

**A CRITICAL ANALYSIS OF THE PROCESS OF TAXI RECAPITALISATION
POLICY**

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ABSTRACT

The taxi industry in South Africa has had a chequered history by being informally organised and with activities fraught with problems of violence, accidents, deaths, unroadworthy vehicles, taxi evasion and unbecoming driver conduct. Government exists, and, through the policy-making process, to regulate affairs of constituents for purpose of promoting human welfare. Such is the premise for Government intervention in developing the Taxi Recapitalisation Policy.

For the purpose of this study the hypothesis was constructed that the attempt and process by Government to develop a policy of recapitalisation of the taxi industry was flawed and was likely to generate further resistance and violence. In pursuance for search of answers for the hypothesis, use was made of literature study to trace the historical development of the taxi industry in South Africa, and to analyse the intricacies in the process of the art of policy making. These were further developed by an empirical study that confirmed models in public policy, among others;

- The apparent chaos in organisation of the taxi industry had become dysfunctional to human welfare that required Government intervention through policy-making;
- The process of regulation was a function of interaction of official and unofficial participants namely: The Department of Transport, Commissions of Inquiries, taxi owners, taxi associations as interest and pressure groups drivers, commuters, banks and insurance companies; and

- The consultation process between transport authorities and the taxi industry had not been inclusive enough and consequently failed as an effective tool to bring taxi stakeholders to clear comprehension of the taxi recapitalisation policy.

The study concludes with recommendations for Government action, and for further research.

TABLE OF CONTENTS

Acknowledgements	ii
Abstract	iii
1. INTRODUCTION: PROBLEM STATEMENT AND RESEARCH METHODS	
1.1. Orientation and Problem statement	1
1.2. Research Questions	6
1.3. Objectives	6
1.4. Hypothesis	7
1.5. Research Methodology	7
1.5.1 Literature study	8
1.5.2. Data bases	8
1.5.3. Empirical research and design	8
1.5.3.1 Interviews	9
1.5.1.2. Participant Observation	9
1.6. Outline of chapters	9
2. THEORETICAL EXPOSITION OF PUBLIC POLICY-MAKING PROCESS	
2.1 Introduction	10
2.2. Public policy defined	11
2.2 .1 Public policy as a guiding instrument	14
2.3 Decision-making and policy-making	14
2.3.1 Decision-making explained	15
2.3.2 The relationship between decision making and policy making	16

2.4. The nature of public policy	18
2.4.1 Parliamentary directives	20
2.4.2 Public policy as responsive to public needs and interests	21
2.4.2.1 Public needs based on values	21
2.4.2.2 The interests of the public	22
2.5 Approaches, models in analyzing public policy	22
2.5.1 Political systems theory	23
2.6. Participants in public policy-making process	25
2.6.1 Participative interaction by official policy-makers	25
2.6.1.1 Legislatures in policy-making	25
2.6.1.2 Appointed officials	27
2.6.1.3 Official policy maker: Courts, Commissions and international Organisations	29
2.6.2 Unofficial role players in policy-making process	29
2.6.2.1. The role of interest/pressure groups/associations	30
2.6.2.2 Citizen participation	31
2.7. Public policy-making process	33
2.7.1. Public policy initiation	33
2.7.1.1 Policy problems	34
2.7.1.2 Policy agenda	35
2.7.2 Public Policy formulation	38
2.7.3 Liaison with interested parties	39
2.7.4 Setting of policy objectives	42

2.7.5 Determining priorities	42
2.7.6 Considering alternatives	44
2.8 Adoption of the policy	45
2.9 Policy implementation	46
2.9.1 Policy implementation explained	46
2.10 Policy evaluation	47
2.11 Summary and conclusion	48
3. HISTORICAL DEVELOPMENT OF THE TAXI INDUSTRY	
3.1 Introduction	50
3.2 Historical background of the taxi industry in South Africa	51
3.2.1 Meaning of 'Kombitaxi'	52
3.2.2 Reference of taxis worldwide	52
3.2.3 The emergence of the taxi business	53
3.2.3.1 The impact of political struggle on transportation: strikes and boycotts	54
3.2.3.2 The meaning of apartheid	54
3.2.3.3 Impact of apartheid legislation on public transport	55
3.2.3.4 Separate development in South Africa	57
3.2.3.5 Bus drivers' strikes of 1955	57
3.3 Increasing growth in the taxi industry	59
3.3.1 The period from 1977-1987	60
3.3.1.1 Land Road Transportation Boards	61
3.3.1.1.1 Permit application for taxi operation	61

3.3.1.2 Commissions recommendations on taxi industry's operations	62
3.3.1.2.1 Recommendations of Van Breda Commission on minibus taxi	63
3.3.1.2.2 Welgemoed Commission	63
3.3.1.2.3 National Transport Policy Study	65
3.3.1.2.3.1 The Deregulation battle	65
3.4 The period from 1987 – 1994: towards the demise of apartheid	67
3.4.1 Free Competition in the transport sector	68
3.4.2 Social responsibility role of taxi operators	69
3.4.3 Taxi violence	69
3.5 Taxi industry post-1994: democratic era in South Africa	70
3.5.1 The period from 1994-1999: transformation era	71
3.5.1.1 Taxi violence post-apartheid period	71
3.5.1.2 Consultative efforts: Taxi industry vs Department of Transport	72
3.5.2 The regulation and formalization of the minibus taxi industry	72
3.5.2.1 Taxi industry regulation	72
3.5.2.1.1 Quality and Safety regulation	73
3.5.2.1.2 Regulation restricting entry	73
3.5.2.1.3 Fare regulation	73
3.5.2.2 Formalization of the taxi industry	74
3.5.2.2.1 Formalisation impact on taxi industry	75
3.6 The establishment of SATACO as a taxi representative organ	76
3.7. The period from 1999 to date	77
3.7.1 Recapitalization policy introduced by Department of Transport	77

3.7.2 Lack of consensus on recapitalization policy	79
3.7.3 The establishment of SANTACO	80
3.8 Trends in the development of transport systems in SA	82
3.8.1 Government vision on public transportation	83
3.8.2 Attainment of public transport goals	83
3.9. Summary and conclusion	84
4. ECONOMIC AND SOCIAL DYNAMICS OF THE TAXI INDUSTRY	
4.1 Introduction	86
4.2 Public Transportation in South Africa: background	87
4.2.1 The nature of passenger road transportation	87
4.2.2. Manufactured taxi models in South Africa	88
4.2.3 Kombi taxi purchase during 1980's	90
4.3 The scope of transport economics	91
4.4 Road Transportation and infrastructural matters	92
4.4.1 Key thrusts: means to achieve goals	93
4.4.1.1 Skill and Technology Building	93
4.4.1.2 Broadening participation in decision-making	94
4.4.1.3 Promoting Competition	94
4.4.2 Key thrust: goals themselves	95
4.4.3 Meeting Basic Needs	96
4.4.3.1 Vision 2020 project in line with public transportation	97
4.5 Official representatives in the taxi industry: Taxi organizations	98

4.5.1 Organisations in the taxi industry: 1980 to date	99
4.5.1.1 The Southern Africa Black Taxi Association (SABTA)	100
4.5.1.2 SABTA's membership claims	100
4.5.1.3 Southern African Long Distance Taxi Association (SALDTA)	101
4.5.1.4. Black Union of South Africa Taxi operators (BUSATO)	102
4.5.2 Relationships among associations in the taxi industry	102
4.5.3 Taxi feuds	104
4.5.3.1 Conflicts among taxi associations	104
4.6 The role of umbrella structures in the taxi industry	106
4.7 Law enforcement and the taxi industry	107
4.7.1 Permit application and allocation dilemmas: 1977-1989	108
4.7.2 Legalization campaign in the taxi industry	109
4.7.2.1 Taxi industry at loggerhead with government	111
4.7.2.1.1 Permit is Not a Right	112
4.7.2.1.2 Permit conversion progress	112
4.7.2.1.3 Registration Focus Group	113
4.8 The Legalisation Process ('Be Legal' Campaign')	114
4.8.1 The process of permit approval	115
4.9 Labour relations in the taxi industry	116
4.9.1 Requirements of being a taxi owner	117
4.9.2 Taxi driver	117
4.9.3 Commuters	118
4.9.4 Vehicles: minibus taxi	119

4.10 Size and monetary value	120
4.11 Quantity restrictions and fare-setting	121
4.11.1 Metered taxis	121
4.12. Roads	122
4.13 The recapitalisation policy: introduction	122
4.13.1 Brief background: towards safer and reliable public transportation	123
4.13.2 Government statement on taxi recapitalisation	123
4.13.2.1 Pillars of taxi recapitalization policy	126
4.13.2.2 Rollout strategy for taxi recapitalisation	126
4.13.2.3 New Vehicles Safety Requirements	127
4.13.3 Broad Based Black Economic Empowerment	127
4.14 Summary and Conclusion	128

5. EMPIRICAL ANALYSIS ON EFFECTS OF TAXI RECAPITALISATION

PROCESS

5.1 Introduction	130
5.2 Research permission	131
5.3 Methods of investigations	131
5.3.1 Approach	132
5.3.1.1 Interviews	132
5.3.1.1.1 Interviews conducted	133
5.3.1.1.2 Interviews: analysis of responses from participants	134
5.3.1.2 Participant observation	134

5.3.2 Statistical population of this study	135
5.4 Semi-structured personal interviews: data collected	136
5.4.1 Interview with Sedibeng transport officials	136
5.4.2 Taxi industry's associations: semi-structured interview	144
5.4.3 Section A: Profile of respondents (associations)	145
5.4.3.1 Section B: Taxi operator's responses	147
5.4.4 Section A: Profile of respondents/commuters	151
5.4.4.1 Section B: Commuters responses: views and perceptions	152
5.5 Participant observations: inspections in Vaal Triangle	153
5.5.1 Formal ranking facilities	154
5.6 Summary and conclusion	155
6. FINDINGS, CONCLUSION AND RECOMENDATIONS	
6.1 Introduction	157
6.2 Summary	157
6.3 Findings	161
6.4 Conclusion	162
6.5 Recommendation	164
6.6 The need for more research	165
BIBLIOGRAPHY	166
ANNEXURE A	176
ANNEXURE B	177
ANNEXURE C	178

CHAPTER ONE

INTRODUCTION: PROBLEM STATEMENT AND RESEARCH METHODS

KEYWORDS: Taxi industry; recapitalisation policy; Department of Transport; policy-making process; minibus; taxi associations; road accidents; taxi permits; fares; routes; taxi operators; Vaal Triangle; Sedibeng Taxi Council

1.1. Orientation and problem statement

Policy-making is defined as the actions and thought processes that precede a policy statement (Hanekom, 1992:13). It is commonly undertaken in reaction to a specific deficiency or problem in the environment. Anderson (2004:4) looks at public policy in terms of problem-solution and states that it is a relatively stable, purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern. The problem and matter of concern for this study is the disorganisation and chaos within the taxi industry in South Africa. In the process of the Government enacting a purposeful, stable policy to solve the taxi chaos, Government must interact in various ways with interest groups, defined as group of people with shared attitudes and goals who try to protect or promote their interest by influencing the governmental decision-making process (Sadie, 2001:299).

In South Africa the taxi industry can be regarded as one of the most turbulent, characterised by large-scale violence and disorganisation. As a result, the Government developed a recapitalisation plan that would deal with related socio-economic problems and conflicts in the taxi industry. The taxi industry recapitalisation policy, which is the

Government's stabilising solution, has culminated in mixed feelings among stakeholders (taxi owners, drivers and commuters) within the industry since it was published in 1999. Amongst other reactions, there have been demonstrations and marches as negative feedback from the taxi industry due to the restructuring policy proposed by the Department of Transport. A purpose of this study is therefore to examine the historical development of the taxi industry and to assess the processes that Government engaged in, towards the adoption of the recapitalization policy.

The taxi industry emerged in the late 1970s as an integral part of South Africa's passenger transport industry, although taxis were still being used despite stringent regulations imposed by the then government. According to McCaul (1990:61) it was no easy ride. In the early years it was only through a loophole in the *Road Transportation Act 74 of 1977* that minibuses could operate legally as taxis, so long as one seat remained empty. The taxi industry was not regarded as a formal business in South Africa, by implication its activities were not recorded in official figures. During the late 1970s the South African Black Taxi Association (SABTA) served as the umbrella which embraced some 400 affiliated local associations (McCaul, 1990:73). It can be deduced that these associations were not political in approach as such.

Currently, the taxi industry has an official representation through the South African National Taxi Council (SATACO), which is a federal structure identified in a list agreed upon during the taxi plenary held on 18th July 1998 (Moyle, 1999). In March 1993, National African Federated Transport Organisation (NAFTO) and its bodies announced

the formation of a working group to represent the taxi industry officially. This group was authorised to provide information regarding the progress and problems faced by the industry. Furthermore, the group was mandated to engage in talks with the Government on the taxi industry. In recognising the significant role played by the taxi industry in the country's economy, as a major carrier of passengers nationally, the Government embarked upon a consultative process that culminated in the establishment of the National Taxi Task Team (NTTT). The Ministry of Transport in March 1995 had to investigate problems and development issues facing the minibus taxi industry (Moyle, 1999).

