean up” process whereby operators were granted Special Legalisation Permits. After all taxi associations were registered government introduced operating licenses to regulate the use of routes. ‘In 1996 everyone was urged to register in a particular association, indicate the amount of vehicles they have, and the route that association used.’²⁷⁶ Then, through legislation, no new taxi association was to be formed. One taxi organisation executive states that,

²⁷³ Focus-group discussion with taxi organisation members ,respondent(4-A)

²⁷⁴ Focus group discussion with Claremont/ KwaDabeka Taxi Association, respondent -(C-2)

²⁷⁵ Personal Interview with local and provincial taxi organisations executive member (A-2) Organisation

²⁷⁶ Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)

As from 1996 government swore that no new associations will be formed, but up until today there are new people who have proper documentation from the Registry claiming their right to use a certain route. And this is surprising according to our knowledge no new associations shall be formed, and we know well that such associations did not exist²⁷⁷.

But new taxi associations are still formed and still apply for existing routes. Even government officials have confirmed that ‘conflict is centered on route-related issues’²⁷⁸. It is left to warring taxi associations to settle conflict. According to taxi operator, ‘solving disputes over taxi routes largely depends on which association has better violence resources’²⁷⁹. This is very unfortunate and risks the lives of commuters. No taxi association, having legal documents for use of a particular route, is willing to give up that route. This raises questions on what was meant by the government by restructuring and regulating the industry, which was central factor in the utilization of routes. A provincial taxi organisation executive member claims that, ‘if it is truly regulated no one will use a wrong route, because that’s where conflict and violence begins’²⁸⁰.

Figure 1.28 illustrates whether the public believe that the government is using the TRP as a method of ending taxi violence.

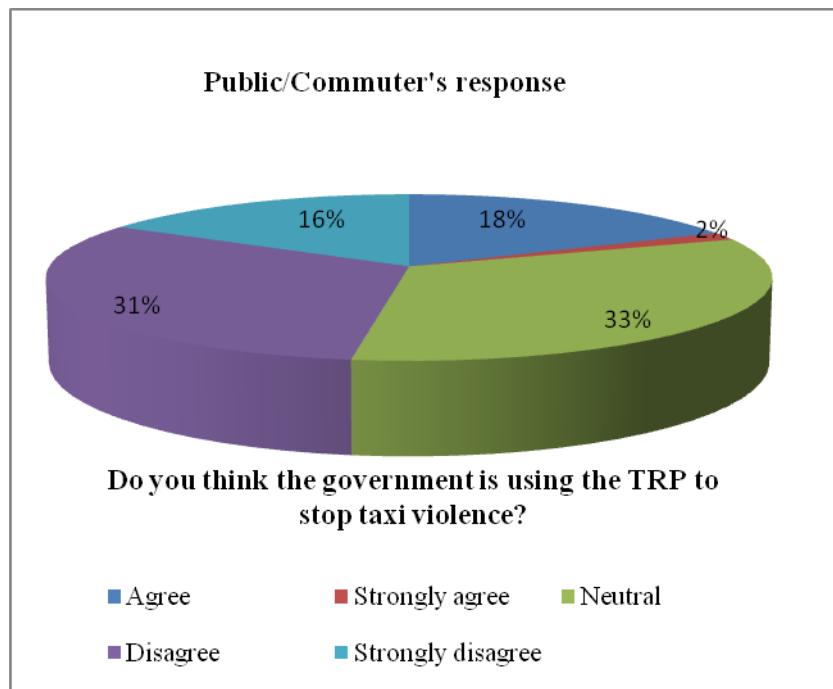
Figure 1.28

²⁷⁷ Personal Interview with taxi organisation executive member,(B-2)

²⁷⁸Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2)

²⁷⁹ Focus-group discussion with taxi organisation members ,respondent(4-G)

²⁸⁰ Personal Interview with provincial taxi organisation executive member (D-1)



Considering how violence has continued to be an inseparable feature of the taxi industry, despite government's claims to have regulated the industry, it should be no surprise that 31% of the public disagree that TRP's objectives include ending violence. A further 16% of the commuter public strongly disagree that the TRP being used to end violence. Hence 49% of the public disagree. In comparison, only 18% of the public agree that the government might be moving towards ending violence in the industry through the TRP and 2% strongly agree with this. In total, only 20% of commuters are optimistic with 33% who did not have an opinion. To make matters worse one of the key umbrella associations, Santaco, has not been involved in trying to resolve the causes of taxi violence. Apparently, 'during a period of violence the Taxi Alliance will be the only organization that tries to create peace within the industry, no other institution or organization tries to get involved in this'²⁸¹. This shows that government has not only left the industry to sort out conflict by itself (as the apartheid government did previously), but has also failed in delegating Santaco - as a state recognised taxi structure - to devise a means of bringing peace.

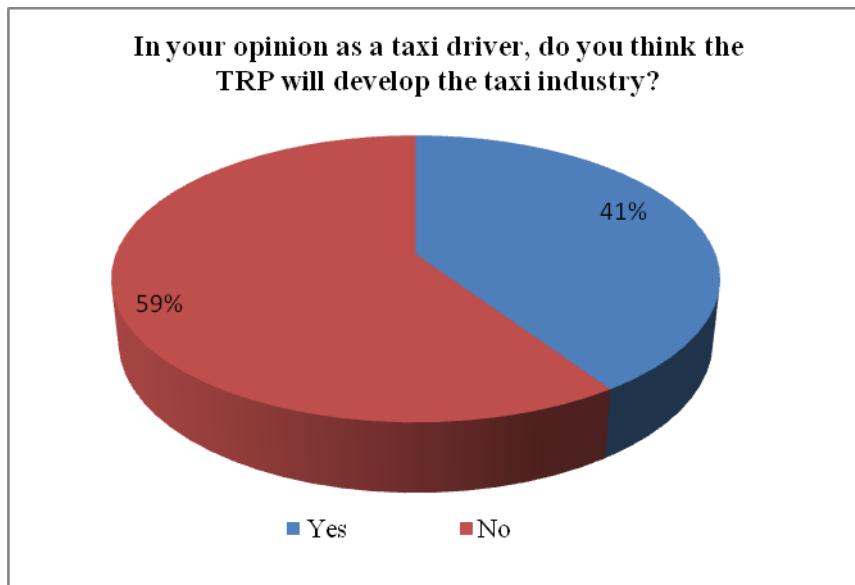
2.3 Transformation and Co-operation

The TRP sounds like a good policy when one considers that it seeks to develop the taxi industry which is one of the most important pillars of the South African economy while prioritizing public safety. This was supposed to be achieved through registering every taxi association to formalize operations and end

²⁸¹ Focus-group discussion with taxi organisation members - respondent (4-A)

violence, by implementing legislation on labour systems in the industry, and a new reliable and safe fleet for the public. All of this, considering the history of the taxi industry, appears to innovative but the mood has changed around what the TRP could achieve. Figure 1.29 illustrates the perceptions of taxi drivers as to whether the TRP will contribute to developing the industry.

Figure 1.29



The majority of taxi drivers, an important interest group, believe that the TRP will not develop the industry. The only contribution in terms of development that they see is the development of a new fleet. In comparison, 41% of drivers believe that the TRP could actually develop the industry. The taxi industry's representatives might be right on this aspect as they are the ones who work in the industry and understand the dynamics concerning taxis as a mode of public transport. They have also been in contact with government officials on issues relating to this policy. Operators feel that the TRP, 'has sabotaged the industry in a very bad way'²⁸², and that the taxi industry was already in turmoil when this policy was formulated and implemented which has worsened things. This stems from the view that labour conditions are still established through verbal contracts between a taxi operator and driver, instead of conventional and lawful labour processes. As suggested by a government official, 'you must remember that there will always be employment agreements between employer and employee. The government cannot be involved in that. No, there are no such mechanisms in place'²⁸³. This is contradictory as the TRP draws its

²⁸² Focus-group discussion with taxi organization members, respondent (4-C)

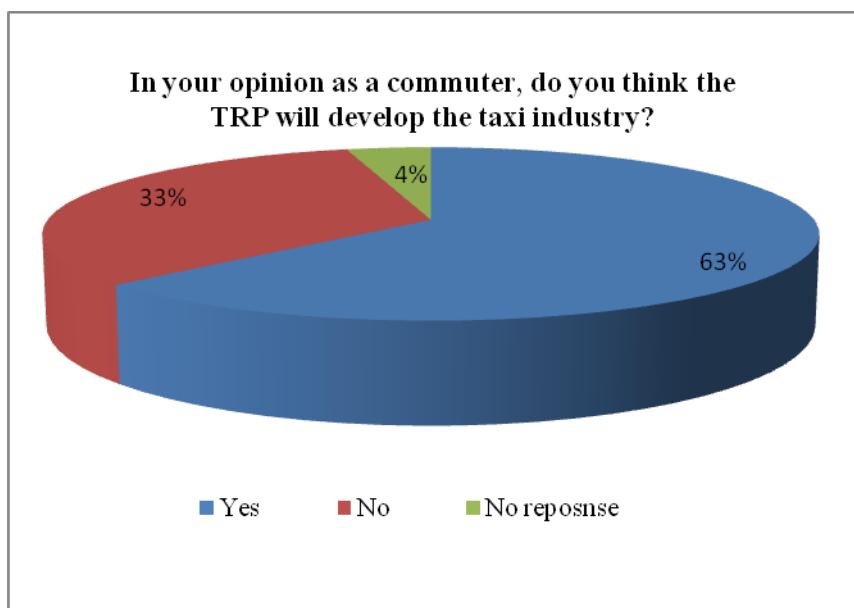
²⁸³ Personal Interview with a government official from the KwaZulu-Natal Transportation Board (E-1)

existence from the National Land Transport Transition Act of 2005 which stipulates that labour processes within the taxi industry should be governed by the Labour Relations Act. However, ‘no-one is registered in this province [KwaZulu-Natal]. It’s only in Gauteng that operators have registered [their drivers as employees].’²⁸⁴ Unlike employees in other industries, the majority of taxi drivers continue to have no employee benefits, unemployment insurance fund or maternity leave.

Implementation requires a multifaceted sequence of bargained decisions reflecting the, ‘preferences and resources of participants’.²⁸⁵ For example, the taxi industry feels that the TRP will not develop the industry because there were no bargained decisions from inception. If bargaining took place the taxi industry’s resources and preferences would have been central to implementation concerning new vehicle prices and specifications, taxi rank infrastructure, permits/operating licenses, labour issues and the proper regulation of routes. Having a new fleet in the industry might appear appealing if one views it with narrow policy implementation principles and convictions. However, development cannot be measured only by new minibus taxis while there are complications around the infrastructure, permits/operating licenses, routes, and while violence is still on the rise.

Figure 1.30 illustrates the perceptions of commuters as to whether the TRP will develop the taxi industry.

Figure. 1.30



²⁸⁴ Personal Interview with the KwaZulu-Natal Taxi Recapitalization Programme Director-General (E-2)

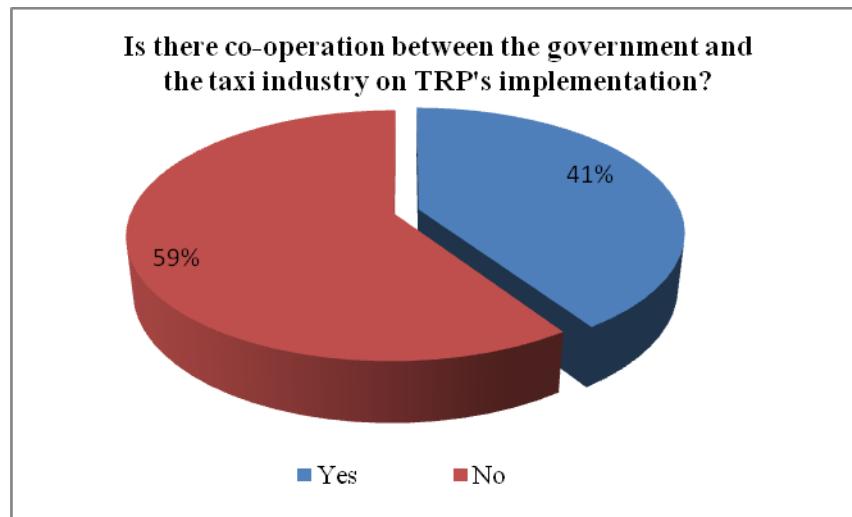
²⁸⁵ Elmore, R. (1976) ‘organizational models of social program implementation’, Public Policy: 26, pp.185-228 in Hill, M. (ed) The Policy Process: A Reader (Prentice Hall, London) p.261

As is illustrated in the graph, 63% of commuters believe that the TRP will develop the industry. This is based upon their perceptions that their own needs and wants are somewhat being met. In particular, their perspectives revolve around the presence of the new taxi fleet, as the public is used to unroadworthy mini-bus taxis. Of the remaining 37%, 33% of them consider deeper issues – such as violence and labour relations – as indications that the TRP will not develop the industry.