The taxi industry in South Africa has been in vicious violent circles for many years, more than any other transport industry such as bus and train industries. Violence was not just the problem that has plagued the industry, an even higher rate of accidents also impacted detrimentally to the development of the taxi industry. In most of these, the public (passengers) and innocent road users are the most harshly affected. Ultimately, they become part of taxi violence and fatal vehicles crash statistics. The consultation process between Government and the taxi industry stakeholders resulted in the proposal to introduce mechanisms to deal with this gigantic taxi industry's problems, thus the recapitalization policy became a necessary process as policy solution. However, it is acknowledged that public policy cannot be static, because society's needs are not static (Thornhill & Hanekom, 1995:54).

The resulting protests and further chaos as a result of the recapitalization policy suggest a

feedback that posits that the process may have been flawed, hence the need for a study of this nature. In essence, the recapitalization policy became a policy output from consultations between the Government (Department of Transport) and the taxi industry stakeholders (Taxi owners, drivers and commuters). Policy-making should always be seen as a process, which must be undertaken in an orderly manner (Cloete, 1998:139). Hence those who are affected need to be part of the whole policy-making process in one way or the other. Problems that face the taxi industry are not just violence related as indicated earlier. They range from illegal permits to fighting over passengers where there is overcrowding. The NTTT was assigned to investigate into problems and development matters concerning the taxi industry. Their recommendations included a move to larger 18 to 35-seater vehicles.

According to the South African Survey of 1996/1997, research showed these vehicles to be economical and safer, as compared to the usual minibus taxis. Nevertheless, there are presently approximately 120 000 minibus taxi vehicles on our roads. Most of these vehicles are largely in excess of nine years old. The impact of this situation on the country's public transport system is significant, since 65% of all commuter trips nationally, are undertaken by means of the minibus taxis (Mabasa, 1999). According to a memorandum of understanding entered into by the Minister of Transport with the Ministerial Conference of Ministers of Transport and the South African Taxi Council on January 20, 2000, the final steps of the Government's Transformation and Recapitalisation of the South African Taxi Fleet Project, will see the entire 120 000 national mini-bus taxi fleet replaced by new 18- and 35-seater diesel-engine public

transport vehicles. This announcement resulted in outcries from association members, particularly the National Taxi Drivers Organisation (NADTO) and other organisations provoked by the issue concerning the recapitalisation policy. NADTO argued that the recapitalisation of the taxi industry would result in over 41 000 job losses when the current strong taxi fleet is replaced with the new 18- to 35-seater diesel powered taxis (Pela, 2000:06).

Systems theory in policy-making argue that policy outputs, that is, legislation or government regulation normally lead to feedback in the form of support or protests (Fox *et al*, 1991:32). The replacement of minibuses implies that even manufacturers are going to be affected, hence more strikes were encountered, roads were blocked and there was the random shooting of those who refused to be in support of the strike. The restructuring of the taxi industry is seen by most taxi owners and drivers as an infringement of their rights, unlawful interference and unilateral decision to scrap the taxi fleet (Mashabela, 2000:6).

According to a report in a newspaper, Ms Karin Pearce (Project Head) stressed that “the replacement of the fleet will have wide ranging economic and social benefit for the country” (Monare, 2000:03). South African Transport and Allied Workers Union (SATAWU) as one of the giant influential structure reiterates its support for the recapitalisation policy and is disturbed by recent protests (Howard (2001). According to SATAWU web report (2001) the union believes that many owners and drivers in the industry are being misled on the issue; it supported the policy because it will bring taxi

owners and drivers into the tax paying net. The lack of regulation in the taxi industry has been the major cause of crisis, leading to much of conflicts and financial problems. The taxi industry recapitalization policy has culminated in mixed feelings among stakeholders within the industry. Thus, problems currently encountered in the taxi industry emanated largely from the recapitalization policy proposed by the Department of Transport.

1.2. Research questions

Flowing from above background the following research questions can be posed:

- What does public policy-making process entails?
- What undercurrents influenced Government to be concerned with the regulation of the taxi industry?
- What is the Government recapitalisation policy?
- What has been the extent of consultation made with taxi industry stakeholders regarding the recapitalisation policy?
- What kinds of problems were encountered by different stakeholders in the taxi industry as a result of Government recapitalisation policy?
- What recommendations can be offered to add value to policy-making in the transport sector?

1.3 Objectives

Government intervention through policy regulation has resulted in reaction which has made this study necessary. The following objectives are being pursued by this study:

- To give a theoretical exposition of what public policy making process entails,

- to examine the historical development of the taxi industry with specific reference to factors which led the Government to introduce recapitalisation policy in regulating the taxi industry,
- to review the public policy making process in line with Government recapitalisation policy,
- to critically assess the recapitalisation policy with reference to consultation process embarked upon between the Government and the taxi industry stakeholders,
- to assess the impacts of recapitalisation policy on taxi industry stakeholders, and
- to propose recommendations for Government action and for further research on taxi industry specifically in Gauteng at Vaal Triangle area.

1.4 Hypothesis

The following statement has been drawn as a central theoretical statement;

- Government's attempt to develop a policy of recapitalisation of the taxi industry is flawed and is likely to generate more resistance and violence.

1.5 Research Methodology

This research project was undertaken through utilisation of various techniques which are classified under qualitative research methods. For that matter, a triangulation approach has been preferred which is the use of multiple methods of data collection (Mouton & Marais, 1988:90). Circumstances determined as to which technique was applicable.

1.5.1 Literature study

The theoretical part of this research was based on books, journals, policy documents, Government publications and internet as sources for this work. Detailed literature study was applied to examine the historical background of the taxi industry in South Africa, and to give a theoretical base of policy-making process in line with recapitalization policy. The theoretical framework thus created was then used as a background for the empirical side of this research.

1.5.2 Data bases

The following data bases were consulted to ascertain the availability of study material for the purposes of this study;

- Catalogue of Books: North-West University libraries,
- Nexus database: Thesis and dissertations of South African Universities,
- Public Administration journals, and
- Sabinet Online and NRF Nexus

1.5.3 Empirical research and design

The taxi industry's recapitalization policy is to be implemented in all provinces in South Africa. This means that taxis countrywide are going to be affected by the policy. Due to financial constraints and also to limit the scope of this study, the empirical investigations were conducted in Vaal Triangle, which is located in Gauteng Province. Such a case study approach can contribute to knowledge by providing useful information and data from which further research can be generated for other provinces. The following research

methods were applied;

1.5.3.1 Interviews

Semi-structured interviews were conducted with relevant respondents in the Department of Transport, particularly officials dealing with taxis in Gauteng at Sedibeng District Municipality. Formal interviews were also conducted with the taxi industry's stakeholders, particularly the taxi associations' executive committee members. In Gauteng Province at Vaal Triangle the taxi industry is represented by Sedibeng Taxi Council, thus its committee members were interviewed as well as affiliated associations.

1.5.1.2 Participant Observation

The researcher travels on taxi on many trips and in the process, has become a participant observer by noting data relevant to the research topic. Participants' observation is preferred since it is the most unobtrusive data collection technique.

1.6 Outline of chapters

The structure of the dissertation is as follows;

- Chapter one: Introduction: orientation and problem statement
- Chapter two: Theoretical exposition of public-making process
- Chapter three: Historical development of the taxi industry in South Africa
- Chapter four: Economic and social dynamics of the taxi industry
- Chapter five: Empirical analysis on effects of the recapitalisation process
- Chapter six: Findings, conclusion and recommendations

CHAPTER TWO

THEORETICAL EXPOSITION OF PUBLIC POLICY-MAKING PROCESS

2.1 Introduction

In any democratic state it is generally accepted that the government has to strive towards the realisation of predetermined goals for all public sector institutions. Thus, any goal to be pursued is an output of the political process. In essence, the promotion of general welfare of the public is the responsibility of the government of the day. Government structures ought to remember that goals are predetermined on behalf of national community. In essence, the public has to take part in any endeavor for purposes of promotion of general welfare. The root word for governance, and also for the Government, refers to steering and thus concerned in this volume is the ability of public institutions to control their societies and their economies. Thus, policies are to be drawn to guide these executive institutions for purposes of quality in services delivery.

In South Africa, the taxi industry can be regarded as one of the most turbulent, characterized by large scale violence and disorganisation. As a result, the government developed a recapitalization policy that would deal with related socio-economic problems and conflicts in the taxi industry. The taxi industry recapitalisation policy as is referred has culminated in mixed feelings among taxi stakeholders (taxi owners, drivers and commuters) since its announcement. Problems currently encountered in the taxi industry emanated largely from this policy proposal by the Department of Transport. However, the recapitalization policy is aimed to address all identified dysfunctional situations which prevail and provide qualitative solutions which will benefit all participants and users of

taxis as one of the modes of public transportation.

The objective of this chapter is to analyse theoretically the public policy-making process in relation to public transportation in South Africa. Thus, the concept 'policy' will be thoroughly defined and the nature of public policy be given. Further, the approaches or models in analyzing public policy will be discussed, and it is also imperative to give account of participants' roles in relation to public policy-making process. In final instance policy formulation, implementation and evaluation processes will briefly be summarized.

2.2. Public policy defined

Public policy could be defined in different ways by different authors. However, one could not afford to explain public policy without referring to community's needs, and strategies to meet such needs. As pointed out by Coetzee (1991:17) the term 'public' refers to something that affects the whole citizenry, that is to say the people at large. Thornhill and Hanekom (1995:54) explain the concept *policy* as the action of public managers when they partake in determining ends, choosing means and prioritizing. From the given statements one will realise that ends and means are to be directed towards promotion of general welfare ensuring good standards of living for members of the public. Craythorne (1997:83) stressed that policies are concerned about events to take place in future and such events are determined by past and present events.

Anderson (1997:9) defines public policy as relatively stable, purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern.

According to Eulan and Prewitt (1973: 265) public policy is defined as a standing decision characterized by behavioral consistency and repetitiveness on the part of both those who make it and those who abide by it. In further clarification, policy is simply a declaration of intent; it states the objectives and guidelines of the policy makers. Public policy appears thus to be a road map in that it indicates where the policy makers want to go and what they want to achieve. As Tilles (1983: 79) also emphasized, public policy is regulatory, in that it tells people what they should and should not do in order to contribute to the achievement of corporate goals.

According to Cloete (1994:56) when an objective in the public sector is made it is usually said that the policy has been set. The activity which precedes the announcement of the objective is known as policy-making. Public policy is indeed also an authoritative statement on what government chooses to do or not to do and incorporates, or implies the authoritative allocation of values for the whole society (Dye, 1995:3). Even then, it can be argued that it is not the public policy which can be seen but merely the written word contained in the document, therefore, it is the formation, in writing of the intent of Government, or the course of action to follow regarding particular functional areas (Anderson, 1997:11).

In the public sector, needs and expectations are met through the identification of dysfunctional situation and devising of means to address it. Public policy always involves decisions first before actions. Actions for the purpose of an objective can result from policy only if the decision itself clearly indicates what the policy makers had in mind as

the objective. Thus, public policy is the result of rational reasons or arguments which contain both a claim to an understanding of the problem and a solution (Parson, 1995:15). It will suffice to indicate that all policies are value-oriented, what is most painful is that value change over time and this is undeniable, again knowledge is never perfect at any given time.

Moreover, Pfiffner (1999:308) is of the view that policy is essentially a rule of action intended to provide relative stability, consistency, uniformity and continuity in the functioning of an institution. Van der Waldt (2002:165) add that the simplest definition of public policy, being what governments do and do not do, should not be seen as oversimplifying the policy process because policy takes many different forms and is multi-dimensional in its manifestation. It is clear that policy provides a comprehensive framework for action and is thus goal oriented since it is a course of action taken by government to achieve societal aims and objectives. As Hanekom (1992:7) in turn defines it, public policy is a formally articulated goal that the legislator intends pursuing, in this regard public policy is referred to as a guideline in the allocation of resources necessary to realize societal goals and objectives.

Finally, it must be pointed out that definitions of public policy vary, but goals of policy are common in all definitions of authors. Mention has to be made that the difference which is there in terms of authors' definitions depends largely in the school of thought in which a scholar comes from. One need to comprehend that public policy could also be defined depending on the context within which it is referred. In this instance the study has

covered policy as a concept since it is imperative to discuss 'public policy' by virtue of the theme regarding the recapitalization policy proposed by the Department of Transportation for the taxi industry which will be thoroughly dealt with at a later stage.

2.2 .1 Public policy as a guiding instrument

In each and every public institution there is not a single service which can be rendered without having decided as to 'which' service is to be rendered and by 'whom' and 'how'. In essence, it will be imperative to identify services to be rendered; the question can also be posed regarding 'who' is to carry out 'what' is contained in the policy document by following 'which' procedures. According to Jones (1984:26) policy is a standing decision, characterized by behavioral consistency and repetitiveness on the part of the policy makers and the people who have to abide by the policy. Executive institutions in the public sector consist of civil servants, who, based on available policy know what is expected of them in performance of designated functions. For instance, public officials in the Department of Transport are to be well versed on transport issues covered by the policy, as this policy stands to guide them in ensuring the effective and efficient public transport service delivery.

2.3 Decision-making and policy-making

Public services cannot be rendered without taking decisions, particularly on the nature and the scope of a service. It is thus imperative to explain thoroughly the relationship that exists between the two concepts 'policy' and 'decision'.

2.3.1 Decision-making explained

Frankel (1963:5) refers to decision-making as constitutes a process ending in an act of will of a person or a group of persons who choose between two or more alternatives. Thus, any decision to be taken is not the only decision available, but rather it would be chosen as it will suit the circumstances and aims of the decision maker. Furthermore, decision-making is the process of identifying a number of possible behavior alternatives to achieve a desired objective and choosing one behavior alternative from among them so as to obtain the best result under the circumstances (Basi, 1968:26). In this instance decision-making could be described as the conscious choice between alternatives, such as, the Transport Ministry taking the decision to address taxi industry's permit problems ought to come up with decision to address rank overcrowding as well. In essence, one decision has an effect on other matters of which another decision could be made.

According to Ferreira and Meiring (1999:23) decision-making is the process of the following:

- Problem definition;
- Development of alternatives;
- Appraisal of alternatives; and
- Selection of a solution

However, the essence of decision-making is that it is only a choice between two or more alternatives. More often, it appears as though decision making and policy making are synonymous. For the small undertaking or business this may be acceptable, but not for

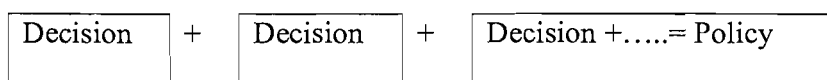
the public sector institutions. There is a definite relationship between the two concepts but they are not synonymous. The difference between a policy and a decision is that policy focuses on what is actually done to deal with a problem or matter of concern, whilst a decision is essentially a choice among competing alternatives relating to what is proposed or intended (Hanekom, 1992:27).

According to Valadez and Bamberger (1994:59) the business of government is to make choices and to strategically manage resources towards achieving the goals those choices imply. Public policy is the product of these choices, setting the parameters within which government departments and others operating within the sphere of particular policies are either intended or made to function. Furthermore, Smit and Cronje (1992:148) define the concept decision making as the identification and selection of a plan of action to solve a specific problem. This implies that envisaged advantages and disadvantages are to be considered of each alternative action.

2.3.2 The relationship between decision making and policy making

An understanding of public policy-making process is impossible without recognition of the multiple purposes and levels of decision-making. Decisions are made in every sphere of government and it is the aggregate of those decisions that constitutes the final decision and thus policy. The relationship can be presented as follows;

Figure 2.1 Relationship between decision-making and policy-making



Apparently decision making is a never-ending process which at times turns to be cyclic in nature. The decisions taken can thus be divided into two categories that is decision on;

a) Factual information

In this instance factual information refers to observable or measurable information, since in the contemporary public sector endeavors are made to ensure that all actions are performed rationally, and that decisions and their resultant policy are based on reasoning and scientific investigation.

b) Value judgments

Hanekom (1992:120) regards value as personifying the relationship between any object – real or imagined – and psychological subject. Values, for public officials are the bases of his/her preferences, and decisions provide the standards by which the public official lives and may even give direction and meaning to everything that the public official believes in and understands. Policy however, must act in the real world and could not function effectively on behalf of values that remain abstract and undefined. No policy can really achieve freedom, justice and peace to cite a few values, except in concrete terms and in relation to specific situations (Bauer, 2000: 27).

The preconceived opinion (perception) of a person of what is good or bad, right or wrong, desired or undesired has a decisive influence on the manner in which a person acts. Each human activity embraces a value decision (Ferreira and Meiring, 2000: 61). It can be deduced that human beings are not only different from one another, and thus

unique, but that each person, and thus each society, will have changing needs and value structures. The values of a community are thus of importance in determining and satisfying such community's needs. It is for this reasons that the values of a community should be taken into account in determining policy for the satisfaction of community needs. The Department of Transport in devising means to deliver effectively and efficiently should then have to consider the values of the taxi, bus, and train passengers as well.

2.4. The nature of public policy

A state is created as a result of the policy-making process which culminates from the constitution of that state. The constitution is the first policy statement of the state and usually the most difficult one on which to reach agreement. The constitution is a policy statement because it declares the action to be taken by specified institutions and office-bearers who follow stated procedures and respect prescribed conduct guidelines and values particularly where the constitution contains a bill of rights for the creation and the maintenance of that state. This, indeed, is the long and the short of policy namely that it is a declaration of intent to do something or to have it done by specified institutions or functionaries as prescribed. No institution which has to play a role in the existence and the survival of a state or any of its constituent parts can perform its functions without successive policy statements to direct all activities (Cloete, 1994:91). Thus, the word *successive* emphasizes that human society is always in the state of flux which means that their needs could not be static.

Gildenhuys (2000:27) stressed that each government institution, on whichever level of government, pursues predetermined goals, objectives and target that are reflected in its annual operational and capital budgets. Cloete (1998:29) is of opinion that goal identification is directly linked to the availability of information pertaining to societal or community needs and the alternative methods of providing for these needs.

Ferreira and Meiring (2001:24) mentioned that the government in policy making endeavor ought to safeguard against the following:

- community negligence,
- dishonesty, and
- ignorance.

There won't be any point to predetermine goals and objectives without the involvement of the public. It is to be taken into cognizance that good governance requires a close and congenial relationship between public servants of every level, politicians and, members of the public. It is to be stressed that government comprises those executive institutions and processes recognized by the citizens of the state as exercising supreme power within the state, as enshrined in section 43 of the constitution of the country (South Africa, *Constitution Act 108 of 1996*). Governance is a fundamental problem for any society, in the sense that the country has people of diverse cultures. This means that their needs and expectations are influenced by their values, diverse as they are. By breaking down public policy into different phases, it is then possible to get a picture of its nature.

The following phases can be identified (Hanekom, 1992:8):

- policy demands- that represent community needs that necessitate action by political institutions;
- policy decisions- the decisions made by the authorities and which result in action;
- policy statements- the publication of intent; making the authorities' intentions public;
- policy outputs-what is actually done;
- policy outcomes- results of the steps taken to satisfy demands.

The above mentioned phases will be well articulated at a later stage in discussing the approaches and models for studying public policy.

2.4.1 Parliamentary directives

Peters and Sovaie (1993:3) emphasized that regardless of the nature of the society there must be some means of responding to the inevitable host of demands for collective and individual human needs. The political system or the state is the mechanism usually selected to provide this collective direction to society. Needless to indicate that the society has placed the Government where it is, through relevant political process, meaning public servants operate based on the power from the people in any democratic state. In essence, from campaigning period political party contestants always preach about promotion of general welfare, so members of the public elect with confidence that policies sold will be implemented as sang by political party leaders. However, one cannot deny the fact that not all policies could meet dynamic needs of the society, given the limited scarce resources. It is to be stressed that resources are to be used meaningfully to

meet real needs and justifiable expectations. As pointed out by Brynard and Erasmus (1995:142) government institutions, should introduce policies to implement and manage strategies to curtail the spiral of unsustainable development.

2.4.2 Public policy as responsive to public needs and interests

To understand public policy within the context of service delivery it will be necessary for needs of the public and their interests to be clarified. The needs and the interests of the community are very divergent, the reasons being that people do not come from same background. With regard to public transportation, transport providers (taxi owners) and public transport users (commuters) could not really share same needs and interests. For that matter public needs and interests will be discussed separately in the following paragraphs.

2.4.2.1 Public needs based on values

The reason for the existence of every public institution is to satisfy community needs (Cloete, 1994:61). In discussing the needs of the public it is of importance to make reference to values since they are viewed by the public as deserving recognition in having their problems addressed. In certain instances the members of the public interpret their needs as problems. The needs of community are always multiple and involve individuals and groups; are linked to the divergent values that are in the community. In this regard values are considered for the purposes of this study as influencing the needs of the public, values are a personal judgment of human actions, events or phenomena. Values such as individual freedom, equality, democracy and humanitarianism should clearly have significance in the policy process and have found their way into the policy process

through the Constitution's Bill of Rights (Van der Waldt, 2002:171). As such values will have a subjective as well as objective facet, in that people turned to develop certain values given the environment within which they live. The result of subjective components is that human beings do not all maintain the same values, and that the very same person is furthermore not constant in forming values (Bauer, 2001:132).

2.4.2.2 The interests of the public

The promotion of general welfare will depend on balancing and harmonizing the needs and interests, the elimination of dominance and the representation of such needs and interests through one channel. To justify an action as being in the public interest, it must serve the ends of the whole public rather than those of some sector of the public. It is imperative to conduct thorough proper investigations before policy-making process begins. This means that, identification of the dysfunctional situation ought to be done with regard to norms and values of the public.

2.5 Approaches, models in analyzing public policy

Anderson (1997:25) observed that political and social scientists have developed many models, theories, approaches, concepts, and schemes for analyzing policy-making and its related component, decision-making. Indeed, political scientists have often displayed more facility and verve for theorizing about public policy-making than for actually studying policy and the policy-making process. In essence, theories are needed to guide the study of public policy in order to suggest possible explanations for policy actions. Thus, there are various theoretical approaches as espoused by Anderson (1997:26) such

as political systems theory, group theory, institutionalism, and rational-choice theory. However, reference will be made to political systems theory in analyzing public policy-making process, with regard to the taxi recapitalization policy by the Department of Transport.

2.5.1 Political systems theory

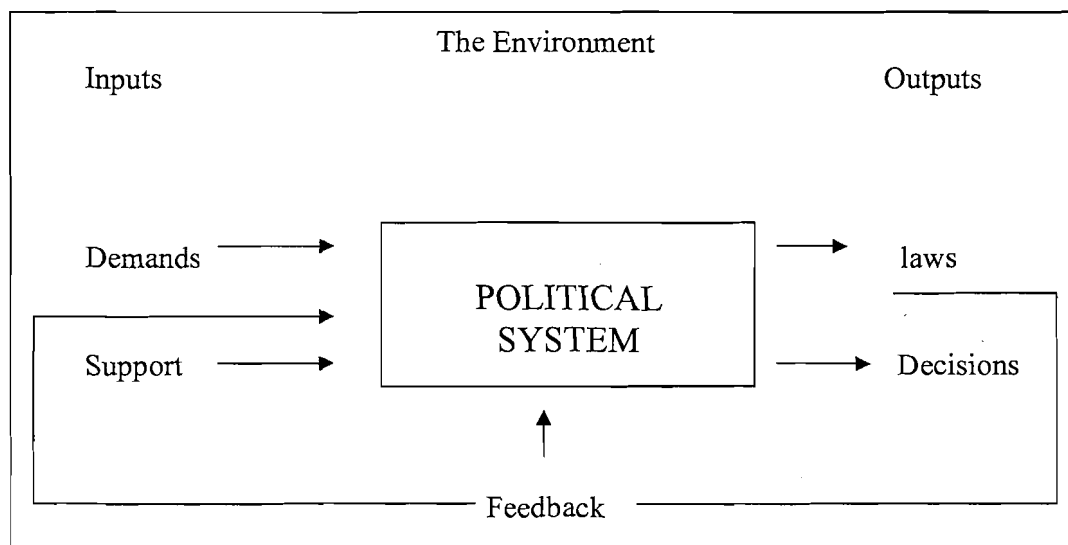
Systems theory argues that public policies result from demands made on the political system by the public. Furthermore Anderson (1997:26) emphasized that public policy may be viewed as a political system's response to demands arising from its environment. According to Ababio (2005:35) political system is defined as the legitimate public institution that has authoritative allocation of value and resources. These political institutions could be government departments at national, provincial or local levels, and of parastatals. It is to be indicated that for the purposes of this study the political system in the policy environment will be regarded as the Department of Transport in referring to a policy dealing with public transportation, and the taxi recapitalisation policy.

The demands made on political system are in the form of inputs, which are demands and support implying the needs and wants of taxi industry's stakeholders. These demands are submitted, as pointed out by Ababio (2005:35) in the form of petitions, demonstrations, strikes and boycotts, of which these were evident in the taxi industry. These inputs having being received by the relevant executive institution (Transport Ministry) in case of public transportation are to be processed through workshops, green papers, debates and bills, these will then result in the output which is the public policy. The taxi recapitalization

policy has been drawn on the bases of demands for better services in terms of infrastructure, permit registrations and operations on routes as raised by taxi industry stakeholders. According to Anderson (1997:27) policy outputs may produce new demands, which lead to further outputs, and so on in a never-ending flow of public policy as depicted in a diagram figure 2.2.