The government has not moved towards subsidising taxi-users. Yet, the, ‘taxi industry transports more than sixty seven per cent of daily passengers or commuters’²⁸⁶. Based on this I claim, that if the government, working in conjunction with the taxi industry, has not been able to establish methods on how to either subsidise the mode or the commuters there is no way that the TRP could be aimed at developing the industry.

The conflicting dynamics around subsidies, labour processes, routes and vehicle specifications – to mention a few – casts doubt on the working relationship between the government and the taxi industry. Lindblom argues that, ‘policy-making is a cooperative collective effort, and policy a joint output, beyond the capacity of any one person or any small group of those to whom policy tasks are assigned’²⁸⁷. Figure 2.1 illustrates the perceptions of the taxi industry as to whether there is co-operation between the government and the industry on the implementation of the TRP.

Figure 2.1



²⁸⁶ Personal Interview with a provincial Taxi organization executive member (D-1)

²⁸⁷ Lindblom, E. C. (1968) *The Policy-Making Process*, Foundations of Modern Political Science Series (Prentice Hall, New Jersey) p.117

According to this graph, 59% of the taxi industry thinks that there is no co-operation between the government and the industry on the implementation of the TRP. One taxi operator even claims that, ‘things are being forced into the industry. The government takes people from its offices to go and do research in other countries and come back to apply whatever strategies, and you find that this will contradict with the local taxi context.²⁸⁸ If there was co-operation we would not have a situation whereby taxi violence is still an issue and 55% of the industry thinks that the TRP has a negative impact on the industry. This has unfortunately resulted in the perception among some in the industry that, ‘government orchestrates taxi violence²⁸⁹.

To substantiate the claim that there is an absence of co-operation on issues around the TRP one can cite the issue of permits/operating licenses. Taxi operators are of the view that, ‘the Registry Department functions worse than a spaza shop²⁹⁰, owing to the fact that permit/operating licenses applications processed as early as, ‘2003 have not been issued until this day’²⁹¹. This means that there are many taxi operators who use receipts to prove their status to law enforcement agents as the status of their applications are pending. Unfortunately the due date for all operating license applications was on the 17 October 2008²⁹², and a considerable number of operators do not have them. This simply means they either get fined, their vehicles are impounded, or they get arrested if they fail to produce a permit on an officer’s request.

Forty-one percent of interviewees in the industry say that there is co-operation. If there is co-operation why then is there so much uncertainty on many important aspects of the industry? And why was there a legal case against the government? Understanding the policy context is an important factor for policy-makers because it puts emphasis on the benefits gained from cohesion between the government and general stakeholders as part of the implementation context. Contemporary policy implementation processes consist of interactions between the government, broader civil society and affected target groups. Rather than having government impose its will by coercing the public to comply with the policy, in a democratic system, politicians and high ranking public officials (by virtue of the power vested in them) should ensure the implementation of socially and economically relevant policies. It should be done in conjunction with, or in consideration of, all interests and not through coercion or exclusion.

²⁸⁸ Focus group discussion with taxi organisation, respondent (C-2)

²⁸⁹ Focus-group discussion with a taxi organisation members ,respondent (4-H)

²⁹⁰ Personal Interview with the taxi Organisation executive member,-(B-2)

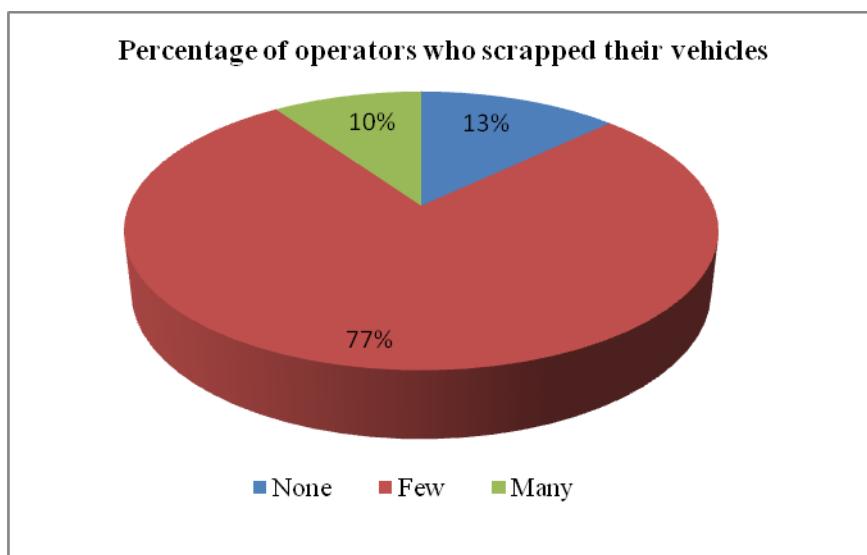
²⁹¹ Personal Interview with taxi Organisation Deputy Chairperson (D-3)

²⁹² Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)

2.4 Mini-bus Taxi Scrapping

As an important function of ridding the taxi industry of unroadworthy vehicles, a process known as scrapping was introduced. This process included the destruction of unroadworthy taxi vehicles in the hope that operators, after receiving a compensatory amount of R50,000, would purchase any vehicle within the new mini-bus fleet. It is imperative to determine how many operators have brought their vehicles forth for scrapping. The government's 2006 TRP objectives included scrapping 10,000 unroadworthy vehicles, but it was unsuccessful. Figure 2.2 illustrates the perceptions of operators as to the number of vehicles scrapped in the industry.

Figure 2.2



As figure 2.3 indicates 77% of interviewees in the taxi industry believe that very few operators have scrapped their vehicles. This also serves to show that there is no co-operation between the government and the industry, considering the number of unroadworthy vehicles on public roads. As highlighted earlier, the government depends on the operator's discretion, rather than on its own resources on issues relating to vehicle fitness. In contrast to the previous claims,,10% of the taxi representatives claim that many taxi operators have scrapped their vehicles, while 13% says none went through with the process. The lack of compliance with the scrapping of vehicles might be due to a variety of underlying factors linked to consultation as an important medium of decision-making. This needs to be assessed on the basis of how the TRP itself was formulated and implemented, and how the industry responded to it.

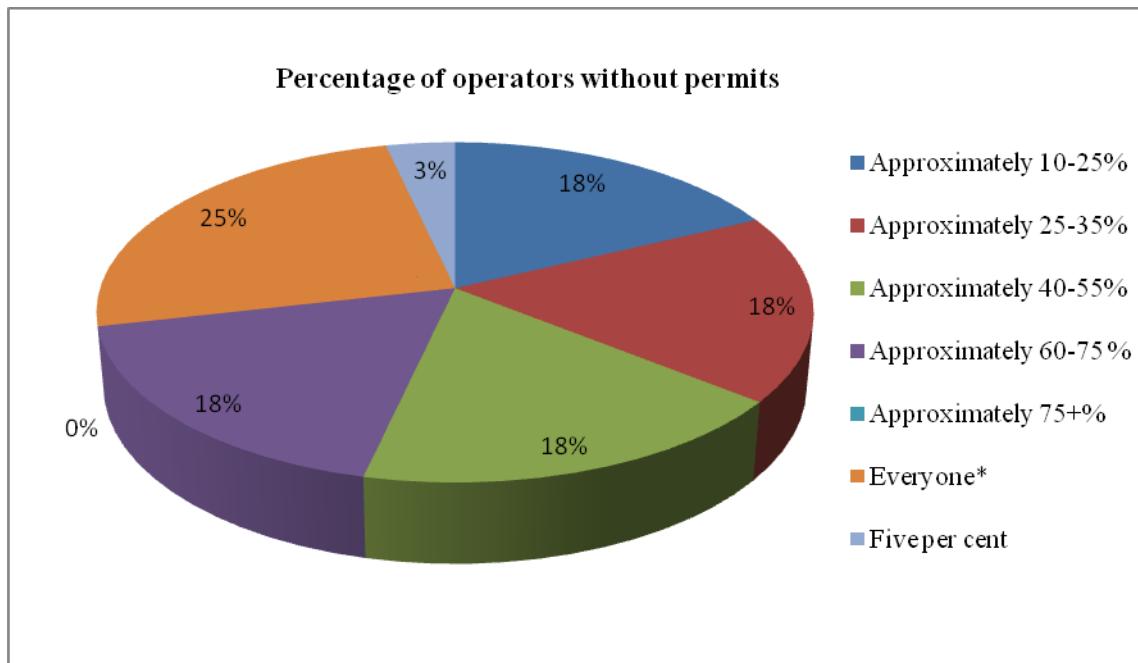
The concept of the policy implementation context serves to explain why 77% of the taxi industry insists that only a few operators have scrapped their vehicles. A basic requirement of implementation is that

policy-makers and public officials should broadly address issues that would potentially prohibit compliance and responsiveness. Grindle contends that the policy-makers and public officials should first obtain, ‘support from intended *policy* beneficiaries’²⁹³. This is crucial in ensuring policy responsive compliance. The absence of responsiveness from public institutions and related agencies denies the rest of the policy regime an opportunity to evaluate policy objectives upon implementation. In not complying it signifies that the large number of operators who have not scrapped their vehicles oppose the TRP. This relates directly to the fact that there is no co-operation between the government and the industry on the policy.

2.5 Radius Permits, Route-Based Operating Licenses and Representation

A permit is an essential document that an operator must have in the taxi business. They are a sign of legitimacy and they entitle the operator to all the benefits with being in the taxi industry. If the operator does not have a permit (which is now referred to as an ‘operating license’, as per the TRP requirements) s/he stands a great chance of facing consequences from law enforcement agencies. This also means that the operator cannot benefit from, or comply with, the TRP and other public transport related programmes. Figure 2.3 illustrates the perceptions in the industry of the percentage of operators without permits.

Figure 2.3



²⁹³ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p12

According to figure 2.3, 25% of operators within the taxi industry claim that everyone has permits while 75% believe that not everyone has a permit. Of these a wide range of responses were received as to the percentages of operators without permits. Determining how many taxi operators have permits does not only serve the purpose of TRP compliance but also explains why most taxi operators have not scrapped their vehicles. Upon implementation of the TRP, the government proposed that old radius permits be converted to TRP relevant operating licences, and urged every operator to apply for them. But there seem to be a problem in the application and issuing processes of these documents as many operators are still without them. As a taxi operator claims,

the government failed to provide us permits, even today the issues around permits are the most difficult to deal with. Because they (officials from the Registry) say one thing today and do another the following day. We have applications that are over six years; we only have nothing but a large number of receipts to show for it. We never got our permits²⁹⁴.

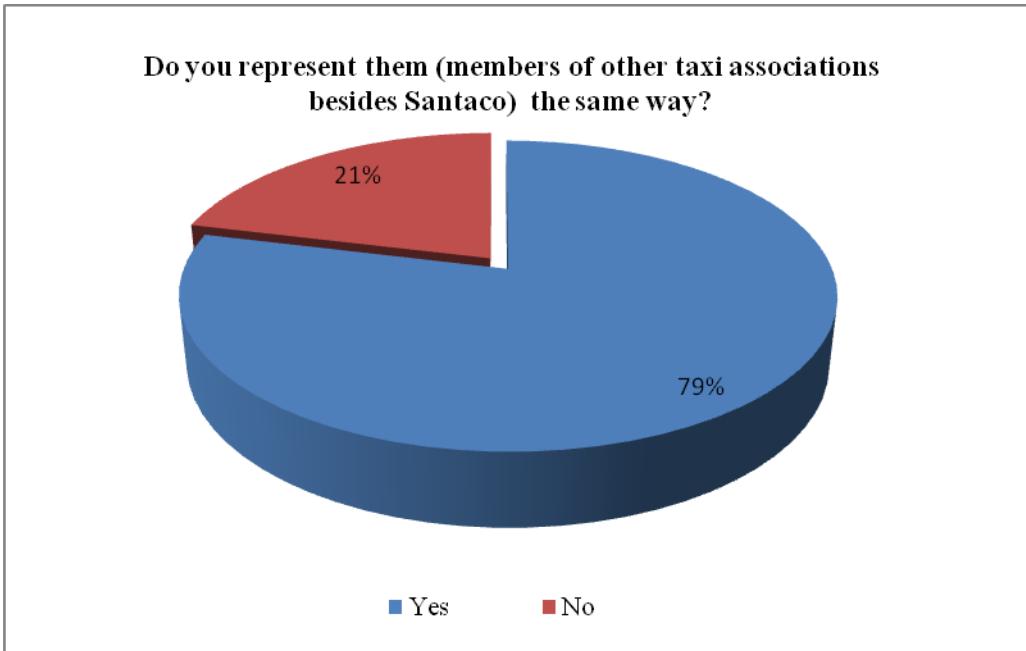
Again, this indicates a lack of consensus and co-operation between government and the industry. Government has not resolved the licensing issues and traffic officers, who continue to fine operators and impound vehicles, do not understand how the permit/operating license system works. As highlighted by the TRP Director-General, ‘during that period the Board will issue a receipt just for acknowledgment and it does not protect you from (law) enforcement because some operators never had permits’²⁹⁵. Therefore, the registration process in order to formalise the taxi industry has not resulted in positive results. A large number of taxi operators do not have operating licenses, and this has a direct influence on the slow scrapping process.

Santaco is the leading umbrella taxi association in the industry and is the only government recognised structure. Figure 2.4 illustrates whether representatives of Santaco represent the interests of non-affiliated taxi associations in the same way as they represent affiliated associations.

Figure 2.4

²⁹⁴Personal Interview with taxi organisation executive member (B-2)

²⁹⁵Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-1)



This must be understood on the context of the TRP, because every operator who has a permit is still awaiting the processing of their operating licence. Hence, in representing on the basis of licensing, Santaco effectively represents all who are waiting. Santaco, which claims to represent each taxi association at a national level, negotiates everything on behalf of the entire industry. And this means that taxi associations at local level, whether NTA or Santaco affiliates, face the same challenges and enjoy the same victories in relation to matters affecting the industry.

2.6 Compensation

Taxi operators are compensated upon scrapping mini-bus taxis unfit for public transport. The operator then has a choice of either, ‘exiting the taxi industry or staying in’²⁹⁶ as they are given an amount of R50,000. However, whether they have a real choice is debateable. Operators claim that new TRP compliant mini-bus taxis are very expensive and contend that,

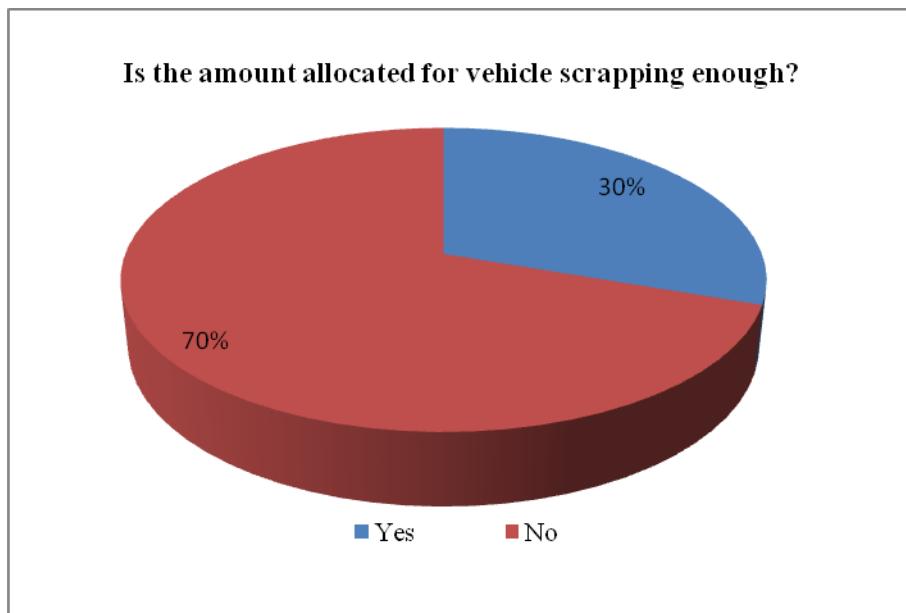
you cannot possibly take fifty thousand rands as a deposit on such a huge and expensive taxi vehicle as a Quantum. If you have been fortunate enough to pay the deposit, there will be problems when it comes to paying the monthly instalment. So this fifty thousand rands is not enough at all.²⁹⁷

Figure 2.5 indicates the perceptions of the taxi industry on whether the vehicle scrapping amount is sufficient.

²⁹⁶ Focus-group discussion with taxi organisation members ,respondent- (4-A)

²⁹⁷ Personal Interview with Taxi organisation Deputy Chairperson (D-3)

Figure 2.5



The graph shows that 70% of the taxi industry feel that the amount is not enough because the new taxi vehicles are too expensive to purchase and to maintain. It follows, then, that the majority of taxi operators believe that they cannot afford to purchase new vehicles. Moreover, they claim that the new vehicles have been difficult to maintain as their decreased capacities do not afford an operator to settle each month's installment and to pay insurance. Some vehicles have even been repossessed. One taxi operator asserted the following.

Just look at the amount of repossessed vehicles, which we failed to finance. By taking that fifty thousand to deposit a new vehicle you are bound not to afford to settle each month's instalment and the vehicle will be repossessed. That entire initial amount you have paid gets lost forever.²⁹⁸

Many taxi operators claim that some of their colleagues have been forced to leave the industry as they can no longer afford to run their businesses. This is due to the fact that within the new fleet's relatively affordable models the carrying capacity has decreased, meaning that there are less takings. Decreased carrying capacity is a consequence of the installation of safety features and to discourage congestion. The downside, according to one operator, is that, 'the vehicle can't help you accumulate a monthly instalment'²⁹⁹. Even government officials have confirmed that the amount paid for scrapping is not enough. 'The amount will always be low, and it is obviously low. But it's not to make the taxi business, I mean, if they give me R50,000 it's not sufficient for me to start a business. A deposit to purchase a new

²⁹⁸ Focus-group discussion with Taxi Organisation members, respondent-(4-B).

²⁹⁹ Personal Interview with local and provincial taxi Organisation executive member (A-2).

taxi ranges from, ‘sixty thousand upfront’³⁰⁰, the ‘monthly instalments are unaffordable and many spare parts are not available on the local market. That model was part of the old taxi recapitalisation driven by the government, of which was unsuccessful’³⁰¹.

In contrast to these claims, 30% of the industry is satisfied with the amount, especially if the vehicle was very old. Some vehicles in the industry are in very bad shape which means that their value was low. An operator who still has an old E20 or Toyota Hilux taxi sees R50 000 as a fair amount. Hence, some believe that,

the fifty thousand does help the operator to afford the new vehicle, especially in cases whereby a vehicle’s value is less than ten thousand (R 10 000). But the person will be able to get the fifty thousand. A common mistake that most operators make is in buying expensive vehicles, that’s a huge problem. At the launch of the Taxi Scrapping process, there was a car that was used as scrapping example and it was a nineteen seventy eight (1978) model, worth six thousand (R 6 000). So the amount is enough. Let’s say someone still has the old eight-seater model, we all know that vehicle is worth about two thousand rands (R 2 000), but the operator would get more than he was hoping for when scrapping.³⁰²

Financial resources are crucial to policy implementation. In this case it is essential that the government ensure that adequate policy funding is available. Imaginative fiscal policy should be central to reaching policy objectives as implementing long-term regulatory programmes requires a considerable amount, and strategic allocation, of financial resources. According to Howlett and Ramesh, consistent policy funding enables all members of policy subsystems to utilize the implementation phase as an opportunity to reconcile or continue struggles lost during earlier policy processes such as policy formulation and decision-making³⁰³. Innovative changes in fiscal conditions around policy might transform a policy that was destined to fail into a relatively successful one. Therefore, a price decrease in new minibus taxi or an increase in the compensation amount provided for a scrapped taxi vehicle would be a favourable condition and could shape the direction of the TRP.

2.7 The Taxi Industry’s Perspective of the Taxi Recapitalisation Programme

Policy content plays a considerable role in implementation. The interests of those affected by the policy must be considered in decision-making. Interests, in a policy implementation arena, have the potential of determining the manner in which policy affects the intended beneficiaries and how they will in turn perceive it. If, for instance, target groups’ interests do not feature in the policy objectives the rest of the

³⁰⁰ Personal Interview with Taxi Organisation executive member,(B-2)

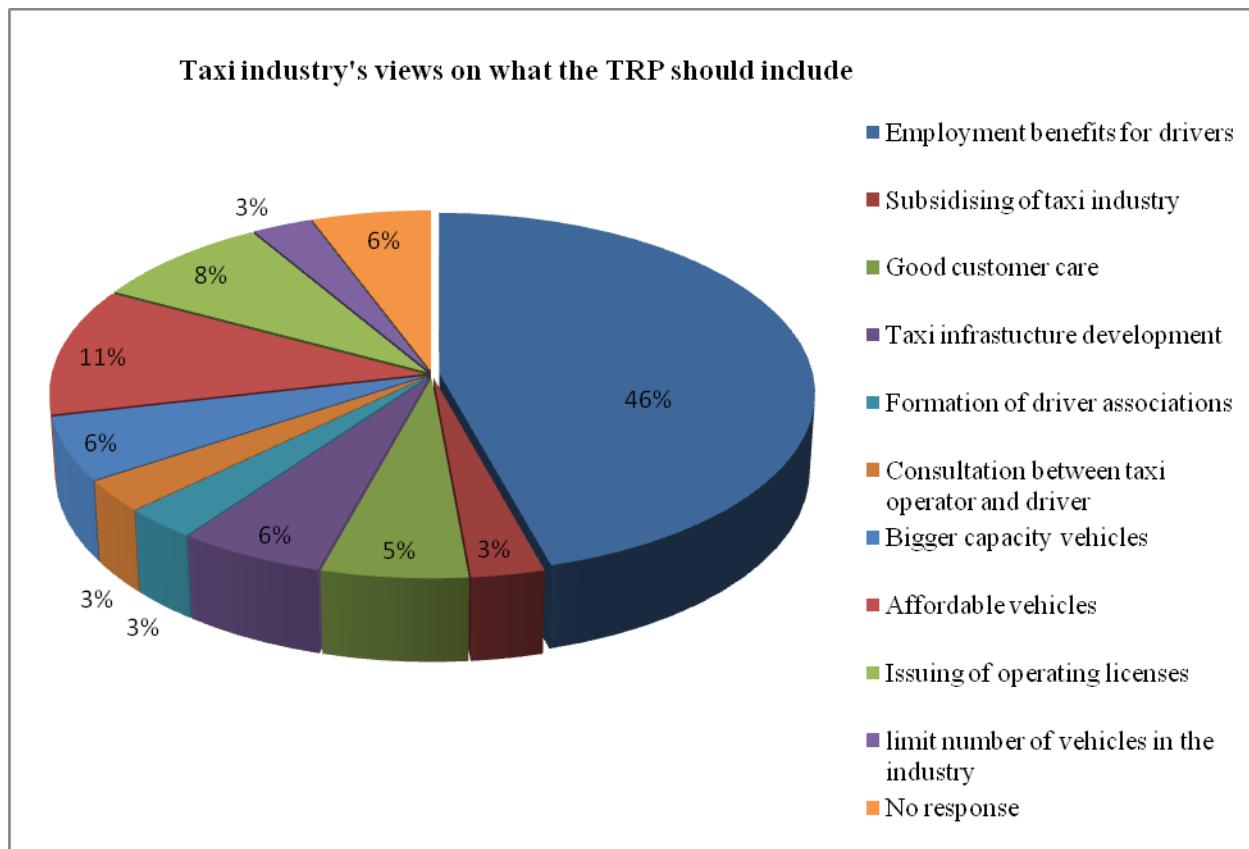
³⁰¹ Personal Interview with the KwaZulu-Natal Taxi Recapitalisation Programme General-Director (E-2)

³⁰²Personal Interview with a Government Official from the KwaZulu-Natal Transportation Board (E-1)

³⁰³ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.187

policy regime is bound to fail as it is likely that there will be only a minimum of compliance. Figure 2.6 illustrates the views of the taxi industry on what the TRP should include if it aims to regulate, develop, empower and incorporate the industry within the national revenue system.

Figure 2.6



By far the largest suggestion, specified by 46% of the industry, is all inclusive employment benefits for taxi drivers. This is one of the areas that the TRP failed to address both in legislation and in practice. This shows that the policy failed to address one of the most crucial areas of formalisation of the industry.