The reactions are then received by the ‘political system’ as feedback due to policy promulgation; the outputs can be either accepted or rejected. Rejection would mean that the public institution concerned should revisit the policy. Thus, the acceptance or support will then be shown through obedience to laws. According to Ababio (2005: 35) the amount of support for a political system indicates the extent to which it is regarded as legitimate, or as authoritative and binding on its citizens. Thus, the above discussion is based on the diagram below;

Figure 2.2: Political systems model



Source: Anderson (1997:27).

2.6. Participants in public policy-making process

Policies are made to address problems facing the public, so the members of the public have a stake in policy-making process. As Goodsell (2004:15) stressed people are reduced to passive agents or even inmates of the system, which denies them the opportunity to give meaningful consent to co-operative action or to participate actively in the public policy-making process in an organisation. In this instance such policies drawn without considering the contribution which could be made by members of the public, often prove to be ineffective. According to systems theory, demands for policy actions stem from problems and conflicts in the environment and are transmitted to the political system by groups, official, and others. At the same time, the environment both limits and directs what policy makers can effectively do (Anderson, 1997:51).

2.6.1 Participative interaction by official policy-makers

The official policy makers in this instance will be referred to as those who have the legal authority allocated to them by the state to engage in the formation of public policy (Cameron and Stone, 1999:24). Thus, these official actors could not shy away from the fact that their actions stemming from their decision could be influenced by constituents. It follows then that various participants are involved in the making and implementation of public policy and that collective action and interaction is required to produce the goods and services to promote the general welfare. The official policy makers' roles will be illustrated in the next sections.

2.6.1.1 Legislatures in policy-making

The legislature serves as the highest institution, in enacting public policy. In terms of section 43 of *The Constitution of the Republic of South Africa Act 108 of 1996* the legislative authority of the national sphere of government is vested in Parliament.

Political office bearers and the members of a legislature on any sphere of government are no longer the only ones who make policy. In any endeavor for instance to resolve public transport problems; the Department of Transport has to release laws drawn by relevant designated committees that are to be binding on to those concerned. Cameron and Stone (1999:10) stress that in terms of the standing rules of Parliament, standing select committees are appointed by the resolution of the National Assembly specific purposes.

According to Hanekom and Thornhill (1983:203) the purposes of standing select committees includes;

- to obtain detailed information on a particular matter, and
- to discuss matters that the House has neither the desire nor time to discuss.

In reference to public transport a number of committees were appointed. The National Taxi Task Team (NTTT) was appointed in 1998 when Mr Mac Maharajas was the minister, the purpose of this structure was to help the Department of Transport to bring the taxi industry to the fore; to formalise and regulate the industry. Committees appointed can help debate proposed legislation and hold government departments and officials accountable for their actions. According to Cloete (1994:114) the legislative institutions can appoint committees consisting of their members and other persons to investigate specific matters for policy-making purposes. Thus, in policy making process the

legislature should draw policies based on proper engagement with other role players. Cloete (1994:113) state that it is the duty of the members of legislature to bring to the notice of the legislatures the dysfunctional situations identified by them in the government and administration of the country as well as in community life.

In the case of the public transportation a 63 member Steering Committee was established for the recapitalization project to give regular briefings to MINCOM (Ministers Committee on Transport) and COLTO (Committee on Land Transport Officials). MINCOM is the structure formed with the objective of promoting integration and coordination between the central and provincial authorities. COLTO is its executive arm and has four coordinating sub-committees dealing with road matters, land transport, road traffic management and traffic control (White Paper on National Transport Policy, 1996). It is from the bases of engagement held that resulted in the introduction of taxi recapitalisation policy.

2.6.1.2 Appointed officials

In the Department of Transport there are keys officials who have been appointed based on merit, so these officials are experts who the institution rely on to contribute in the policy making process. Chief Officials exert a tremendous influence because of their expertise and permanence. It is however also true that at times chief officials in the process of submitting reports, tend to withhold, or even “colour” facts. These can also exert decisive influence on decisions to be taken at the highest level, without considering deliberate errors made. The chief officials in any public institution in all spheres are

regarded as advisors, innovators and conservators (Ferreira and Meiring, 2001:89).

The officials at the lower level are concerned with operational work as well as those in the highest cadres of departmental hierarchy play crucial roles in the policy process. Officials at the lower level are seen as experts in their own fields of activity, thus, they are responsible to the extent in collecting and supplying factual information on which policy decisions are based. Dror (1968: 251) emphasized that the necessity for the contributions of officials is obvious from the fact that weakness of politicians, in not integrating enough knowledge into public policy making for example, could be largely, though not completely compensated by properly qualified senior civil servants if the policy making structure and process patterns were suitable.

In essence, Rose (1974:30) put it clearly that the official is not a one-party functionary, but a government official. This means that officials must supply their services in agreement with the will and the wishes of the party in power. It is clear that the interaction between the public and government is important in the whole policy-making process. In any state if there is no policy, public servants would not know what to do, when and how. These policies drawn serve as guidelines towards the responsibility of the public servants, it will be justifiable to hold them liable to account for lack of service delivery. Botes, *et al* (1992: 286) stressed that each public servant must perform his daily task with the greatest care and responsibility as he or she may be called to account publicly for any careless error, deliberate offences or culpable action.

2.6.1.3 Official policy maker: Courts, Commissions and international organisations

According to *The Constitution of the Republic of South Africa Act 108 of 1996* section 165 subsection 5 indicates clearly that organs of the state, through legislative and other measures, must assist and protect the courts to ensure the independence, impartiality, dignity, accessibility and effectiveness of the courts. In essence, Courts function in a manner that is not interrupted by any institution particularly in the policy-making process. The court serves as also the mediator between conflicting parties be it the Department of Transport and the taxi industry.

On the other hand there are also commissions of inquiry appointed, as NTTT has been referred to as an example of such bodies that conduct investigations, not necessarily placating those concerned. Commissions of enquiry are often used to obtain information on various matters, as well as to make assessments thereof (Cloete, 1994:119). One will realise that there were number of commissions appointed to deal with the taxi industry's question development as these will be discussed in chapter three of this study.

Furthermore, there are neighboring and international organisations which also have a stake in policy making, Cloete (1994:120) points out that the United Nations (UN) and its specialized agencies cannot prescribe rules to be observed by the sovereign states, but the state will in their policy-making give some weight to the resolutions and recommendations of these international institutions.

2.6.2 Unofficial role players in policy-making process

The official policy-makers are joined by many other participants in the policy-making

process, including interest groups, political parties, research organizations, communications media, and individual citizens. However important or dominant these participants may be in various situations, they themselves do not usually have legal authority to make binding policy decisions. They provide information, they exert pressure, they seek to persuade, but they do not decide (Anderson, 1997:70). However, there are many participants of who are regarded as unofficial, but then their influences could not be underestimated in the policy-making process. Thus, for the purposes of this study reference is only made to interests or pressure groups and citizen participation, as explained in the following paragraphs.

2.6.2.1. The role of interest/pressure groups/associations

According to Cloete (1994:111) individuals are so powerless and insignificant when they act singularly, people started years ago to create voluntary associations to enable them to act collectively. One will notice that in this study 'interest' and 'pressure' as concepts will be used interchangeably. Cloete (1994:111) further stressed that it is not always possible to distinguish between interest groups and pressure groups, but the theory is usually advanced that an interest group becomes a pressure group when it starts to play a political role. In the case of public transportation in South Africa there are various groups to be engaged in discussions, the South African National Taxi Council (SANTACO), with more than 80 000 taxi owners and 120 000 drivers, is for example the national representative of the taxi industry in South Africa and a key player in the taxi recapitalisation programme (Pela, 2000:2). The influence of these groups could not be taken lightly in efforts to promote the public transport services.

When SANTACO was established it has never played a political role; rather, it served as an association dealing with problems within taxi industry. Nevertheless, the organization is now deeply involved also in external matters dealing with public transportation policies. Moufhe (2003:1) as a president of SANTCO stated that “we have utilized every possible avenue over a two-year period to resolve issues without causing embarrassment to anyone. We have pleaded and begged verbally and in writing. Officials however continue to treat us simply as beneficiary of favors, if it suits them, and not as a partner, we have been left with no alternative but to take action”. This was the statement reiterated in the letter to President Mbeki’s office following the mass action as a result of the introduction of taxi recapitalization policy. It could thus be deduced that SANTACO and affiliated associations are to be engaged in policy making process concerning the taxi industry. As Cloete (1994:1134) points, out interest groups should always be consulted through formal and informal channels of communication between the population and the public institutions.

2.6.2.2 Citizen participation

The government-of -the-day has been elected to power by the members of the public in any democratic state. Citizens can participate in various ways in any endeavour on policy-making process; they can cast their votes and voice their grievances in certain instances. In this study citizen participation could be referred to as those members of population affected by dysfunctional situation. Bekker (1995:49) emphasised relationship is supposed to be uniquely close and interdependent. This is in fact the first time in the history of South Africa that citizens will be able, through the mechanisms of citizen

participation to make government more democratic.

The introduction of public participating techniques into planning process implies a movement along the democratic continuum from representative to participatory democracy (Hampson, *in* Sewell and Coppock, 1997:28). In reference to community participation Reddy (1996:04) is of the opinion that the dignity of man is best manifested when he determines and controls his affairs. Responsibility of governing one's own conduct develops integrity. Public participation in policy-making process is of pivotal importance in any democratic state. In this case values and norms will be taken into cognizance since they will be raised by the very same members of the public in which policy is drawn for. Objectives and goals could not be attained if the public do not show any interests in functions of public servants.

Botes, *et al* (1996: 75) indicated that the study of public policy should be directed at obtaining the assurance that the day-to-day-government follows suitable or meaningful policy initiatives in order to realize desired objectives. Public policy thus, could not be drawn without taking into consideration demands raised by the members of the public. As pointed out by Gildenhuis and Knipe (2000:28), the prevailing political ideas and thoughts of a community as articulated by its elected representatives, should be an indication of the philosophical premises of government organization within the framework of different political ideologies. With the development of political ideas and thoughts on the purposes and functions of government, the goals and objectives of government have changed drastically with the passing of time. This changes the

concomitant increase in government goals and objectives which has resulted in a simultaneous dramatic increase in the functions and activities of the public sector, with a relative increase in a variety of public services.

Public policy-making process could not thus be embarked upon without the involvement of the community, for example, the recapitalization policy for the taxi industry could not realize its objectives if taxi stakeholders and commuters were not involved in the whole process. Citizen participation is of crucial importance in a democratic state such as South Africa, it strikes directly at the core of structuring the relationships between citizens and their government.

2.7. Public policy-making process

Public policy making process entails classified three consecutive steps namely policy initiation, formulation of policy and policy adoption which are to be explained.

2.7.1. Public policy initiation

Policy initiation refers to a three fold activity; firstly, policy initiation refers to the policy makers becoming aware of a '*new field of action*' and the need to undertake a search for development possibilities to promote good life among the citizens. In essence, the Government deemed it appropriate to rid the taxi industry of old 'unsafe' minibus taxis replacing them with 'safe' 18- and 35-seater taxis (BuaNews, 2003:01), hence the policy had to be initiated to this effect. Secondly, policy initiation refers to *awareness* of an existing problem among the public and the need to undertake a search for a possible

solution. Public transportation in the eyes of government does not exclude the taxi industry, so problems encountered by commuters are to be notified. Thirdly, policy initiation could refer to awareness of a potential problem. Policy-making is undertaken in reaction to a specific deficiency or a problem in the public sector environment (Ferreira and Meiring, 2000: 27). However, policy could not just be drawn as a remedying document which is impractical and unrealistic; it has to be pro-active, that is, it has to address identified deficiencies in the policy environment.

The goal of policy is to prevent potential shortcomings or problems in the environment and which will correspond with the will and the wishes of the majority of the public (Cameron and Stone, 1999:27). Policy-making process is aimed at developing the environment and development means change in this regard. Thus, the taxi recapitalization policy as a point of departure means there will be lot of changes experienced in the taxi industry which is the research objective of this study. The taxi industry's fleet in South Africa faces the replacement of existing 'scrap' taxis due to recapitalization policy.

The search for a solution is however only the starting point in the design of a quantitative policy on which rational defensible work programs can be based (Coetzee, 1988:27). To obtain such a result it is necessary to undertake extensive investigation into ways and means by which a problem can be addressed. The investigation encompasses steps to be discussed in the as follow sections.

2.7.1.1 Policy problems

Public policies are enacted as remedy in a case whereby there is certain dysfunctional

situation in an environment. In this study however, it is acknowledged that not every policy is made for problems, some are introduced based on changing environment of public sector which warrants amendments or modification of policies. Factors such as circumstances, needs and expectations of the public, political landscape as well as research and investigations as Cloete (1994:97) emphasized, must always be watched and brought into account for the purposes of making new policies or adapting existing policies. In dealing with policy problems Anderson (1997:93) stressed that it is important to know both why some problems are acted on and others are neglected and why a problem is defined in one way rather than another.