Of the remaining suggestions, 11% of the respondents felt that the government should introduce affordable and reliable vehicles in the industry because the new vehicles are very expensive and most emerging operators can not afford them. According to 8% of respondents, efficiency in issuing operating licences is a key area that should be addressed and the development of taxi infrastructure, consultation between taxi operators and drivers, and the introduction of bigger capacity vehicles all rated at 6% each. Placing limits on the number of taxis on public roads and subsidising the taxi industry were both suggestions made by 3% of the industry. Finally, 5% of the respondents suggested that there must be good customer care and that the public must be treated with courtesy. As one taxi leader suggested,

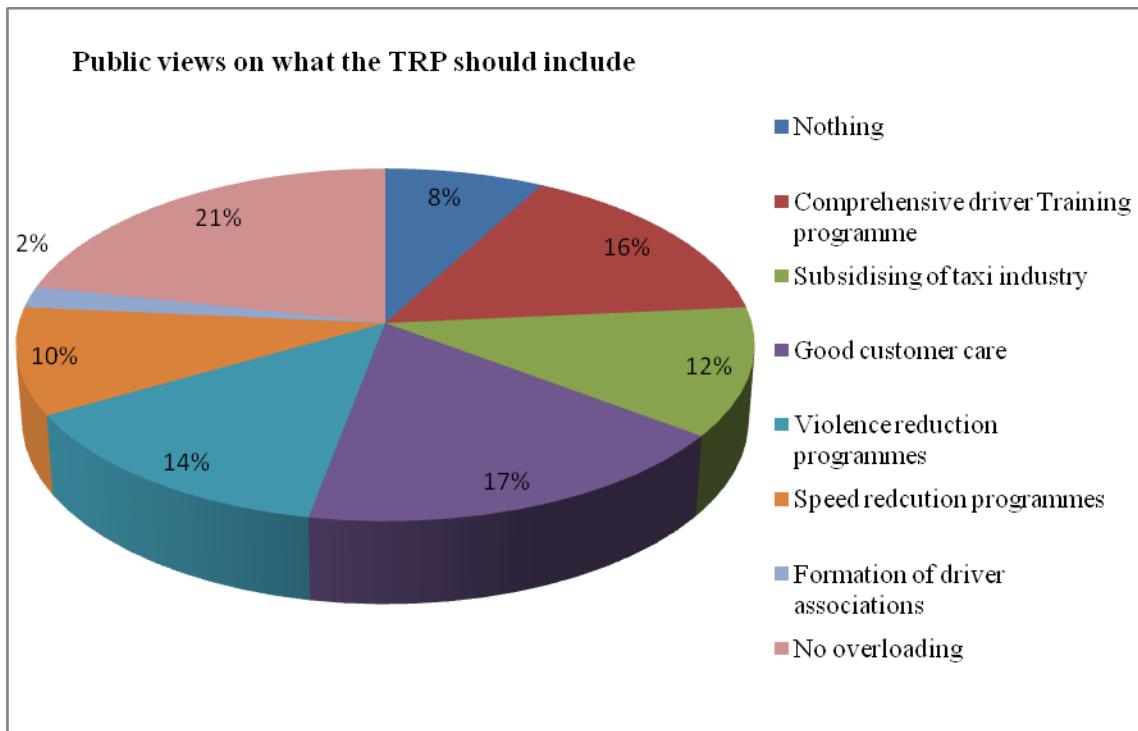
another thing that I would like to see the government initiating is programmes that would be specifically for training drivers. Taxi drivers are not educated in relation to customer service and on how to deal with the public. They are very rude and that's the problem we are all facing.³⁰⁴

The fact that taxi operators did not mention anything about commuter safety or taxi violence is a serious concern. Commuters have played a major role in the success of the industry and feel the impact of taxi violence. The taxi industry is comprised of private operators, who organise themselves into associations, provide a public service and supposedly contribute to the public good. The public is essential to the industry. For example, the KwaZulu-Natal Department of Transport would have not been instrumental in ensuring the formation of 164 commuter associations within the province, if the views and influence of the public on policy was not important. Hence, the main role of the industry – from the perspective of the public - is to provide a quality public service. Why then, do respondents barely mention the needs of commuters?

2.8 The Public's Views of the Taxi Recapitalisation Programme

The public believe that the TRP should include a wide range of factors. Figure 2.7 illustrates these.

Figure 2.7



³⁰⁴ Personal Interview with taxi organisation Deputy Chairperson (D-3)

According to 21% of the public no overloading of taxis was considered the priority. A further 17% of commuters feel that good customer care must be one of the foundations of the TRP. These interviewees were concerned that the public should not just be seen as another opportunity of increasing revenue, but as valued customers. As a result of the large number of taxi-related accidents, 16% of interviewees believe that there must be a comprehensive driver-training programme, in order to instill traffic rules and increase tolerance on public roads and to reduce speeds. A further possibility would be to introduce a reduced maximum speed limit for taxis. Violence reduction programmes, according to 14% of respondents, should also form part of the TRP. Commuters also felt that the taxi industry had to be subsidised. This was as a consequence of ever-increasing taxi fares due to rising fuel prices. The bus and railway services are subsidised but do not transport as many people as the taxi industry. Clearly, much needs to be addressed to satisfy the needs of commuters and many of these commuter concerns are not considered by those within the industry at all.

In the final chapter I engage with many of these concerns. I consider the shift in focus of the TRP and provide a brief overview of ‘public/commuter safety’ in a broad sense as the main objective of the improved TRP. I engage with the concept of the public voice in the re-implemented TRP, the role of politics in the taxi industry and how the “public good/private business and public service” dichotomy has affected interests in the industry in response to policy. Finally, based upon my findings, I suggest solutions to the challenges facing the industry.

Chapter Four

A Reformulation of the TRP or a New Policy Altogether?

There are many challenges facing the taxi industry following the implementation of the Taxi Recapitalisation Programme. In this chapter I draw upon the analysis of policy processes and decision-making processes in the formulation and implementation of the TRP from earlier chapters. I examine the re-formulated policy and I consider factors that were overlooked in its formulation and implementation. I also engage with “the public good – private interests dichotomy” as the context in which the TRP is applied.

The central objectives of the TRP - empowering the mini-bus taxi sector through integrating it with the national revenue system and introducing reliable and affordable vehicles has been abandoned in promoting commuter safety as the ultimate policy end. In addressing the Parliamentary Portfolio Committee on Transport in February 2008, the Director-General of the national Department of Transport (Mpumi Mpofu) emphasized that the, ‘primary driver of the TRP campaign was safety, particularly bearing in mind the 2010 World Cup issue’³⁰⁵. In a context whereby there is no specific vehicle for the policy, the taxi industry has to use its buying power and business network in order for operators to afford any vehicle within the expensive fleet of mini-bus taxis. This also means that the industry cannot be efficiently integrated in the national revenue and tax collection system, as the majority of taxi drivers are still not registered with the Department of Labour.

1.0 Important Factors Overlooked in the Taxi Recapitalisation Programme.

Considering the history of partial regulation of the taxi industry it is of extreme importance that government, in formulating policy to develop the industry, considers all the interests that will be affected by it. Policy goals should not exclude any actors, or immediate beneficiaries, within the implementation context and the impact of implementation should not produce more dissent than compliance. The implementation of the TRP has been met with strikes and boycotts by interests in the taxi industry. This is despite the claims made by the government that there was extensive consultation, bargaining and mutual

³⁰⁵ http://www.sabinet.co.za/sabinetlaw/news_par586.html (Date accessed: 30 March 2008).

decision-making with the taxi industry- prior to implementation. The reasons that the taxi industry uses protest politics as a method of persuading the government to redefine the policy objectives of the TRP is because a variety of crucial issues were overlooked in the original formulation of the policy.

1.1 Commuter Safety: a broader construct.

Taxi violence remains a characteristic of both competition between operators and associations for lucrative routes and the challenges that operators face in accessing operating licenses. The main focus of the TRP on commuter safety through the method of safer vehicles has prevented the creation of a restructured and developed taxi industry. Taxi violence undermines the policy principle of commuter safety as people lose their lives in taxi violence as well as through accidents. A couple of months before the 2010 Soccer World Cup vehicle scrapping is, ‘still in a voluntary stage’³⁰⁶. This means that there are a considerable number of unroadworthy vehicles, illegal and pirate mini-bus taxis operating alongside those that are not. According to Mpofu, there, ‘might be about 160,000’³⁰⁷ illegal or pirate mini-bus taxis. The percentage of unroadworthy and roadworthy vehicles within the pirate fleet remains unknown as they are not registered in any public transportation system database. Passengers are at great risk of using vehicles that might be involved in violence or accidents due to their illegal status within the industry. Defiance of public transport safety rules and regulations is thus still a feature of the taxi industry. Illegal operators flout vehicle fitness rules and other public transportation regulations. According to Brynard, ‘regulatory policies specify rules of conduct with sanctions for failure to comply’³⁰⁸. However, illegal operators do not comply with these rules, nor do they feel the impact of sanctions for a failure to observe policy protocols. As such, it is necessary to examine the dynamics of taxi violence and mini-bus taxi safety in a broader context of commuter/public safety.

1.1.1 The status quo of Taxi violence.

Almost every mini-bus taxi rank has its own story about the horrors of conflict over routes. The carnage from the peak of taxi violence from the mid-1980s to the 1990s is remembered clearly by taxi leadership, operators, taxi drivers, rank managers and the public in general³⁰⁹. Aggression is still a major feature of the way in which competition is addressed in the taxi industry. The government has not attempted to resolve violence by addressing it’s root cause – that of competition over routes.

³⁰⁶ http://www.sabinet.co.za/sabinetlaw/news_par586.html (Date accessed: 12 March 2008)

³⁰⁷ http://www.sabinet.co.za/sabinetlaw/news_par586.html (Date accessed: 12 March 2008)

³⁰⁸ Brynard, P. (2000) *Policy Implementation* in Cloete, F. and Wissink, H. (2000), *Improving Public Policy*, (Van Schaik Publishers, Pretoria) p.179

³⁰⁹ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4

The taxi industry regulated itself in the 1980s, following government's release of the NTPS³¹⁰. Each taxi organisation, whether registered with the Transportation Board and the Registrar or not, determined its own route and competed for taxi rank facilities. In the absence of legal frameworks governing the usage of routes, corrupt government officials issued permits to more aspiring taxi operators. As a result, illegal taxi organisations were established and operated on occupied routes, resulting in increased competition and overtraded routes. This history of regulatory failure has implications today. Agreements cannot be reached between competing taxi organisations and competition remains a key element of violence. Taxi associations are not prepared to relocate from a lucrative route to avoid conflict as method of improving commuter safety

The inability of the Transportation Board to effectively allocate a specific taxi association a particular route has created conflict. Following the NTTT discussions, the government proposed that in order for the taxi industry to be granted bigger capacity vehicles broader formalisation should take place. This included the registration of each and every taxi association (including pirate operators) its members and their route. It was later complimented by the conversion of radius-permits into route-based operating licences – which reflected the taxi operator, vehicle, and organisation – in order to restructure operations. Again, the government and the taxi industry agreed that, in order for successful regulation to be achieved, no taxi association should be formed after 1996³¹¹.

Despite the ongoing aggressive competition for routes new taxi associations are being formed and granted documentation to operate on currently occupied routes. These compete with older taxi associations formed during the 1970s-1980s and early 1990s that were already being granted legal documentation to operate on the same routes. A case in point is the violence that recently erupted over a new lucrative Westville route that was created because of the construction of the Westwood Mall in Durban. Both the Claremont/Kwadabeka and the Chesterville taxi associations claimed that their route descriptions, as recorded by the Transportation Board and the Registrar, included operating around the construction site of the Mall. No agreements were reached between these taxi organisations and violence – which has become the industry's medium of processing conflict - was inevitable. As a result, this particular route was declared defunct until the two organisations reached a compromise between themselves as to how the route was to be utilised. This example appears to validate the argument of the taxi industry that the Transportation Board's, 'taxi-licensing scheme is in a shambles and does not solve the route wars

³¹⁰The National Transport Policy Study of 1985, in conjunction with the recommendations of the Competition Board, endorsed the effective deregulation and integration of the taxi industry within the national transport system through the White Paper on Transport Policy of 1987 and the Transport Deregulation Act of 1988. This effectively legalised the 16-seater mini-bus taxis but provided no regulatory frameworks for operational routes.