Anderson (1997:94) sees a policy problem as a condition or a situation that produces needs or dissatisfaction among people and for which relief or redress through governmental action is sought. In this instance, taxi problems such as ranks overcrowding, taxi violence, permits registrations, overloading and lack of finances have become policy problems that have necessitated the Department of Transport to put these on the policy agenda. In addition Anderson (1997:94) pointed out that a problem is a problem only if something can be done about it. If such taxi problems are not attended to, the problems will definitely affect the country's economy.

2.7.1.2 Policy agenda

Once the government of the day has realized that there is a problem identified it will be necessary to act upon it with the objective of improving the general welfare of the public. Thus, the authorities concerned in dealing with the identified problem are to engage on

efforts to place issues on the agenda since the problem had warranted attention.

According to Anderson (1997:99) to achieve agenda status, a public problem must be converted into an issue, or a matter requiring governmental attention.

The agenda setting could be made based on two kinds of agendas. As referred to by Van Der Waldt, *et al.* (2001:182) these are popular/systemic agenda and institutional agenda, these are explained as follows:

➤ **Systemic agenda**

In this instance the popular agenda consists of problems or issues that the general public is interested in and falls within the jurisdiction of existing governmental authority. Definitely, the members of the public are the commuters using the public transport; it will be imperative to make them see some improvements in transport facilities.

➤ **Institutional agendas**

Institutional agenda are those issues that require the active and serious consideration of authoritative decision-makers, and thus constitute the policy process (Van Der Waldt, 2001:182). Thus, with regard to public transportation for example, the Department of Transport could not afford to turn a blind eye on the taxi industry's crisis, that is to say, accidents, taxi conflicts and violence, overloading, and ranks overcrowding. Hence, the taxi recapitalization policy has been proposed for an example, to address these issues.

In essence, if public transport problems are to be addressed in South Africa, relevant stakeholders ought to be part of the whole process; in this regard these stakeholders will provide a platform on how such existing problem can be raised in formulation of the policy. It has to be borne in mind that the action of public administration implies the objectives of the government-of-the-day. To achieve the objectives of government institutions elected office bearers and appointed officials must carry out their tasks with a certain principle in mind (Du Toit and van der Waldt, 1997:87). These public officials specifically in the Department of Transport had to determine the cause of the problem, which could be ascertained from symptoms basis, these could lead to the establishment of recommendations and possible prediction for the elimination of such problem. In addition, attention should also be given to the obstacles in the process of finding a suitable solution.

Information is needed regarding the results that are desired, obstacles that are being experienced in policy making process, and the limitations of solutions. Cox, *et al* (1994:27) emphasize that the diagnosis and description of a problem is a cyclic process which requires continuous analysis and evaluation if the policy maker wish as to take realistic decisions to meet the demands of the changing environment. The description of a problem leads to the observable presentation (description) which could be seen as an image of the real situation. How effectively the written description or presentation corresponds with a real problem will depend on the ability of the participants in the process as well as the quality of information that is available.

The process of obtaining and processing information is for this reason linked to the human factor and is influenced by the value and perception of the participants in most cases. The recapitalization policy for the taxi industry is based on solutions aimed at either addressing or harnessing the dilemma in the public transportation sector in South Africa. Thus stimulus could then lead to devising of suitable solutions if problems are well described. It could be deduced that when describing the problem it should be taken into account that the policy cannot always be reactive but rather pro-active (Thompson, 1995:23). The government-of-the-day with its policy makers should however ensure that a proposed policy is associated and reconcilable with the needs and the expectation of the public.

2.7.2 Public Policy formulation

It has been indicated that a process refers to certain consecutive related steps taken to arrive at the introduction of what is intended. In fact Aaron (1994:17) refers to a process as a course of action which consists of various consecutive related steps (series of events) which form a recognizable pattern repeating itself. Thus, these steps will then follow when policy is to be drawn. In order to render services and provide goods which will promote the general welfare, in this regard the welfare of taxi industry's stakeholders on public transportation base among others; taxi owners, drivers and commuters on the one hand and road users on the other. In this instance clarity on these concepts brings to the fore why the taxi problem became a policy issue and had to be placed on the policy agenda, hence the introduction of recapitalization policy for the taxi industry.

In the public sector policy formulation is thus the written description of a specific problem or need and the solution thereto. By drawing such policy proposal and recommendations the policy makers are able to exercise a final choice between the available alternatives to solve a problem. In formulating public policy it should be borne in mind that policy is usually a product of the contributions of a number of institutions, political office bearers, officials and interest groups who became engaged in deliberations, negotiations, bargaining and compromises (Cloete, 1994:94). When public policy is formulated it is to be introduced based on extra caution taken on existing dilemma regarding agreements to be reached. Thus policy formulation could be classified into various consecutive steps discussed in the following sections.

2.7.3 Liaison with interested parties

Public policy-making process is analysed in this study since the taxi recapitalization policy introduced required a certain route to be followed, which means, the process is to be under scrutiny. Public transport plays a crucial role in the economic development of many countries, South Africa is not an exception In this regard reference is made to buses, taxis and train as well as flight industries. In a case whereby the public policy is drawn for the taxi industry's development interested parties are to be consulted. The respective roles of such participants will be described in the following paragraphs;

➤ *Associations*

Mayer (1987:65) identified amongst the sources of power the associational power which is derived from an association with power to lobby in political circle. In the

taxi industry there are organizations which facilitate amicable cooperation among stakeholders. Such groups have power vested on them by their constituencies. In the case of the taxi industry, one must remember that on one hand there are drivers who are also constituents in associations of their choice and also serve as representatives in any endeavor. On the other hand there are owners who also have interests which could be voiced vigorously. It is important that the Department of Transport had to consider these groups when any objective is set for the purposes of developing the taxi industry.

➤ *Commuters*

Public participation in any policy-making process is significant by virtue of the fact that the taxi industry is where it is due to the understanding it has with its clients, the commuters. In a case whereby policy is drawn which will affect the taxi industry it will definitely mean that the users of this mode of transportation will be affected as well. The views of commuters could not be wished away, their influence is very strong and effective, as they might claim not just to commute but also members of the public (road users) who have elected the government-of-the-day with certain needs in mind.

➤ *Road users*

In most cases public transportation is not discussed in the consideration of other road users, for instance, private vehicles owners who are also members of the public. One must remember that every time when there are hard times in the taxi industry, innocent road users (motorist, motor-bikers and pedestrians) got caught up in cross fire. It is important then that when policies for any mode of transport are being

(declared) made the needs and expectations of these people are to be taken into considerations.

The inputs from these role player should be used optimally in such a way that resolutions will be flowing from different sides. Power to draw policies must not be exercised unilaterally with the intention to impose it heavily upon the public. The approach of defining power as the capacity to bring about desired outcomes or to change the position or stance of another party ought to be avoided. Anstey (1999:87) stresses that a joint problem solving approach can be used through the shared belief that collaborative efforts will be more beneficial than competitive ones. Liwicki and Litterer (1985: 241) conclude that power may oblige people to undertake actions that they would ordinarily not want to, defining power as ability to get another party to do something they would not ordinarily do by controlling the options they perceive to be open to them.

Liaising with interest or pressure parties in the taxi industry will surely make it possible to determine the public (commuters) perceptions, which sometimes conflict in specific matter and to find suitable solutions. People are from different backgrounds, then it is not possible for them to share common values, the divergent perceptions are usually based on the different values people hold. Edward and Sharkansky (1978:100) write that whether or not a consensus develops over the nature of a given problem or the extent of its symptoms, persons who desire government action on a certain issue must have it put on agenda. In contemporary public administration it is required that all public activities be performed with rationality. Public policy-making has to be found on reason and that all

decisions resulting from policy be defensible. The proposed action resulting from the policy should as far as possible correspond with the will and the wishes of the majority of the citizens in the state.

2.7.4 Setting of policy objectives

Brynard, *et al* (1996:75) observe that there is a general conception that a study of public policy should be directed at obtaining the assurance that the government-of-the-day follows suitable or meaningful policy initiatives in order to realise desired objectives. When any policy is formulated in the public sector it is imperative to draw objectives which the policies are to attain. The recapitalisation policy is to achieve certain objectives (as seen in chapter four of this study) so that public servants in the charged with responsibility to implement the policy would know to which goals they are working toward. Further on the question of finances it will be a waste of government resources if functions are performed without unclear objectives. This points that if goals are to be made clear, not just for the purposes of performance of functions by public servants, but also to the benefit of whoever is to receive such service to be yielded by such a policy. The traditional approach which is followed by most government is to create state departments for rendering those goods and services to promoting the general welfare of the public. Thus, organizing will be hampered in a case whereby objectives are not properly put in any organization.

2.7.5 Determining priorities

The determining of priorities or setting of preferences is a given factor and part of the

decision making process in the art of policy making. No government is able or has resources to satisfy all needs and expectations of its citizens. Prioritisation is therefore a prerequisite for success of government, for purposes of effectiveness and efficiency. In the public sector decisions taken are based on information and recommendations received from the participants in the policy process especially the chief officials, individuals and interest groups (Ferreira and Meiring, 1999:27). Public service should be composed in such a way that it is capable of and committed to the implementation of the policies of the government and delivery of basic goods and services to the community. In particular, priorities must be given to developing mechanisms for implementing policies and recommendations (Cameron and Stone, 1999:23).

It could thus happen that some of the objectives could be in conflict or be counter-productive. Needs are usually not equal and often difficult to compare or weigh against each other. It becomes paramount that objectives be defined within the context of prioritization. Dye (1995:74) points out that the network of objectives are to be found in any executive institution and should also be ranked in a priority list, whereby it becomes clear which objectives are more important than others. The setting and ranking of objectives and priorities is based on two questions, namely what should be done, and what can be done, to solve or prevent a problem. Public transportation in South Africa has not been on the policy agenda until recent transformation processes aimed at improved public service delivery warranted priorities to be set in a number of government agencies. In essence, objectives had to be set on various modes of transportation. The taxi industry could thus not survive changing environment of the

public sector given lack of prioritizing to the benefit of the taxi industry by relevant authority, the Department of Transport in particular.

2.7.6 Considering alternatives

The identification of alternatives through a rigorous process of analysis and measurement of possible cost makes it possible to formulate precise objectives, rather than objectives being a source of alternatives (Quade, 1989:91). Demands from members of the public, politicians and chief officials will for example influence decision making. To guarantee that executive institution's actions meet the expectations of the inhabitants it is necessary that all available alternatives be considered during the formulation of policy. There is usually more than one solution to a problem. To determine which alternative is the "best", all the advantages and disadvantages of each solution (alternatives) should be considered.

Considering alternatives requires the following;

- Making of inventory of alternatives, in this case it will be impossible for any institution to face limited alternatives;
- Determining all available consequences, not just picking up any alternative without putting a focus or predict on outcomes; and
- Draw a comparative evaluation of each consequence, Frohock (1979:184) emphasize that to evaluate anything, value must be assigned to it based on adapted criteria. When value is assigned to issues, assignments are conditioned by the nature of things themselves.

It can be deduced that having followed this approach it is only then can an order of priority be determined. Although various reasons may influence the process of considering of alternatives, the most important determinants are cost, needs, existing infrastructure and historical background of the policy and the expert advice of the officials.

2.8 Adoption of the policy

What is typically involved at the policy-adoption stage is not selection from among a number of full-blown policy alternatives but rather action on preferred policy alternatives for which the proponents of action think they can win approval, even though it does not provide all they might like. As the formulation process moves toward the decision stage, some provisions will be rejected , others accepted, and still others modified; differences will be narrowed; bargains will be struck; until ultimately, in some instances, the final policy decision will be only a formality (Anderson, 1997:134).

It could thus be deduced that public policy though, passes through stages, it had to be adopted by authorities concerned, before implementation begins. The adoption phase will imply that, for instance, the taxi recapitalization policy as proposed by Department of Transport could not take off the ground in a situation where taxi stakeholders and relevant authorities are not in amicable consensus. Thus, the process of adoption will be hampered due to dissatisfaction on the part of the public who will express their rejection in many ways. When the adoption phase of the policy process has been completed and, for instance, a bill has been enacted into law by a legislature, we can begin to refer to

something called public policy (Anderson, 1997:214).

2.9 Policy implementation

Policy is always linked to the realities of a specific ever-changing environment. This environment will not only influence policy making and implementation, but also the nature and scope of services rendered. The aim of policy implementation is to change the statements of intent, set out in a policy, into practical operational steps.

2.9.1 Policy implementation explained

Implementation can be seen as a policy-action continuum which takes place at a specific moment in time and which results in interaction and consultation between the three main groups of participants namely; the politicians, officials and inhabitants. It is often seen as a struggle between those who wish to see the intention of the policy being executed, those who execute the policy and those who receive the services. The Minister of Transport for example will want to see the recapitalization policy implemented on behalf of the taxi industry, officials to give proper interpretation of the policy and thus, the commuters expecting public transport service of quality. According to Ripley and Franklin (1982: 4) implementation is what happens after laws are passed, authorizing a program, a policy, a benefit, or some kind of tangible output. In this instance this is the stage where executive functions are to be performed, for example the Transport department will designate officials to ensure that recapitalization policy start addressing the taxi industry's problems once implementation process is embarked upon.