³¹¹ Personal Interview with taxi organisation executive member (B-2)

between associations'³¹². This suggests that the government does not address conflict through arrangements such as the Public Transport Monitoring and Compliance System designed for this purpose and continues to let the taxi industry regulate itself. Grindle³¹³ argues that the means by which government ensures public participation and policy implementation success should be flexible enough to resolve conflict and encourage cohesion amongst policy actors. This is a valid claim considering that TRP has not been successfully implemented. Conflict within the taxi industry hinders the achievement of policy objectives. The government has failed to create an enabling environment for successful implementation. In addition, some taxi association which compete for lucrative routes are backed by powerful interests in the form of high ranking government officials who also influence the outcome of route applications³¹⁴. Given such conditions it appears like the taxi industry is institutionally sabotaged. This may be in order to maintain private interests. As Dugard concludes from a previous period in South Africa's history,

However far it operates beyond the reach of state control, the taxi industry obviously still does not operate in a formal vacuum. In the same way as under apartheid when state agents contributed to taxi violence as part of a political agenda, today state agents contribute to taxi wars but in different ways and for different reasons³¹⁵.

Indeed, a 'widespread problem of official corruption continues to confound most attempts to legitimate taxi operations'³¹⁶. There are two main reasons that violence continues to be a norm within the taxi industry. The first reason is that very powerful taxi associations exist and possess the political support and the violent means to regulate the industry. The second reason is that the government has failed to restructure and to re-allocate routes. Therefore, the lack of a broader public safety vision, corruption and incapacity perpetuate taxi violence and will continue to undermine the TRP objectives of commuter/public safety, effective regulation and transformation of the taxi industry.

1.1.2 Mini-bus taxi safety.

Another issue of great concern is the cluster of different mini-bus taxi models that co-exist in the transport sector. Ironically, keeping in mind that there are differences between transport systems and contexts, the

³¹² <http://www.sowetan.co.za/COLUMNIST/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009)

³¹³ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.18

³¹⁴ Focus group discussion with Claremont/ KwaDabeka Taxi Association, respondent (C-2)

³¹⁵ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000). *Violence and Transition Series*, Vol. 4

³¹⁶ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000).' *Violence and Transition Series*, Vol. 4

countries that produce the mini-buses do not allow any of these models to be used as part of their own public transport system. They are created cheaply for the purpose of delivering goods and not people. These vehicles have been modified to meet the South African public transport requirements as far as the TRP is concerned. As a result, ‘owners buy the cheapest models’³¹⁷ of the new fleet while they complain that, ‘no one has assured... that these expensive buses are safe’³¹⁸. Commuters complain that, ‘most of the space in the taxi is in the headroom. This does not help... because there are no shelves for our luggage. No air circulates in this box’³¹⁹. The majority of different mini-bus taxi models are not TRP specific vehicles. Their abundance has been effected by the South African transport industry’s model and a lucrative market.

Initially, the government was supposed to arrange for a specific vehicle manufacturer to supply the taxi industry with a single vehicle model that met the required safety specifications. This would have enabled the taxi industry to purchase vehicles at a comparatively affordable price, as there would be no competition in demand and supply scales. Howlett and Ramesh argue that, ‘policy designed to improve the safety feature of automobiles is easier to implement’³²⁰. Yet this has not been easy in the context of the recapitalisation programme. The government failed to negotiate with various automobile firms - due to what it perceived as the high cost of producing a TRP specific mini-bus taxi. Multiple models of minibuses instead became available. What this suggests is a lack of vision in a long term investment for the public. On these grounds, I do not conceive of the TRP as a policy that was designed for the public good as the government opted not to appoint, through a tendered system, an automobile firm to design and manufacture a TRP specific vehicle to serve the needs of the public.

1.1.3 A Lack of taxi violence reduction frameworks.

The significant public role occupied by the taxi industry, coupled with its unprecedented economic success in the 1980s, was the determining factor in a decision to regulate it. For the public, the issue of violence has been always of greater concern. This led to a development and restructuring plan to include, and commence with, establishing systems of bringing an end to taxi violence³²¹. Following the NTTT recommendations, there was to be the registration of all operators and routes were to be allocated to avoid overtrading and aggressive competition. The early 1990s was an era of taxi violence, ‘often linked to the

³¹⁷ <http://www.sowetan.co.za/Columnist/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009)

³¹⁸ <http://www.sowetan.co.za/Columnist/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009)

³¹⁹ <http://www.sowetan.co.za/Columnist/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009)

³²⁰ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.192

³²¹ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4

mainstream of political violence that characterised the run-up to the April 1994 general elections³²². This was a period at which NTTT recommendations were put into documentation as central policy on regulating the taxi industry. Violence was now extended as a means of opposing the NTTT recommendations that would form policy. This followed inter-taxi organisation conflicts and the industry's claim of lack of extensive engagement, consultation, by the government on issues relating to developing the industry. As Dugard maintains claims the,

resurgence of widespread taxi violence...was a direct response to government's attempts to re-regulate the industry in terms of NTTT recommendations. This process threatened the interests of many less-established taxi associations, as well as all those relying on violence as a means of revenue extraction...It is clear now that, beginning in mid-1998, much of the current violence relates to government efforts to draw the taxi industry into a formal system of accountability through re-regulation³²³.

The government, despite its vision of regulating the industry for the benefit all public transport users, did not create any platforms to re-negotiate with the taxi industry nor formulate any substantive frameworks to end conflict. Instead it continued with the plan of regulating the industry while taxi operators established their own methods of addressing conflict and ending violence. Within the implementation context, according to Grindle, 'the goals of the actors will be in direct conflict with each other and the outcome of this conflict... will be determined by the strategies... of each of the actors involved'³²⁴. This was achieved through the merger of SABTA and, 'various provincial and local taxi structures who were concerned about the effects of violence and wanted to create a sustainable framework for formalised economic development within the taxi industry'³²⁵. Then the South African Taxi Council (Sataco)³²⁶ was formed. The creation of such a federal entity was a direct response to the government's failure in developing parallel institutional and legal means of holistically addressing violence. Therefore, in

³²² Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)', *Violence and Transition Series*, Vol. 4

³²³ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)', *Violence and Transition Series*, Vol. 4, May.

³²⁴ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.12

³²⁵ Dugard, J. (2001) 'From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)', *Violence and Transition Series*, Vol. 4, May.

³²⁶SATACO was an interim body representing the taxi industry. It changed its name to the South African National Taxi Council (SANTACO) at a national taxi conference held in Durban in 2001.

response to conflicting interests a strategy to create unity and to determine, ‘who gets what’³²⁷ was put in place through the establishment Sataco.

Sataco was formed in August 1998 as an industry-driven response to the government's failed attempts to resolve taxi violence. The organisation has as its aims the achievement of peace and unity in the taxi industry, and the development of economic benefits and empowerment for all those operators in the industry³²⁸

However, Sataco did not manage to contain violence either. According to Dugard, ‘there were 242 taxi-related deaths between August 1997 and August 1998, there were 224 taxi-related deaths between August 1998 and August 1999’³²⁹. Up until the present day, government has been unsuccessful in finding ways to address the root causes of taxi violence yet stresses its perpetual commitment to formalising and developing the industry for commuter safety and to provide a world class transport system. Dugard concludes that the,

fact that government has stated publicly on various occasions to know... the people... behind the violence but needs to verify information and then apprehend them and yet continues not to act, suggests important gaps in the government's competence, which taxi associations are able to take advantage of in order to expand their violent operations. It also points to the fact that the state bureaucracy is unable to deal in a co-ordinated manner with this level of organised crime. The taxi crisis requires a degree of co-ordination that is so far lacking in the new government³³⁰.

Government does not promote change within the taxi industry by facilitating and encouraging the formation of a genuine umbrella taxi organisation that would represent the composition of interests of the general public and the taxi sector. This is despite Santaco’s continuous failure to end taxi violence and to represent all interests in policy formulation processes.

1.1.4 Permits and Route-Based Operating License Processes

The majority of taxi operators contend that they do not have route-based operating licenses, despite having gone through the registration processes required by the TRP. The inconsistency and inefficiency

³²⁷ Grindle, M. (1980) *Politics and Policy Implementation in the Third World*, (Princeton University Press, New Jersey) p.12

³²⁸ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4, May.

³²⁹ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4, May.

³³⁰ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4, May.

of the Transportation Board in processing permits³³¹ into route-based operating licenses has resulted in chaos, as taxi operators find themselves on the wrong side of law enforcement agents and fail to benefit from the TRP (or the BRT). They are unable to produce documented proof that they are legitimate operations during disputes over route utilisation, which serves to fuel taxi violence further. The taxi leadership argues that the problems with the permits,

has caused taxi violence. Because during the conversion waiting period there are those who know that all the documentation was with the Transportation Board, and there were no restrictions, they used this opportunity, through gun force, to accumulate as much as they can. This has (also) caused pirate operators to penetrate the industry³³².

The Transportation Board's inability to efficiently process the application of route-based licenses to restructure the utilisation of routes signifies a deeper predicament faced by government institutions in implementing the TRP. If the industry was adequately and actively involved, from inception, in every stage of the policy process, route encroachment, and its impact on violence, would be one less issue to worry about. Despite government's attempt to regulate the mini-bus taxi sector it has fell short of creating a relevant regulation approach, in route allocation terms, and an efficient route-based operating license and registration process. Grindle emphasises that successful implementation depends on the creation of a, 'policy delivery system'³³³ in which specific policy mechanisms are designed and executed. The delivery system of the TRP is inefficient in, 'making internal adjustments that enhance the attainment'³³⁴ of goals in terms of an effective route based-operating license and route allocation process. It follows then that institutional incapacity to process legitimising documents for implementing a policy hinders attempts to create stability while also undermining the principle of restructuring the industry and promoting commuter safety.

1.1.5 Exclusion.

The formulation of the TRP was not through a method of extensive and substantive consultation with all interest groups. In addition, the complete exclusion of federal taxi organisations such as the NTA and civil society more broadly has resulted in a policy which does not specifically represent interests. Meyer and Cloete contend that broader public participation occurs through the involvement of different interests.

³³¹ The new Route-based Operating Licenses are still referred to as Permits by taxi operators, to them operating licenses are a new version of the traditional 50 kilometer -radius permits used during the 1980s and through the 1990s.

³³² Personal Interview with local and provincial taxi organisations executive member (A-2)

³³³ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.6

³³⁴ Elmore, R. (1976)'Organisational models of social program implementation', *Public Policy* ,26, pp.185-228 as cited in Hill, M. (1998) *The Policy Process. A Reader*. Second edition (Prentice Hall/Harvester Wheatsheaf, London) p.244

The more competing interests that are represented within the decision-making process the more influential is the involvement of various policy actors³³⁵. In excluding broader interests and favouring Santaco as a supposed legitimate representation of both the broader public and the taxi industry, government deprived itself of an opportunity to gathering diverse views on a public transport system policy that affects everyone.

Meyer and Cloete have argued that in order for excluded policy actors to participate and pursue their interests in implementation they must engage in mass activities in the form of protest marches and consumer boycotts³³⁶. In response to exclusion in decision-making processes where the majority of taxi operators were left out during the registration process, taxi organisations protested against the TRP. The taxi industry's protests were not only based on the lapsing of the registration period without their knowledge, as they were not thoroughly consulted about all the dynamics surrounding the process. Protest was also driven by a range of other issues too. These included the new mini-bus taxi fleet, the Transportation Boards' incapacity to grant route-based operating licenses timeously, the negative implications of the TRP on jobs for taxi drivers and the vehicle scrapping allowance. All these issues were led by the, 'KZN taxi owners, who had found that the DOT had exceeded its rights to set dates for the scrapping of vehicles without due consultation with stakeholders'³³⁷. As a consequence the legal challenge was filed by the NTA against the government. This was on the basis of, 'regulation, formalisation and economic empowerment'³³⁸.

Until the Durban High Court could reach its decision, TRP systems and processes were halted nationally. This meant that operating license applications and vehicles scrapping was also on hold. According to the Director-General of the national Department of Transport, 'months were wasted in the re-negotiations'³³⁹ concerning the court case between the taxi industry and the government. This opinion illustrates that the government was not concerned with including interests. According to Elmore, successful implementation rests on a complex series of bargained decisions reflecting the preferences of participants³⁴⁰. Re-negotiations were a mechanism for bargained decisions to be reached as there were conflicting interests

³³⁵ Meyer, I. and Cloete, F. (2000) 'Policy agenda-setting', in Cloete and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.104

³³⁶ Meyer, I. and Cloete. F. (2000) 'Policy agenda-setting', in Cloete and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.105

³³⁷ http://www.sabinet.co.za/sabinetlaw/news_par586.html (Date accessed: 12 March 2008)

³³⁸ <http://www.santaco.co.za/index.php/founding-statement.html> (Date accessed: 30 March 2009)

³³⁹ http://www.sabinet.co.za/sabinetlaw/news_par586.html (Date accessed: 12 March 2008)

³⁴⁰ Elmore, R. (1976)'Organisational models of social program implementation', *Public Policy*, 26, pp.185-228 as cited in Hill, M. (1998) *The Policy Process: A Reader* (Prentice Hall/Harvester Wheatsheaf, London) p.261

between government and the taxi industry. Hence, negotiations ‘present an opportunity to be part of a decision by trying to bargain for a compromise... if one’s views are not accepted’³⁴¹.

In this case study it is clear that the Director-General would have preferred the taxi industry to play the role of passive participants in the policy and refrain from any challenges based upon issues affecting the industry, despite the knowledge that, ‘KZN is where the second largest number of taxis is located’³⁴². Consultation by the government, to find innovative solutions to problems in the taxi sector prior to formulating and implementing the TRP, has been lacking. The boycotts, strikes and the legal case indicate exclusion of interests in the taxi industry and public interests in decision-making processes by involving, ‘a tame body called Santaco, who have also turned their backs on the scheme’³⁴³. According to Molefe, Santaco, ‘allied itself with the government’s restructuring programme hoping to be a direct beneficiary, particularly regarding recapitalisation partnership deals on the new vehicles to be manufactured and also in terms of transport service contracts for government-subsidised routes’³⁴⁴. Santaco’s sudden lack of support of the TRP indicates that the policy was never designed with the broader public interest at its core.

1.1.6 Labour Issues

As a consequence of the creation of the taxi industry broader business opportunities exist alongside the industry that include catering and fruit and vegetable enterprises for women-headed households. The industry absorbs a considerable amount of unemployed school-leavers and those retrenched from different economic sectors. The former group work as taxi organisation administrators, receptionists, mini-bus cleaners, conductors and potential taxi drivers. The latter group largely focus on running a taxi business as they purchase mini-buses, join a taxi organisation and employ a taxi driver or drive the vehicle themselves. Due to the evolution and success of the taxi industry, ‘the owner-driver has been largely replaced by the employed taxi driver’³⁴⁵. Hence, as far as job creation is concerned, the taxi industry serves as one of the instrumental sectors in poverty reduction in South Africa. In addition, the commuter base of the taxi industry, that comprises 65% -70% of the daily South African public transport users, indicates the importance of this industry to public livelihoods. The taxi industry it is one of the biggest

³⁴¹Meyer, I. and Cloete, F. (2000) ‘Policy agenda-setting’, in Cloete and Wissink, H (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p.105

³⁴² http://www.sabinet.co.za/sabinetlaw/news_par586.html (Date accessed: 12 March 2008).

³⁴³ <http://www.sowetan.co.za/Columnist/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009).

³⁴⁴ Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4, May

³⁴⁵ Khosa, M. (1994) ‘Accumulation and Labour Relations in the Taxi Industry’, *Transformation*, 24, p.62

consumers of fuel, tyres, and spares. Therefore, it does not only transport the private sector's working force but is also directly contributing to its revenue.

Despite this, labour conditions within the taxi industry have not evolved. The employment of taxi drivers, who play a significant role in revenue collection and wealth creation for operators, is still largely conducted through verbal contracts. Taxi drivers do not have any employment benefits and the government, through the TRP, has not insisted upon the registration of taxi drivers with the Department of Labour. As a result, taxi drivers and rank managers are not protected by labour legislation and do not have employment benefits. If a taxi driver is involved in an accident that physically disables him or her there is no recourse through labour legislation. There is no means for any third party intervention or arbitration for labour related disputes such as unfair treatment or dismissal. According to a taxi driver, 'these people [taxi owners] have been increasing their fleet of buses while our kids were starving. They hired us as casuals, and dismissed us when we are sick or involved in accidents'³⁴⁶. Despite what the NLLTA and the Labour Relations Act stipulates on employment issues it is not commonplace for drivers to be registered. In clarifying this, Khosa highlights that,

according to the Basic Conditions of Employment Act, drivers for owners with more than 11 minibuses or drivers who carry more than seven passengers fall under the Wage Determination Regulation number 452. Furthermore, drivers should be entitled to unemployment benefits, leave and other benefits. Under the Labour Relations Act, the dismissal of a driver can be referred to the Conciliation Board and the Industrial Court. However, this legislation has only been effective in the bus and train employment sectors³⁴⁷.

This is one of the anomalies of the industry. It is a private employer providing a public service. By virtue of other private enterprises registering their employees and abiding by South African labour frameworks taxi operators should follow suit. Following growing concerns over labour conditions within the taxi industry Khosa argues that, 'taxi drivers are now beginning to realise that they are also workers'³⁴⁸. They have demonstrated that they understand that the TRP has not improved their position in the industry and they show this through strikes. The majority of taxi drivers have no, 'insurance cover..., no fringe benefits, no pension fund, no job security (if drivers became ill and took time off, owners simply replace them)'³⁴⁹. As one taxi driver has concluded, 'as long as I'm not registered I'm not covered'³⁵⁰. Taxi drivers are also fathers, brothers, mothers, wives and some of them might be the only breadwinners in their families. Their lack of formal benefits affects the interests of the broader community and these interests have been excluded in the formulation and the implementation of the TRP.

³⁴⁶ Khosa, M. (1994) 'Accumulation and Labour Relations in the Taxi Industry', *Transformation* 24, p.63

³⁴⁷ Khosa, M. (1994) 'Accumulation and Labour Relations in the Taxi Industry', *Transformation* 24, p.66

³⁴⁸ Khosa, M. (1994) 'Accumulation and Labour Relations in the Taxi Industry', *Transformation* 24, p.63

³⁴⁹ Khosa, M. (1994) 'Accumulation and Labour Relations in the Taxi Industry', *Transformation* 24, p.65

³⁵⁰ Khosa, M. (1994) 'Accumulation and Labour Relations in the Taxi Industry', *Transformation* 24, p.64

1.1.7 Bi-Laws.

According to Howlett and Ramesh³⁵¹, regulatory legislation serves as an important medium in ensuring successful policy implementation and legitimisation. It functions both to ensure a uniform standard of effective and efficient execution of policy directives and also to ensure compliance. The National Land Transport Transition Amendment Act of 2005 has been central in the implementation of the TRP. However, this has not ensured consistent policy outputs in implementation terms. The smart-card revenue collection system has been installed in some mini-bus taxis in Gauteng while this is unheard of in other provinces. In addition, some operators have registered their employees with the Department of Labour and others have not.

These inconsistencies are due to the introduction of bye-laws in complementing and enforcing the implementation of the TRP that enable uneven policy procedures and features. Different bi-laws in different areas create confusion, encourage inequality and further divisions within the industry. According to Dugard, ‘the smart-card technology has already created violent disturbances’³⁵². Grindle emphasised that successful policy implementation cannot be attained if the site of decision-making is geographically and organisationally dispersed.³⁵³ Implementing institutions and sub-units might be unevenly capacitated in relation to specialised tasks and resources to carry out policy goals. Hence, ‘these institutions and their sub-units, which function at national, provincial and local level in the context of the TRP, are involved in implementing policy, each with its own interests, ambitions, and traditions that affect the implementation process and shape its outcomes’³⁵⁴. Therefore, having to observe unique provincial and local legal frameworks further complicates the implementation of policy in accordance with national objectives.

Contradictions in implementation have manifested themselves in a failure by municipalities to ensure that many policy objectives, such as driver registration and the smart-card system, are carried out. Uneven provincial features of the TRP have not been solely due to the taxi industry’s resistance in compliance,

³⁵¹ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems* (Oxford University Press, Canada) p.187

³⁵² Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4

³⁵³ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.10

³⁵⁴ Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystem* (Oxford University Press, Canada) p.187

but due to government's poor policy vision in relation to formalising the taxi sector through following and enforcing a single legal protocol.

2.0 A Lack of a Public Voice.

The public interest, in the formulation and implementation of the TRP, was pre-determined as policy goals by government in the formulation and implementation processes and the public were not afforded the opportunity to influence policy through consultation. According to Lindblom, 'majority rule is necessary to democratic aspirations but, in the mediate sense, the majority cannot rule... they delegate rule to proximate policy markers'³⁵⁵, who in turn should implement policies that are in the public interest. For this condition to prevail a multiparty electoral system and democratic institutions of government are essential. In Lindblom's words, 'democratic policy-making systems parcel out the tasks of policy-makers so that most citizens who wish to do so can join in voting to choose the proximate policy makers'³⁵⁶. Consultation and public participation strengthens the practice of democracy by legitimising the decisions taken by the government. But it only legitimates those decisions if the practice of participation is carried out properly.

Elmore highlights that policy implementation includes a complex series of bargained decisions indicating the interests of diverse policy actors³⁵⁷. Considering the challenges in the taxi industry, it would seem that the public interest is not central to the TRP. Moreover, its' main objective does not reflect any form of civil society engagement to address the concept of broader public/commuter safety, regulation and customer service. Following from Elmore's point, it could be claimed that relevant, insightful and innovative ideas as far as regulating, formalising, developing a violent-free taxi industry and introducing a safer mini-bus fleet, are core interests that might have formed the TRP. Yet this was not encouraged. A policy indicative of government's commitment, merged with that of the industry and the public, in restructuring and transforming one of South Africa's core economic sectors should characterise TRP.

There is no indication either by design or objective, despite the fact that the government argues otherwise, that the public was extensively consulted during formulation. Taxi operators and drivers have not been the

³⁵⁵ Lindblom, E.C. (1968) *The Policy-Making Process*, Foundations of Modern Political Science Series (Prentice Hall, New Jersey) p.113

³⁵⁶ Lindblom, E.C. (1968) *The Policy-Making Process*, Foundations of Modern Political Science Series (Prentice Hall, New Jersey) p.114

³⁵⁷ Elmore, R. (1976) 'Organisational models of social program implementation', *Public Policy*, 26, pp.185-228 in Hill, M (1998) *The Policy Process: A Reader* (Prentice Hall/ Harvester Wheatsheaf, London) p.261

only dissatisfied groups. Commuters have also expressed their grievances on the recapitalisation programme's goals and relevancy as far as the South African mini-bus sector and safety are concerned. Commuters complain that as much as the TRP was implemented for safety reasons the new mini-bus fleet design contradicts with this objective. It still appears that passengers are still congested in taxis as was the case before the introduction of the new fleet. The new mini-bus taxi fleet was supposed to discourage overloading and congestion. Taxi users have argued that the,

ultimate insult is in the seating... There is another serious defect in the design of the recapitalised buses. The wheel wells protrude into the interior and are situated between the seats. The legroom virtually shrinks and commuters have to sit sideways to fit between the seats. The pain from bad posture, especially on long distance taxis, is excruciating.³⁵⁸

This simply indicates lack of public voice in the implementation of the TRP. It further signifies that a suitable platform for commuters to negotiate their interests within a democratic context that encourages the processing of conflict has not been a feature of this policy. As highlighted on chapter three, there is a variety of issue the public is concerned about the policy. The absence of active national, provincial and local taxi commuters' organisations deprives the public of an opportunity to play a crucial role in policy processes. While the taxi industry is plagued with conflict over routes, an irregular route-based operating license process, a questionable mini-bus fleet and unfair labour practices, a commuters' organisation to gain access to policy systems, shape policy direction, and influence decision-making has not emerged. A commuter who has identified a gap for such an organisation concludes that,

I wish someone would start a taxi commuters' association so that we can have a stake in the re-design and recapitalisation programme. Our voices are never heard. Where are those old political activists who are now without a cause? Here is a perfect opportunity for them to hog centre stage again.³⁵⁹

The recapitalisation programme and other taxi industry related policies - such as the BRT - should have been formulated and implemented more firmly in line with the public interest and after a broader process of consultation with the public.