2.10 Policy evaluation

Thornhill and Hanekom (1995:57) emphasised that policy analysis and evaluation is an attempt to measure the cost and benefits of policy alternatives and to evaluate the efficacy of existing policies. Furthermore, Hanekom (1992:65) states that policy analysis is an attempt to provide policy makers with policy relevant information to determine how to act regarding a particular matter, with a view to improving the policy and ultimately the well-being of society. To evaluate thus means to determine the value of something. A specific yardstick or measure is, however, needed in order to evaluate. Looking at the recapitalization policy for the taxi industry, it is to be indicated that human beings are inclined to cling to well known and established ways of doing things. Change will always create a degree of uncertainty and fear because it threatens the security of humans and because it disturbs an environment to which humans have become accustomed (Bauer, 2000:72). On these bases it is imperative to evaluate a public policy. As Cloete (1994:109) point out if a dysfunctional situation developed because the inputs to implement existing policies were inadequate, the findings by analysts can merely reveal shortcomings.

According to Dunn (1981:1) the main feature of evaluation is that it results in claims that are evaluative in character. The evaluation of the policy takes place to ensure the objectives set in the policy are met during the course of policy implementation. Van der Waldt (2002:190) emphasized that after public policy has been implemented, it is necessary to determine whether the policy has indeed had the effects intended by the policy maker and also whether it has had any unintended consequences, either positive or

negative. In addition, Anderson (1997: 244) says evaluation attempts to determine the cause and effects relationships in the policy process, and measure the results of a specific policy.

Cloete (1998:212) provides further reasons for policy evaluation as follows;

- to learn lessons from the policy/project/programme for future review, design or implementation strategies,
- to provide political and financial accountability, and
- to advocate policy causes more effectively.

It could thus be deduced that to evaluate policy will require thorough research and scientific investigation to be conducted. The investigation will then be on specific policy phenomenon as objectives, costs, limitations, effects, time factor and future expectations.

2.11 Summary and conclusion

A policy can be seen as a course of action designed to attain specific objective Policy will thus always involve both decision and action. Action on behalf of the set objectives can result from policy only if the decisions themselves indicate clearly where the policy maker wants to go and what they want to achieve. As a result the formulated policy is the result of three consecutive steps which must be carried out, before a policy can be made or put it into practical operational steps. In this work it has been explained that such policy needs to be initiated and formulated.

It should be borne in mind that officials on various levels in the hierarchy of the executive institutions participate in policy making process, and the participation by members of the public could not be ignored. Decisions are taken to determine policy. To a large extent policy could be considered as a precondition for the other administrative processes. It has to be indicated that the making of policy by the politicians for achievement of goals is therefore a prerequisite for all public actions. In addition, the participation of various groups relevant within the context of a policy drawn could not be undermined. In this chapter reference was also made of steps to be followed in formulating the policy, one will realize that each activity undertaken in the public sector has certain implications hence the importance of public action was emphasized.

It may be pointed out that the chapter covers the policy on public transportation that is the reason reference is made of public transportation in South Africa to trace as to what extent these objectives drawn in line with the status quo on transportation within the country. Needless to indicate that the main theme is around the introduction of recapitalization policy for the taxi industry, hence reference is made to this mode of transportation. The taxi industry issues could not be discussed shying away from other modes of transportation, buses and trains for that matter.

CHAPTER THREE

HISTORICAL DEVELOPMENT OF THE TAXI INDUSTRY IN SOUTH AFRICA

3.1 Introduction

Minibus taxis, despised by some and loved by others, have hundreds and thousands of South Africans depending on them daily. The taxi industry is characterized by imaginative hand gestures which could be seen on the streets of Soweto, Soshanguve and Vaal Triangle in Gauteng, and the 'kaap-toe -nou' (put me half-way) cries in the Cape Flats, Langa and Crossroads in Western Cape. The accommodating slow downs in the dusty villages of Umtata and Qumbu in Eastern Cape as well as on streets of uLundi via Petermaritzburg to Durban in KwaZulu Natal could be felt. Hire cars at Leboagomo and Messina taxi ranks in Limpopo also carry people to different destinations. Hand gesturers could also be seen around Rustenburg via Klerksdorp and Potchestroom in North-West, and in Mpumalanga areas like Malelane and Nelspruit one could hear shouts 'taxi, taxi...' not forgetting Bloemfontein areas via Welkom around Mothusi road in Free State. Minibus taxis everywhere! When one travels outside South Africa there are also taxis which are called by various names, but then operating for similar objective which is to meet public transportation needs.

The main objective of this chapter is to give account of the historical development of the taxi industry in South Africa. Therefore, it won't suffice whereby the historical background of the taxi industry is not illustrated. In brief, the emergence of the taxi industry in South Africa will be thoroughly discussed, relating to the taxi industry's

developmental stages. This chapter will indicate the origin of the taxi industry with the view to trace reasons and factors that led to its establishment. It will be imperative to give the account of taxis prior 1994, the period before democratic dispensation and also during post 1994 to look at the reasons justifying the necessity for transition. It will be of significance to indicate to what extent the Department of Transport plays a role as an executive institution charged with implementation of appropriate public transport policies. Furthermore, the formalization processes embarked upon for the benefit of the taxi industry will be briefly discussed. Finally, the introduction of taxi recapitalization policy will be summarized as one of the instrumental policies to be implemented for the purposes of 'improved' public transport services in South Africa.

3.2 Historical background of the taxi industry in South Africa

The Kombi taxi in South Africa has a history that is closely linked to the history of apartheid. A feature of apartheid as an institutionalized racism introduced in early 1960s, was that other races except whites had very limited legal access to business opportunities (Slob, 1990:2). In the taxi industry for an example, it was difficult and almost impossible for a black person to acquire a permit to operate. Thirty to forty years ago few people had even heard the term 'Kombi Taxi'. But by 1989 the kombi taxis' share of the African commuter market in South Africa had rocketed from virtually zero to the single largest, overtaking both train and bus industries in the process (McCaul, 1990:v). During apartheid era buses and trains were well accommodated with transport policy, with regard to regulations and accessibility to capital resources. Whilst the buses and trains were enjoying the long honeymoon with Government the taxis strangely emerged.

3.2.1 Meaning of 'Kombitaxi'

It is imperative to clarify exactly what is the meaning is of the word 'kombitaxi' as is called in South Africa, since not all countries operate this mode of transportation.

Minibus, kombitaxi and cap are therefore names to be used interchangeably throughout this study. It simply; refers to a small bus, typically used for short to long distances with fixed amount. According to Silva (1996: 711) this mode of transport is often identified with words, such as black taxi, kombi taxi, minibus taxi, to distinguish this type of vehicle from a metered taxi. The kombitaxi is a light vehicle, usually a sixteen-seater minibus, which transports passengers on a fixed route for a fixed fare (as does a bus), but does not operate on a time table. Such taxis operate on both urban and long-distance routes as well.

This kind of service was most probably introduced in the 1950s; until the late 1970s the vehicles used were normally larger motorcars, and relatively few were in service at the time. The sector of taxis has owners of such 'private cars' who are also the employers, with hired drivers, although some of the owners preferred to drive their own vehicles.

There are commuters (passengers), who are clients in the taxi industry. In essence, one could not deny the significant role which the taxi industry's stakeholders play in South African public transportation service

3.2.2 Reference of taxis worldwide

Taxis operate all over the world; they are called by different names, and also operate uniquely from country to country; it is the Kenya matatus; jeepneys in the Philippines

and Istanbul; minibuses in Hong Kong, Cairo and Kuala Lumpur; bakassi (converted trucks) in Khartoum; or publicos in Puerto Rico. They are not metered taxis responding to special calls for casual trips, but ply established commuter corridors charging fixed fares set by local taxi association for the particular route (Markman, 1984:37). In South Africa, taxis currently in use are manufactured by a number of companies. There were 23 minibus modes on the South African market during the 80s, made by six different motor vehicle manufactures. Toyota South Africa believes that 50% of African kombitaxis operators use its Hi-Ace minibuses (there are six different models) and Nissan South Africa believes that about 40% use its E20 minibuses (four models). While they hold some 90% of taxi market between them Nissan and Toyota accounted for just over 50% of all minibuses sold between 1980 and 1988 (Barolsky, 1989:28).

3.2.3 The emergence of the taxi business

Since 1986 the use of kombitaxis by African commuters has become an increasingly conspicuous feature of South African passenger transport. According to McCaul (1990:13) the shift from the large American saloon cars (such as Valiants or Chevrolets), which numbered only a few hundred, to the kombitaxi in the late 1970s, had dramatic effects on African commuting. Thus, South Africa contributed its own offering, the 'kombi', to the international shared taxi scene. By 1989 there were some 2 250 000 African commuters and the taxis' share of this market had rocketed from virtually zero to the single largest-having overtaken both bus and trains (McCaul, 1990:13). According to National Black Panel paper presented by Department of Transport (1990) Kombitaxis during 1980s carried 675 000 African commuters to work every day. It may be added that

the taxi industry has never been established on formal policy arrangements by authorities at the time, hence it was identified as an informal business sector.

3.2.3.1 The impact of political struggle on transportation: strikes and boycotts

South Africa could be seen as normal and rosy from a distance though its history may be unique as compared with other African states which were under colonial rule. The political landscape in South Africa compelled most people to flee the country from early 1950, due to political struggle, others in business as owners could not make reasonable profit, given the circumstances. In fact there were various reasons that pushed people out of this country, and also that gave birth to 'unregulated industries', the taxi industry being one of these industries.

3.2.3.2 The meaning of apartheid

The term *apartheid* (from the Afrikaans word for "apartness") was coined in the 1930s and used as a political slogan of the National Party in the early 1940s, but the policy itself extends back to the beginning of white settlement in South Africa in 1652. After the primarily Afrikaner Nationalists came to power in 1948 strategists in the National Party invented apartheid as a means to cement their control over the economic and social system, the social custom of apartheid was systematized under law (Slob, 1990:2). The implementation of the policy, later referred to as "separate development" was made possible by the *Population Registration Act 23 of 1950*, which put all South Africans into three racial categories; Bantu (black African), White, and coloured (of mixed race) and fourth category, Asian (Indians and Pakistanis), was added later.

The system of apartheid was enforced by a series of laws passed in the 1950s: such as the *Group Areas Act 17 of 1950* assigned races to different residential and business sections in urban areas, and the *Land Acts of 1954 and 1955* restricted nonwhite residence to specific areas. These laws, alarming as they were, could not be ignored since they impacted on the people who were behind the economic growth of the country. As Ackerman and Duvall (2001:5) pointed out, the apartheid system's weakness was that the prosperity of white South Africans depended upon the labor of black Africans. As indicated earlier, the system could not hold for any longer, but rather revolutionaries spring-up. Strikes became the order of the day to such that even public sector employees joined the ranks, in this case municipal bus drivers had to contribute, this resulted in municipal bus boycott.

3.2.3.3 Impact of apartheid legislation on public transport

The early 1950s were the periods marked by political struggle in the history of South Africa. The public transport sector in that era of revolution could not enjoy comfort. Prior to 1940 taxis were not known, the taxi industry started immediately after the massive general strike of 1955 as most people would believe, given the increased demands for public transportation (Khoza, 2003:2). The recruited Africans were separated according to tribe and race as various acts stipulated. This separation caused migrant workers to live far from the whites 'suburbs', in jail-like barracks and locations. *Group Areas Act 41 of 1950* forced physical separation between races creating different residential areas for different races and led to forced removals of people living in "wrong" areas, for example Coloureds living in District Six in Cape Town which was not designated for them (Khoza, 2003:2).

It could be deduced that the system of separate development created a problem that transport service was to be provided, given the obvious demand for public transport. The separation meant that these groups were to make use of transportation to and from work daily, which was distant from where they lived, in buses and trains as the preferred modes for transportation. It was by virtue of the fact that the prosperity of white supremacy in South Africa depended upon the labor of black Africans and, to a lesser extent, Indians, other Asians and Coloreds.

According to Davenport and Saunders (1999:07) the system also depended upon the migrant's cooperation with the system in a South Africa whose population in 1951 included:

- 8, 560, 003 African (Blacks)
- 1, 103, 016 Colored
- 366,664 Asian and Indian
- 2, 641, 689 White.

Various segregation laws were passed before the Nationalist Party took complete power in 1948. Probably the most significant were: *The Natives Land Act, 27 of 1913* and *The Natives (Urban Areas) Act 16 of 1923* the former made it illegal for blacks to purchase or lease land from whites except in reserves, this restricted black occupancy to less than eight per cent of South Africa's land, where there won't be meaningful economic influencers. The latter act laid the foundations for residential segregation in urban areas.