3.0 Politics - ANC and the Taxi Industry.

Politics has shaped the evolution of the mini-bus taxi sector and played a decisive role in terms of elucidating competing interests on public policy. The taxi industry has been involved in a number of militant activities in opposing policy directed at regulating it from strikes and legal challenges to violence. The ANC government acknowledges that the mini-bus sector faces many challenges, including

³⁵⁸ <http://www.sowetan.co.za/Columinist/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009)

³⁵⁹ <http://www.sowetan.co.za/Columinist/AndrewMolefe/Article.aspx?id=737591> (Date accessed: 26 May 2009)

bureaucratic frustrations with some operating licensing boards, difficulties with the taxi recapitalisation, and the general problem of economic sustainability of the sector in its present form³⁶⁰. More recently, ANC President (and South African President) Jacob Zuma alluded to a historic relationship between the taxi industry and the ANC liberation movement when he tried to ease tension in the industry. He said that, ‘this industry has a responsibility to protect our hard fought democratic gains. Many of your colleagues participated in the struggle when they transported our cadres in and out of the country, risking detention and police harassment’³⁶¹. For these, and other, reasons the apartheid government, aware of the economic, political and social roles played by the taxi industry, chaotically de-regulated the taxi industry as part of a broader divide and rule strategy to disintegrate the broader liberation struggle. In Dugard’s words;

Sudden deregulation was seen by many as a means of complementing the state's broader destabilisation strategies in the run-up to negotiations, by exacerbating tensions within black communities... The authorities, presumably keen to strike a blow against the socialistic ideas of the then radicals by showing the benefits of capitalism, turned a blind eye to the unrestricted influx of literally thousands.³⁶²

As well as transporting cadres, the taxi industry played a crucial part in ensuring that stay-aways and bus boycotts against the Apartheid system were successful. Therefore, there is a strong historical bond between taxi industry and the ANC. This has more recently manifested itself in KwaZulu-Natal through the industry’s support of the South African president - Jacob Zuma - during his rape and corruption trials. Taxi services would be on a standstill until the court’s daily proceedings with the case were over. On the eve of Zuma’s corruption trial newspapers reported that the,

Taxi Associations in Pietermaritzburg have indicated that they will not be providing public transport to the industrial areas of the Pietermaritzburg but will be attending the trial of Mr Jacob Zuma. Consequently those employees who use taxis to and from their work places in all probability will not be able to report for work.³⁶³

However, in as much as the taxi industry was involved in struggle politics and in recently supporting Zuma it has not been reluctant in opposing the government and threatening the ANC’s power when it’s perceived interests are threatened. Of course, support for Zuma is not necessarily the same as supporting the ANC. Acting against their exclusion in the recent BRT system, the taxi industry embarked on a strike a few days before the 2009 general elections. The ANC, aware of the industry’s role in transporting a

³⁶⁰ <http://www.reyavaya.org.za/press-room/press-room/131ancstatement?d4dad6935f632ac3597e3001dc7bbe8=304c765397aec5ac745effd2052a1b23> (Date accessed: 24 August 2009)

³⁶¹ www.anc.org.za/ancdocs/history/zuma/2001/jz0914.htm (Date accessed: 26 May 2009)

³⁶² Dugard, J. (2001) ‘From Low Intensity War to Mafia War: Taxi violence in South Africa (1987-2000)’, *Violence and Transition Series*, Vol. 4.

³⁶³ <http://www.owenanden.co.za/2008/07/31/jacob-zuma-and-national-strike/> (Date accessed: 24 August 2009)

large percentage of South Africans to different voting stations on election day drew out it's, 'leader Jacob Zuma to guarantee that drivers will not lose their jobs to the Bus Rapid Transit System'³⁶⁴. This followed SABC news reports in February 2009 that claimed that, 'Taxi Associations in the Nelson Mandela Metro, in Port Elizabeth, have withdrawn their support for the African National Congress, as another form of protest against the implementation of the Bus Rapid system'³⁶⁵. Zuma's response was to urge the taxi industry to, 'establish a performance monitoring system to deal with this phenomenon'³⁶⁶ during a BRT summit held by the taxi industry. The ANC said Zuma's visit was, 'part of the party's commitment to reach out and address stakeholder concerns'³⁶⁷. According to Santaco's Secretary-General, Phillip Taabisch, the taxi industry was confident that the ANC would resolve this predicament as, 'they believe the ANC has more influence'³⁶⁸ upon polices affecting the taxi business. In the end, the taxi industry postponed the strike to after the elections. Zuma further used the platform of these negotiations to further mobilise the taxi industry to vote for the ANC. According reports on the ANC website,

Zuma said Santaco's decision to encourage its members to participate in the elections ensured that the industry's role in the fight against apartheid would not be eroded... It was in the interest of taxi operators for the ANC to get an overwhelming majority in the upcoming elections as this meant that the ruling party would be in a better position to resolve the many problems faced by the industry.³⁶⁹

At this point it should be clear that the relationship between the ruling party and the taxi industry has not changed as both actors utilise the other's institutional and political power to propagate their interests. Yet due to a lack of extensive consultation, some of the industry's main concerns are not reflected in public policy due. Meanwhile, the ANC's objectives are to gain political power and govern the country. The ANC has utilised public policy as a bargaining chip to grant access, negotiate and accommodate the industry in policy processes. Even prior to the BRT summit Zuma had insisted to the industry that, 'you must purchase enough petrol to ensure that our people are ferried to the voting stations'³⁷⁰. This indicates the ANC's concern that the industry play a role in ensuring that the ANC was re-elected and attained political power. The taxi leadership played its part in the ANC's 2009 victory by ensuring stability on election day, transporting the public and encouraging its members to vote for the ANC.

³⁶⁴ <http://www.ewn.co.za/articleprog.aspx?id=11734> (Date accessed: 24 August 2009)

³⁶⁵ <http://sabcnews.com/portal/site/SABCNews/menuitem.5c4f8fe7ee929f602ea12ea1674daeb9/?vgnextoid=602b0f48cb63f110VgnVCM10000077d4ea9bRCRD&vgnextfmt=default> (Date accessed: 24 August 2009)

³⁶⁶ www.anc.org.za/ancdocs/history/zuma/2001/jz0914.htm (Date accessed: 24 August 2009)

³⁶⁷ <http://www.reyavaya.org.za/press-room/press-room/131-ancstatement?d4dad6935f632ac3597e3001dc7bbe8=304c765397aec5ac745effd2052a1b23> (Date accessed: 24 August 2009)

³⁶⁸ <http://www.sowetan.co.za/News/Article.aspx?id=965881> (Date accessed: 24 March 2009)

³⁶⁹ www.anc.org.za/ancdocs/history/zuma/2001/jz0914.htm (Date accessed: 24 August 2009)

³⁷⁰ www.anc.org.za/ancdocs/history/zuma/2001/jz0914.htm (Date accessed: 24 August 2009)

Bovens and t'Hart³⁷¹ claim that there is no fixed criterion for policy implementation failure. I argue against this claim by highlighting that implementation processes include consultation with a wide range of interests because policy is shaped by social reality³⁷². That is, the competing interests of policy actors should influence decision-making. I also highlighted the point that, according to Grindle³⁷³, successful implementation rests on interaction between government and citizens, public officials and their constituents as they are able to pursue conflicting interests. This determines the content and impact of policies. In addition, Friedman contends that it is highly impossible to successfully implement policy in a context whereby it is not acknowledged³⁷⁴. Thus, as seen with the TRP and BRT, policy implementation could be susceptible to non-compliance and civil disobedience activities which will require a re-visit and application to two basic components of implementation; policy content and context. With this in place, the failure of TRP is due to ignoring a set of successful implementation pre-requisites.

Nearly four months after the 2009 ANC electoral victory the taxi industry - through the United Taxi Association Forum - announced that it will embark on a national strike in order to protest against the BRT, at the beginning of September 2009. This was declared a week after approximately 4 000 taxi drivers, led by the NTA from Cape Town, marched through the streets opposing the BRT. Santaco argued that, 'the taxi industry was angry that the government had gone back on its word regarding an undertaking made at the national joint working group established by President Jacob Zuma'³⁷⁵. One of the reasons for such action was that the government proceeded with implementation plans without engaging with the industry about the relevancy and objectives of the programme after the elections. The government has repeatedly failed to adequately consult with the taxi industry on policies directly affecting them. It seems that the ANC government has utilised public policy access and influence as a tool to achieve its political objectives and interests at the industry's and the public's expense.

³⁷¹ Bovens, M. and P. t'Hart (1996) *Understanding Policy Fiascoes* (New Brunswick, Transaction Press) as cited in Howlett, M. and Ramesh, M. (2003) *Studying Public Policy: Policy Cycles and Policy Subsystems*, Second edition, (Oxford University Press, Canada) p. 207

³⁷² Friedman, S. (1998) 'The Problem with Policy', *Policy Brief* (Centre for Policy Studies, Johannesburg) p.2

³⁷³ Grindle, M. (1980) *Politics and Policy Implementation in the Third World* (Princeton University Press, New Jersey) p.19

³⁷⁴ Friedman, S. (1998) ' The Problem with Policy', *Policy Brief* (Centre for Policy Studies, Johannesburg) p.2

³⁷⁵ <http://www.engineeringnews.co.za/article/taxi-union-to-strike-over-bus-trasnport-system-2009-08-19> (Date accessed: 24 August 2009)

4.0 A Public good / public service and private business dichotomy.

The TRP failed to achieve its intended objectives of providing a relevant mini-bus fleet, effectively formalising and restructuring the taxi industry. This could have been affected by devising strategies for ending taxi violence and creating a safe transport service for the public. The taxi industry is a powerful economic, social and political force which has been privately established to provide a public transport service. Khosa argues that it has, ‘grown from a few dozen six-seater sedan taxis in the early-1930s to over 80 000 ten - and sixteen - seater minibuses in the 1990s³⁷⁶, without government assistance. It created its own economic, political and social ties with financial institutions and automobile companies, community organisations and struggle structures. All of this transformed the taxi industry into a private sector industry providing a public transport service but also as one of South Africa’s few economic sectors extensively involved in broader societal issues.

The concept of the public good, to provide a safe and reliable taxi fleet and to create a violent-free taxi industry, are central elements of public policy. Yet, the taxi industry has excluded the public’s interests. The public, in the form of commuters, pedestrians and other road users, are central to the success of the industry yet at no point has the government or the taxi industry sought to include them through broader consultation or in negotiating access on policy processes.

The government does not show any indications of subsidising the mini-bus taxi industry despite the large number of South Africans it transports daily. According to taxi operators, ‘commuters pay low fares’³⁷⁷. However, fares change as fuel and vehicle prices fluctuate. There is no standard national procedure followed by the industry on fare determination. Understanding the industry’s history and its present form requires that subsidisation be considered.

The taxi industry has argued that government’s lack of interest in the taxi industry as an economic sector that is exclusively comprised of private businesses is the major cause in not effectively regulating and formalising the industry. The industry continues to ignore the fact that the industry itself, as successful as it is as a private sector, has failed to stop taxi violence despite being provided with institutional mechanisms to legitimately govern itself. It still relies on government initiated means to address this problem. One might then claim that taxi operators have been instrumental in opposing the implementation of the TRP for their private economic interests rather than as a concern with a broader public good. They have not moved towards restructuring labour issues through registering taxi drivers. If the government

³⁷⁶ Khosa, M. (1994) ‘Accumulation and Labour Relations in the Taxi Industry’, *Transformation* 24, p 56

³⁷⁷ Interview with taxi organisation executive member (B-1)

falls short institutionally of addressing issues such as taxi violence - through bureaucratic blunders and lack of vision – the taxi industry should take a step forward in creating its own programmes and methods of resolving it. In achieving this taxi operators should collectively act as a business unit in the same way that it would when it calls for a national taxi strike. Then, at least, the industry's role and social commitment in providing a service would appear less ambiguous and less informed by private interests.

5. Policy solutions to the challenges facing the taxi industry.

The impact of the taxi recapitalisation programme as a public policy has shed some light on competing interests in policy implementation. The TRP failed to reach its objectives and this forced policy-makers to narrow its focus to one goal, which does not appear to be achievable. It follows that a variety of aspects within the taxi industry need to be addressed in order for the aims and objectives of policy to be achieved.. It is not only a problem of the exclusion of broader interests in policy design but also challenges over fiscal dynamics and institutional incapacity which hinder the execution of policy directives in accordance with implementation goals. The shift away from the initial goals of the TRP that included restructuring, empowerment and development of the taxi industry to focus upon a very narrow definition of commuter safety has been short-sighted. Recommendations have to be made, before it is too late, in order for the impact of the policy to meet broader political, social and economic, interests of the intended beneficiaries. In Meyer and Cloete's words, it is very,

important to realise that policy change takes place before, during and after policy implementation. There appears to be a misconception that policy change only takes place after policy evaluation. The truth is policy change takes place throughout the policy life cycle.³⁷⁸

The following suggestions do not reflect the ultimate medium of resolving the entire complex matrix of challenges within the taxi industry and how government relates with it in policy decision-making processes, formulation and implementation. These suggestions are informed by the disadvantages of a narrow top-down decision-making model which neglected the range of interests and the plurality of our democratic society.