3.2.3.4 Separate development in South Africa

The entire system of white-ruled South African government enforced apartheid laws rigorously. Apartheid also meant segregation in all public facilities –schools, churches, public transport and movie theaters. It meant that certain occupations could be reserved for whites only; there was no guarantee of a minimum wage for Africans, this was a major cause for concern. The list of apartheid regulations went on, which warranted some reaction. During the second half of the 19th century, large deposits of diamonds and of gold spurred European immigration.

Industrialization resulted in many blacks moving to the mining regions for work, public transportation arrangements in this instances became imperative since immigrants had no private means of transportation. Mine owners also built hostels to accommodate these workers and established patterns of control that became part of the British Empire with a constitution guaranteeing white political control. These laws further restricted the already limited right of black Africans to own land, entrenching the white minority's control of over 80 percent of South African land. In addition, other laws such as the Mines and Workers Act of 1926 prohibited most social contacts between the races; enforced the segregation of public facilities and the separation of educational standards; created race-specific job categories; restricted the powers of nonwhite unions; and curbed nonwhite participation in government (Robinson, 1998:1).

3.2.3.5 Bus drivers' strikes of 1955

The American saloon cars (Valiants and Chevrolets) referred to earlier were in the 1950s

as taxis due to their large size. The Municipal bus boycotts resulted in the situation whereby a number of drivers lost their jobs, due to never-ending strikes to pull apartheid regime down. However, some of these drivers voluntarily left the service for fear of being labeled traitors if they kept on driving municipal buses. Most of these drivers had Chevrolets and Valiants, knew the routes very well and they started venturing in the public transport business as demands for transportation increased (More, 2006).

It is in the light of this historic development that the minibus taxi industry slowly emerged. The apartheid system was structured in such a manner that non-whites in the country could feel the white supremacy. Ironically, the same system couldn't be built and operate on its own without involving the oppressed. There were workers who were behind the economic growth in various employment sectors. In this instance mention is made of bus drivers for municipalities of apartheid regime, who felt that enough were enough.

By 1955, the leaders of the bus strike were either arrested and faced a long treason trial, or went into exile due to civil disobedience and strikes. It was during this period that it was realized there was a need for buses to be boycotted. Bus drivers lost their jobs.

Having got used to earning regular income it became imperative for them to open up businesses. However, others went to the direction of seeking employment elsewhere while others decided to stick in transportation, resulting in the birth of the taxi industry.

As McCaul (1990: 23) points out, the Department of Transport identified a sharp drop in the bus transport index from 1984, following the steady rise up to 1982, could to a large extent be ascribed to a switch to taxi transport, along with economic slump. Political disturbances also contributed to the change in modes.

Bus drivers who decided to stick to transportation bought number of Valliants and Chevrolets (Sedan cars) since these were large vehicles which could carry more than five passengers, though they risked to be jailed for unauthorized operations, as claimed by one of the retired taxi drivers (Modise, 2006). Nevertheless, the stranded commuters could not afford private vehicles so they had to rely on means of public transportation provided to them at the time. Logic could have informed the regime that transportation demands were beyond the capacity of existing number of buses. Buses used prior to the massive boycott of 1955 were municipal buses (McCaul,1990:27), so it was not to the benefit of the struggle that people could make use of these government 'things' including the infrastructure and facilities. There was also a tendency to vandalize anything that belonged to the regime, trains and municipal buses were no exceptions.

3.3 Increasing growth in the taxi industry

The minibus taxi industry has grown from a negligible informal sector activity in townships to the dominant mode of public transport in South Africa. As stressed by Fourie (2003:43), a closer evaluation of the progress reveals distinct periods of development mainly influenced by intervention and legislation. Thus, since late 1977 to date the taxi industry has been in the process of infiltrating the formal economy with little success in some instances. However, in the following paragraphs the history of the taxi industry will be given account of during different periods from its establishment. In essence, the taxi stakeholders up until now have fought, needing to be recognized as formal operator since they seem to believe that the taxi industry contribute a lot to the

country's economy. According to Fourie (2003:43) the investment in taxi fleets totaled R 3 billion during 1980s.

According to Barret (2003: 6) apartheid spatial planning impacted directly on the public transport provided by buses and trains. Public transport became increasingly expensive for commuters and also for the state to provide the subsidies required. Increasingly, buses and trains operate at peak times only and routes became less and less flexible, the growth of the kombi taxi industry in the late 1970s was in large part a response to this. Initially the state acted to protect the existing transport systems, and prevented entrepreneurs from operating kombi taxis by refusing to issue road carrier permits (Moloantoa, 2006). It must be borne in mind that from early 1960s onwards, urban African people were increasingly relocated (very often through forced removals) to reside in areas far from the commercial and industrial centres of all South Africa's cities. These relocations were part and parcel of the policy of apartheid, designed to keep racially defined groups separate.

3.3.1 The period from 1977-1987

Up to 1977 minibus taxis did not play an important role in the transport industry. During the early years of taxi industry establishment Sedan vehicles, like Valiants and Chevrolets, were used as taxis only for trips within black townships. Bus and rail transport were highly regulated and inefficient which was causing various riots and boycotts. In the late 1977 the government, fearing that continued intervention in the transport sector would result in heightened politicization and sustained boycotts, established and appointed various commissions of inquiry into transport deregulation (Dugard, 2001:9). These commissions found that South Africa had reached a stage of

economic and industrial development which enabled it to move towards a freer competition in transportation (McCaul, 1990:38). In South Africa a number of commissions and boards were appointed to investigate issues which affected the taxi industry on daily basis. Thus, the role played by these commissions will be summarized raising such issues which were leveled out during the investigation process.

3.3.1.1 Land Road Transportation Boards

In terms of Road Transportation Act 74 of 1977, all operators carrying passengers for gain still had to acquire authorization, referred to as a public carriers permit. Processes of being in possession of this permit were very cumbersome given the status quo at the time.

3.3.1.1.1 Permit application for taxi operation

The *Road Transportation Act* of 1977 (No.74 of 1977) that came into operation in early 1978 defined a bus as a motor vehicle designed for the conveyance of more than nine persons (including the driver). In essence, it is to be indicated that the taxi industry has never been recognized as contributing toward the formal economic sector, due to the fact that these sedan vehicles in use were not regarded as suitable for public transportation. The Road Transportation Act opened the way for the introduction of the legal minibus taxi to be used instead of sedan cars and gradually began capturing an increasing share of the black commuter market (McCaul, 1990:35) and by 1982 more than 90% of so called black taxis were minibuses (The Natal Witness, 22 April 1989 in McCaul, 1990:39). The gradual growth of the taxi industry in South Africa led the Department of Transport to establish bodies that will deal with permit related problems, such as Local Road

Transportation Board. The board had to ensure authorization with regard to routes during operation in line with passenger intake.

According to *Transport Appeal Tribunal Act 39 of 1988* a board is defined as the body which, in terms of national land transports legislation is charged with responsibility regarding granting, issue, renewal, amendment and transfer permissions for operation of public transport in the Republic. In terms of the Road Transportation Act as indicated earlier on, all public transport operators carrying passengers for gain had to acquire a public carrier's permit from the Local Road Transportation Boards (LRTBs). As part of the taxi permit application, the operator had to prove that existing transport facilities were not sufficient to meet the public's needs in a certain area (McCaul, 1990:40). Apart from the public carrier's permit, the operator required a certificate of fitness for their vehicle. The driver had to be in possession of a public service driver's license where operation is proposed, there were further requirements specific to particular areas. Apparently, issuing the permits for the taxi industry has never been the easier task, given the limited number of permits and difficulty in obtaining them, bribery and corruption became increasingly common between taxi owners and law enforcement officers (Fourie, 2003:33).

3.3.1.2 Commissions recommendations on taxi industry's operations

The *Report of the Commission of Inquiry into the Road Transportation Bill of 1977* indicated that there was no control over the conveyance of passengers or goods by road before 1930, since there was almost no road transportation to speak of at the beginning of the century and also there was little competition between road and rail. It was from this premise that commissions were appointed to deal with various transport modes with the

aim of regulating the competition between different transport modes. Thus, appointed commissions could not shy away from the fact that the taxis are also part of public transport.

3.3.1.2.1 Recommendations of Van Breda Commission on minibus taxi

In 1977, sparked by 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 blacks might resort to sustained bus and train boycotts. According to (Khoza, 2003:17) the government established a commission of inquiry into transport deregulation. The 1977 Van Breda Commission of Inquiry into the Road Transportation Bill found that South Africa had reached a stage of economic and industrial development which enabled it to move towards a freer competition in transportation (McCaul, 1990:37). The Commission reflected the growing realisation that passenger transport was an unattractive government investment due to its escalating politicisation and economic inefficiency. It was, however, to be another decade before concrete steps were taken to deregulate transport. According to Productivity Commission Research Paper (1999) regulation of taxis generally encompasses quality and safety as well as taxi numbers and fares. The popularity of taxis grew due to the convenience, speed and frequency of their service. Shaw (1998:8) found that the modal shift from bus and rail to taxis was mainly attributable to the poor levels of service provided by the formal modes.

3.3.1.2.2 Welgemoed Commission

The success of the taxi operators in the transport industry resulted in the bus companies becoming increasingly concerned about the competition. The bus operators' fight to retain their monopoly on one side and the growing vote in favour of the deregulation of the industry on the other eventually led to the Welgemoed commission of inquiry in 1981. Bodies in favour of the deregulation of the industry included the taxi Owners Association, the Free Market Foundation and the Transport Consultation Commission (a group representing 17 private sector organizations (Ford, 1989:40). The draft bill was opposed by the South Africa Black Taxi Association (SABTA) was the umbrella body (organizations in the taxi industry will be discussed at the later stage), the private sector and even the National Association of Automobile Manufacturers (NAAMSA) (McCaul, 1990:45).

A draft bill based on the Welgemoed recommendations was circulated in 1983; the bill proposed that:

- taxis be defined as vehicles carrying no more than 4 passengers;
- a new category of "small bus" carrying 5 to 25 passengers, operating on fixed routes, timetables and approved tariffs be created,
- licensed minibus taxis be phased out over 4 years;
- all taxis be fitted with meters (McCaul, 1990:43).

It could be deduced that the government was worried about ever-escalating subsidies to the bus companies and wondering whether they encourage efficiency. The taxi advent meant that the buses needed even greater subsidies to remain profitable For the government the situation was getting out of hand, thus, given the situation McCaul

(1990:41) states that for political stability in the field of transport the government appointed a Commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa chaired by Dr Peter Welgemoed.

3.3.1.2.3 National Transport Policy Study

In 1985 the National Transport Policy Study (NTPS), which had been established in 1982 to bring transport policy in line with national economic reform policy, released its report (Fourie: 2003:37). According to the NTPS findings, the highly regulatory framework of existing transport policy was 'contrary to the principles of national economic policy that emphasise the role of competition' (*The Natal Mercury*, 1987, February 03). Increasing reluctance to shoulder economic responsibility for passenger services, along with mounting pressure from the business community which supported all free market reforms, and a desire to 'sell' the free market to black South Africans led the government to accept the NTPS proposals (Dugard, 2003). The NTPS report in conjunction with the recommendations of the Competition Board formed the background of the various policies, White Paper on Transport Policy for example, tabled in January 1987.

3.3.1.2.3.1 The Deregulation battle

The White Paper, along with the *Transport Deregulation Act 27 of 1988*, established deregulation as the transport policy of the outgoing apartheid regime having noticed that the fruits from taxis could not be seen anymore. Crucially, in paving the way for taxi industry the White Paper legalised the 16-seater minibus to operate as taxis. Indeed this had marked the beginning of the taxi industry as we know it today (Dugard, 2003). In

1985, the National Transport 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 (1987) along with the *Transport Deregulation Act 27 of 1988*, effectively legalised the 16-seater minibus taxis.

The National Transport Policy Study (NTPS) major task furthermore was to bring transport policy in line with national policy and constitutional developments and to rationalize the transport sector in general. The NTPS's style was more innovative than most government inquiries and the investigations brought about the first major shift in South African transport policy (McCaul, 1990: 47).

The committee's compromise on taxis, which appeared in the NTPS's final recommendations, was that:

- 16-seater minibus be allowed to operate as taxis;
- the central government should stipulate the minimum number of taxis in each regional services council (RSC) had to allow;
- taxi numbers should be controlled on quota basis in each RSC area, with the RSC to decide on the maximum numbers in its area;
- the quota should be based on a formula which includes considerations such as rank space;

- the applicant should no longer need to prove the need for a service (McCaul, 1990:49).

It could be deduced that the study undertaken has to deal with registration related problems and also clarifying influential role which relevant authorities play, such as reference is made to the Regional Service Council (RSC). In general the NTPS proposed that responsibility for passenger transport be devoted to RSC and that they make all passenger transport decisions affecting their area of jurisdiction within a framework of broad government policy (McCaul, 1990: 49).