³⁷⁸ Meyer, I. and Cloete, F. (2000) 'Policy dynamics: change, failure and success', in Cloete, F. and Wissink, H. (2000) *Improving Public Policy* (Van Schaik Publishers, Pretoria) p. 239

5.1 Violence Containment Strategies.

The phenomenon of hiring security services, to supervise taxi ranks, by taxi associations during conflict will not solve the problem of taxi violence. The government, in collaboration with the taxi industry, should institute innovative programmes towards the reduction of taxi violence. This should entail a system whereby federal taxi organisations such as Santaco and the NTA, in conjunction with the National Intelligence Agency, establish a National Violence Investigation and Monitoring Committee. It should be comprised of local, regional and provincial taxi operators, drivers and members of commuter organisations. This setting should enable the identification and prosecution of the instigators of violence. A free telephone programme for anonymous calls should be established in order to accommodate those who cannot publicly or openly report or testify to taxi violence.

5.2 Employment and Labour Benefits.

The effectiveness of the TRP in creating a safe transport service also depends upon how taxi drivers conduct themselves in the line of duty. If taxi drivers are still under the pressure of accumulating a standard amount of capital for taxi operators, then commuters' lives are still jeopardised. Furthermore, the fact that the majority of taxi driver have to work between 16-19 hours a day contradicts South African employment frameworks. These frameworks include the Labour Relations Act, the Basic Conditions of Employment Act, and the Land Transport Transition Act which legitimises the implementation of the TRP and also stipulates the reformulation of labour practices within the taxi industry. As a result, taxi drivers have no employment benefits or formal platform for raising labour-related concerns. Although the NLTTA calls for the transformation of labour practices in the taxi industry it does not make it mandatory for taxi drivers to be registered with the Department of Labour. Therefore, this creates tensions in the working environment of the industry as taxi drivers fail to,

‘highlight problems associated with conditions of their employment, such as the shortening of working hours to eight as stipulated in the Basic Conditions of Employment Act; wages to be negotiated by taxi owners and the taxi union; an end to unfair dismissal; and that drivers should not lose their jobs in the event of an accident.’³⁷⁹

The compulsory integration of the taxi industry within the national labour frameworks will not only improve the conditions of workers but contribute too the public good by improving commuter safety. It will also contribute to an increase in government revenue collection from the industry.

³⁷⁹ Khosa, M. (1994) ‘Accumulation and Labour Relations in the Taxi Industry’, *Transformation* 24, p 66

5.3 Driver Training Programme.

A national taxi driver training programme would be useful in a formalised and restructured taxi industry. This should focus upon improving taxi driver skills on the road and the way in which they relate with other motorists, commuters and the public in general. Given that taxi drivers provide a public service, this driver training should be public focused. Legal frameworks should be put in place in order to ensure that taxi drivers without such training are also trained. This would make taxi-driving a more reputable profession as taxi drivers are generally stigmatised about public road-related accidents, lack of customer care and courtesy.

5.4 A Specific Taxi Industry Vehicle

The evolution of the taxi industry has largely been characterised by vehicle capacity. Taxi operators demanded a safe and reliable vehicle from the government when the industry learned about the policy to restructure, formalise and develop the taxi sector. Until today there is no TRP-specific vehicle that prioritises commuter safety.. Plans to introduce an ideal model for the industry were abandoned a long time ago. The government realised the fiscal implication of producing such a fleet, and opted for a variety of substitute models. What the industry needs is a taxi fleet that guarantees road safety for commuters. There should be long distance and local models with interior and exterior designs which also accommodate people with disabilities. The model's fuel consumption should be reasonable, and spare parts should be easily available.

An innovative electronic fare collection device should be installed in taxis and be made mandatory so that drivers do not handle cash. Purchasing a mini-bus taxi should include the granting of a route-based operating license to prevent piracy and to ease competition, thus curbing violence. Lastly, due to the fact that most road accidents which involve taxis are attributed to speeding, the speed limit on mini-bus taxis should be manually designed not to exceed a high of 100km/h for long distance vehicles and 80km/h for vehicles operating locally.

5.5 Subsidising the Industry

The taxi industry is a private transport business sector which consists of taxi companies and local individual operators - which fall under local, regional, provincial and national taxi organisations. The taxi industry transports 65-70% of South African commuters daily. The internal economic success of the taxi industry is due to irregular fares determined by the discretion of taxi associations rather than by a regulated procedure. In order to fully formalise the taxi industry the government should subsidise

commuters and institute a tenderised system. The government indicated that subsidising the taxi industry requires restructuring and formalising (through the TRP) which entailed registering everyone, pirate or legal taxis, so as to adequately devise fiscal mechanisms towards subsidising the industry. But this has not been reached as of yet. As reliable and convenient the taxi sector is in terms of providing transport, commuters still spend large percentages of their income on transport. For example, a subsidised bus fare costs about R5.00 on a trip from Durban to uMlazi while the same trip in a taxi costs R 9.00. Taxis make an untaxed 90% profit compared to subsidised buses. Therefore, it is imperative that government eventually moves towards subsidising commuters as another method of discouraging route encroachment and reducing conflict as well as to ensure a proper public service.

5.6 Effective route-regulation and route-based operating-license system.

The Transportation Board, which is the institution that caters for permit conversion into route-based operating licenses for taxi operators and route allocation to taxi associations, needs serious restructuring. Taxi operators and associations from all rural and urban areas in KwaZulu-Natal have no choice but go to Pietermaritzburg for route-based operating license queries or anything that requires official attention. This overwhelms the institution as it deals with the provincial taxi industry's various needs. The Transportation Board should be decentralised and it should have satellite institutions in accordance with regions, so that the provincial offices only involvement is to settle route disputes or broader policy compliance. This will serve to decrease the institutional pressure and enable it to deal with other important work such as identifying pirate taxis for prosecution. Taxi associations should re-apply for the same routes they occupy every two years and one of the requirements for such an application should involve a revised list of registered taxi drivers, operators and vehicles, per taxi association. Lastly, operating licenses should have an eight-year life span that lapses along with the taxi vehicle to promote commuter safety and discourage taxi associations and individuals from feeling that they are entitled to the industry's business opportunities without regard for public safety.

5.7 Vehicle Scrapping and Compensation.

Finally, the scrapping of mini-bus taxis should also take a new form. Scrapping an unroadworthy mini-bus taxi should be a compulsory, not voluntary procedure. Vehicles should be re-assessed at specific periods of time for their roadworthiness. The compensation amount should allow the operator to place a deposit on a new taxi vehicle to further encourage compliance.

Conclusion

This study examined the impact of public policy on competing interests by exploring challenges within the taxi industry. It is based on the South African mini-bus taxi industry's R7.7 million policy that was initially designed to regulate, empower and develop the industry and to integrate it within the broader national revenue system. This transformation included, among other objectives, ending taxi violence and reducing road accidents associated with competition over routes and unroadworthy mini-bus taxi vehicles. Innumerable lives have been lost due to taxi violence, overcrowding and unroadworthy mini-bus taxis. The government had planned to restructure the taxi industry through a new process of registering every taxi operator and allocating them, through taxi associations, specific routes. It also meant that an affordable and bigger-capacity taxi fleet would be introduced in order to ensure public safety.

There have been serious challenges in the implementation of the TRP. No overall compliance has been achieved. This is a direct result of conflicting interests between taxi organisations as they disagree on key policy issues, such as the vehicle scrapping allowance, and the fact that TRP is seen to threaten jobs within the taxi industry. There is also aggressive competition over routes while taxi operators claim not to have operating licenses. The legal case brought against government and nationwide protests against the implementation of the TRP are all indicators of the fact that there was no extensive consultation in the formulation and implementation processes of the policy. The impact of the failure to include interests is illustrated in a failure to subsidise the taxi industry and to transform labour conditions in the industry.

The failure to transform and develop the industry led to a policy shift. Commuter safety is now the central feature of the TRP. Yet, despite this, commuter safety has been defined very narrowly. Violence, despite the implementation of a revised regulatory policy, is still an inseparable feature of the taxi industry. Government's incapacity to devise effective measures to end taxi violence contradicts the policy objective of ensuring commuter safety. This means that the policy cannot achieve its objectives and will not achieve a public good of safety.

The taxi industry, as a historically unregulated economic sector, needs an innovative public policy in order to address the historical characteristics that prohibit its transformation. The objectives of this study were to look at the challenges faced by the taxi industry in response to the implementation of the recapitalisation programme. It also seeks to answer the question of whether the method and the process of regulation will actually work; that is whether through the TRP violence will be curbed and road accidents reduced.

Although the TRP has been formulated taxi violence is still a major issue that undermines transformation within the taxi industry. Meanwhile, taxi operators have claimed to be without route-based licenses,

unroadworthy vehicles are still visible and there are financial problems as a consequence of the new taxi fleet. In this study, I identified who the main policy actors were in this context. This was done in order to determine which interests the TRP represents and what interests it excludes. Indeed, despite a stated re-focus on the public, the public interest is excluded. In addition, many of the interests important to those in the industry were excluded.

In this study I examined whether the implementation of the TRP solves the challenges in the taxi industry. These challenges reflected poor policy formulation, a lack of consultation and institutional incapacity to deliver essential services. Based on different perceptions gathered through surveys, interviews and documentary material concerning the TRP I made policy suggestions. For the TRP to achieve its objectives of regulating and formalising the taxi industry and promoting commuter safety, conditions that permit policy access, bargaining, influence and decision-making have to be redefined. Further representation and consultation among a broader range of interests has to be encouraged to provide a policy that addresses a range of broader challenges.

In this study I have confirmed that successful policy implementation requires interaction between government and citizens, through creating an enabling environment for competing interests to influence policy-making decisions. Grindle and Pressman and Wildavsky show that a link should be created in order for policies to reach their objectives. This link, otherwise known as the policy delivery system, does not only comprise of government institutions and specialised activities within them, but also consists of a platform for the broader public to influence the direction of policy. The findings of this case study show that decision-making in the policy cycle should accommodate various target interest groups. Embracing broader participation is a necessity in achieving relevancy, compliance, policy legitimacy and hence effective implementation.

Grindle highlighted that public institutions must be responsive to the needs of policy beneficiaries because without a considerable level of responsiveness during implementation, public officials are deprived of information to evaluate programme achievement and of support crucial to its success. This is evident in terms of the Department of Transport and the Transportation Board's approach to route application and operating licenses procedures. Half of the taxi industry has no operating licenses while routes already occupied by certain taxi organisations end up being allocated to new applicants.

The taxi recapitalisation programme was formulated and implemented without thoroughly consulting the taxi industry and the broader public. The objectives of the TRP, to regulate, restructure, formalise and integrate the taxi industry within the national revenue system and to empower operators did not

materialise. The industry is still not formalised in practice, there has been no empowerment of operators and a failure of effective regulation promotes violence.

I dismiss Bovens and t'Hart's claim that there is no criteria for policy failure or success. Rather the content and context of implementation is a key factor in effective policy implementation. The content of the TRP did not recognise the interests of those directly affected by the policy which resulted in non-compliance. This is in line with Elmore's claim that policy success can only be defined relative to the goals of one party to the bargaining process. Since there were only limited bargained decisions in the formulation of the TRP between the government and one federal taxi organisation, we cannot claim that there was successful implementation. Designing and implementing a policy that will address the challenges faced by the taxi industry requires an extensive understanding of the socio-economic and political context surrounding the industry. For this to be achieved, extensive consultation with all interests should comprise a central component of the decision-making process of policy. In addition, Elmore has further suggested that implementation failures are the result of the failure of policy-makers to understand the actual conditions under which social services are delivered. The government, in this case, did not attempt to transform the opposition to the policy by excluded interests into an acceptance of the TRP and eventual compliance through bargaining. Such a top-down decision-making model adopted by the government overlooks the contributions of different interests and is in tension with the concept of democracy as a system of processing and resolving conflict.

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Fieldwork Interviews, Surveys and Focus Groups

This fieldwork for this study comprised of interviews, surveys and focus group discussions. In terms of interviews, I conducted 23 interviews with people in the taxi industry. These were interviews with 7 chairpersons of local, regional and provincial taxi organisations – which are also taxi operators; 14 taxi operators who are also executive members within their respective structures; and 2 government officials from the Provincial Transportation Board and the Department of Transport. I conducted three focus group discussions which comprised a minimum of 3 to a maximum of 9 respondents. All participants in the study were offered anonymity as a condition of their participation. As such, their names do not appear in the text of this dissertation or in this list of references. Instead, participants are differentiated in the text by the use of a system of coding. This comprises a system of numbers and positions held by each participant. For the purposes of examination a full list of all the participants which fully discloses their names is lodged safely with the supervisor of this dissertation in the Public Policy Programme, School of Politics, University of KwaZulu-Natal.

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