3.4 The period from 1987 – 1994: towards the demise of apartheid

In 1987 government deregulation process allowed market forces to determine entry into the minibus market, thus encouraging almost any applicant to be granted a permit to operate a minibus taxi. This culminated in the growth of the minibus taxi industry in South Africa at a phenomenal rate in the period from 1987 to 1994. According to Fourie (2003:35) the position of the taxi industry over other transport modes was strengthened by the perception in the minds of commuters of it being a community-based industry, surviving against the apartheid authorities and without any subsidies. As one of the first avenues for black capital accumulation, the taxi industry almost immediately became a contested economic terrain, flooded with aspirant operators. By the mid-1990s, not only was the minibus taxi industry over-traded, but it was also eroding the market share of other modes of public transport, particularly buses and trains.

3.4.1 Free Competition in the transport sector

Apart from the fierce competition that came into play between different taxi operators, taxis also started operating on high-demand corridors service by bus and rail. Thus, taxi operators took this step in an attempt to boost their income as the original taxi routes have become so contested. This service replication reduced the level of services and potential cost recovery of a route or mode, which is clearly a case of destructive competition. Shaw (1998:18) points out of competition between operators which reduces the potential for sustained cost recovery by individual operators, reduces the economy of scale benefits of higher-order modes and leads to the provision of poor and inconsistent service levels to users.

The ability of the bus and rail operators to recover cost is compromised by competing with the minibus-taxi since they mushroomed despite difficulties they faced. The bus and rail operators responded to lower demand requirements by reducing service frequency (essentially to the inconvenience of commuters). Besides the reduced service frequency, higher overall subsidies were now required by the formal modes due to lower cost recovery (Fourie, 2003:36). Evidently, under conditions of destructive competition, the different modes compete directly with one another usually, through a trade-off in monetary cost and level-of service offered to users. Unfortunately, violence also started playing an increasingly prominent part in the daily operation of the taxi industry.

According to Dugard (2001:7) the sudden permit free-for-all, set against a backdrop of the escalating community violence during apartheid's final years, established the scene for the sectarian taxi wars that have plagued the industry ever since its establishment.

3.4.2 Social responsibility role of taxi operators

According to Majeke (2003:17) at the time of deregulation, taxis were held as the pride of black economic achievement within the communities they served. The taxi industry was now beginning to constitute itself as an important cog in the overall South African transport system. The incremental and systematic growth in the commuter traffic borne by the industry served as an eloquent testimony to this process. Taxis during these periods were preferred mode of public transportation given reliability and social responsibility role played by operators. According to Khoza (1992) several local associations introduced a policy of transporting pensioners and elderly people for free. Some provided this service to the handicapped and school pupils as well. Furthermore, taxi operators also assisted mourners with transportation to the graveyard during funerals. According to Majeke (2003:17) in the period 1987-1994, this industry also played a role in the political struggle and transformation.

3.4.3 Taxi violence

Dugard (2001) emphasized that the late-apartheid taxi violence was heavily connected with transition politics but the major determinant is seen to be the rapid deregulation of transport, which led to an unchecked rise of taxi associations. McCaul (1990:44) also contends that the root of many conflicts in this industry appears to be as a result of defending routes. In addition, the tightening of profit margins as a result of deregulation exacerbated this conflict. In essence, during peak hours, the effect of new entrants is not felt but during off-peak hours when demand is low this largely affects the profitability of established operators. According to Majeke (2003:18) police couldn't do anything to stop

this violence thus escalated, some even believe that this was a deliberate government action to further fractionalize people in order to ensure that they did not unite to challenge the policies of that time. The main bone of contention was over the following;

- rank space,
- poaching of passengers,
- undercutting of prices, and
- the effects of rapid deregulation (Khoza, 1992).

However, the general perception prevailing among the parties at war and other stakeholders is that the battle is for taxi routes and ranks. Nevertheless, because of fierce competition, taxi associations illegally deny others the right to ply certain lucrative routes and this causes much conflict. The problem was not only decreasing profits and rising costs but also the inability of the free market system to operate in the industry, market failure had to be corrected to ensure the survival of this industry.

3.5 Taxi industry post-1994: democratic era in South Africa

The transportation system most South Africans face today is a mixture of patched-up, third-rate public transport inherited from apartheid and a chaotic, unregulated minibus-taxi system that is a source of swelling public complaint. But political transformation in South Africa has opened the door for equitable and sustainable urban transportation policies. New government policies seek to reverse apartheid policy by dramatically expanding and improving public transport and discouraging urban motoring. But the

application of these policies across the country seem to be uneven, and possibly in serious jeopardy.

3.5.1 The period from 1994-1999: transformation era

Following the general election in 1994, taxi violence continued and in fact, escalated. This happened in sharp contrast to other forms of political violence, because during this era the political landscape in South Africa has been dominated by various political party power mongers. Dugard (2001:9), of the Centre for the study of Violence and Reconciliation (CSVR), stressed that the continuation of violence into the democratic era was mainly a result of the success of violence as a means of extracting profits, as well as the inability of the post-apartheid government to contain the violence. Prior to 1994, the taxi wars were relatively few in numbers as most were fearing to enter into this business labeled informal.

3.5.1.1 Taxi violence post-apartheid period

Taxi violence has become more widespread, decentralized and criminal in character in the post-apartheid period (Dugard, 2001:9). This aspect is clearly illustrated in figures published by the Weekly Mail & Guardian (2003) taxi violence started scaling new heights causing 291 death in 1996, 281 in 1997 and 394 in 1998. At the time road safety also seemed to deteriorate as evidenced by statistics that even more people were dying in taxi accidents. Taxis constitute only 2% to 3% of vehicles on South African roads, but are involved in 17% of accidents. In 1998 taxis were involved in 70 000 accidents in which 900 passengers and 1 385 drivers were killed.

3.5.1.2 Consultative efforts: Taxi industry vs Department of Transport

In 1995 the government, through the establishment of National Taxi Task Team (NTTT), took a critical step to deliberate the problems of the industry. The NTTT was launched to enhance the performance of the taxi industry and investigate ways of improving road safety, increasing financial margins and ending the conflicts. The NTTT held its first meeting on 20 April 1995 and comprised a chairperson from the National Department of Transport (NDOT), nine government officials from provincial departments of transport, ten taxi industry representatives, and nine special advisors. It held 36 public hearings around the country between August and December 1995, was deliberated in two taxi plenary (assembly of all members) in February and March 1996, after which the NTTT's final recommendations were presented to the Minister of Transport in August 1996 (Dugard, 2001:6). The most significant recommendation was that the taxi industry be regulated and formalized.

3.5.2 The regulation and formalization of the minibus taxi industry

The Productivity Commission Report (1999: vii) has stressed that regulation of taxis generally encompasses quality and safety, as well as taxi numbers and fares. Thus, it is definite that an industry of this nature either had to be regulated or formalized for the purposes of economic stability.

3.5.2.1 Taxi industry regulation

There are facets of the taxi industry which according to the authorities warranted to be regulated upon in references to; quality, safety, entry restrictions and fare regulation.

3.5.2.1.1 Quality and Safety regulation

The commuters usually do not have capacity to assess all quality and safety aspects of the taxi they make use of everyday, meaning; the roadworthiness of the vehicles in question. Clearly, the regulation to specific minimum levels of safety and service quality seem warranted. On the need for regulation, Majeke (2003:48) stressed that government is required to put processes in place that ensure that practices conform to the *Labour Relations Act 66 of 1995* and *Basic Conditions of Employment Act 75 of 1997*.

3.5.2.1.2 Regulation restricting entry

Regulatory restrictions on competition also reduces the incentive for taxi operators to be innovative and explore new ways of cutting costs and providing services to better meet users' needs. According to Productivity Commission Report (1999:ix) in the absence of entry restrictions there will be a large numbers of taxis. In this more competitive environment, fares are more likely to fall than to rise. This cost is borne most heavily on low income households.

3.5.2.1.3 Fare regulation

This takes the form of a prescribed maximum fare. In essence, the regulation is used to prevent undue fare increase that could otherwise arise in an environment where competition is constrained by entry restriction. In practice, the maximum prescribed fare usually becomes the norm for all taxis.

3.5.2.2 Formalization of the taxi industry

In the meantime, the NDOT issued a White Paper on future transportation policy objectives in 1996. These were defined to provide leadership in the following:

- promotion of safety,
- ensuring reliability, effectiveness and efficiency on operation and
- coordination, integration and environmentally friendly land passenger transport system.

The White Paper was designed for use in South African urban and rural areas and the Southern African region and was managed in an accountable manner to ensure that people experience improving levels of mobility and accessibility (Turner, 1999).

Following the White Paper, the Moving South Africa (MSA) project was launched in June of 1997 with a mandate to develop a strategy to ensure that the transportation system of South Africa meets transportation needs of the country in the 21st century and therefore contributes to the country's growth and economic development (Fourie, 2003:38).

The MSA's mission with regard to the taxi industry was to implement the vision set out in the White Paper on transport in a way that would be consistent with the key thrust articulated, in an environment of limited resources, capacity and time. The MSA strategy has been based on twenty-year forecasts, which are in line with global transport trends. In essence, the MSA project identified the critical problems in transport and proposed a framework for the sector to deliver a world-class service. The gaps between what

customers need, and what the transport system is provided to them at the moment were identified as areas for development.

3.5.2.2.1 Formalisation impact on taxi industry

The analysis of passenger transport facilities and services by the NDOT confirmed and quantified that there is a critical lack of affordable access to transport. Further, the analysis proved that the public transport system is ineffective and inefficient, resulting in an increasing dependence on private cars. These problems are aggravated by inherited patterns of land-use, the continued dispersion of (particularly) urban development and the absence of integration between land-use and transport planning. One of government's key tasks, identified by the MSA, was to create an enabling framework for the minibus taxi industry to recapitalize its assets and deepen its ability to compete fairly for market share (Turner, 1999). The aim was for restructuring and formalization process to begin at a local level. On completion of this phase, a provincial and national infrastructure would be implemented to ensure stability in the industry.

In short the MSA transport stipulated that services and infrastructure should relate to:

- providing the lowest possible cost to the customer, the taxpayer, to the environment and to satisfy : not only now but over the long-term;
- be as affordable as possible to users; and
- to increase in flexibility and be able to respond to changing and specific sets of customer-needs, particularly for priority customers (Turner, 1999).

It could be deduced that South African minibus taxi industry is rooted within the informal sector yet much of its profitability and survival has been forged and became entrenched by cultivating a presence within the formal economy. This dualism has created many internal pressures for this industry and many of these pressures have been associated with violence and conflict among stakeholders.

3.6 The establishment of SATACO as a taxi representative organ

The NTTT and MSA recommendations led to negotiations between the government and the taxi industry organizations, which ultimately saw all taxi organizations agreeing to work together. As a result the South African Taxi Council (SATACO) was formed in August 1998 (Mail & Guardian, 2003). The council has divisions in all nine provinces and now represents all minibus taxi operators in most of the proposals made by the Department of Transport. SATACO was formed as an industry-driven response with the aim to achieve peace and unity in the taxi industry and the development of economic benefits and empowerment for all those operators in the industry (Fourie, 2003:39).

The formation of SATACO had an immediately observable effect on the taxi landscape. In the year following its formation there was a decline in incidents of taxi violence across South Africa. It needs to be borne in mind that the regulation aimed to transform the taxi industry into a customer-friendly business, which would give relief to the 10-million regular taxi commuters, caught up in the fight for the dominance among taxi associations. In a bid to end conflicts, SATACO and the National Department of Transport have agreed to overhaul the issuing of new permits to emerging taxi entrepreneurs since most routes were already over-traded. The two parties planned to introduce a colour-coded

route system, satellites surveillance and a taxi-card fare system for commuters (Mail & Guardian, 2003).

With the launch of the NTTT, for the first time, one gets the impression that the South African government recognizes the taxi industry and takes well-intended action to relieve the problems in the industry. Although the MSA document has effectively identified the dilemma in the transport industry it did not present a detailed solution to the problems of the taxi industry in particular. While formalization and regulation seems to be the only answer, efforts by the authorities lacked co-ordination and momentum (Fourie, 2003: 40).

3.7. The period from 1999 to date

As transformation in South Africa has been the talk of government officials it became necessary for the taxi industry to be developed through number of favorable policies. The unfettering of private transport services produced the first major black-run South African industry, but the absence of regulation also promoted chaotic service and schedules, the absence of safety standards or accountability, unregulated fares and the operation of hundreds of vans in major corridors served more efficiently by buses and trains. Worse still is the violence between rival companies or associations vying to control over-supplied routes and stations (Majeke, 2003:17).

3.7.1 Recapitalization policy introduced by Department of Transport

Responding to the perceived failures and problems of the 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 large 18 and 35-seater diesel powered vehicles and which will be regulated from the outset (Fourie, 2003:40). Under the recapitalization plan, jointly developed by the Department of Transport, Trade and Industry, Mineral and Energy, and Finance, the government will subsidise owners to help them buy the new 18 to 35-seater taxis (Mail & Guardian, 2003) The idea is to replace the current 140 000 units of 10 and 15-seater petrol powered taxis in the country with approximately 80 000 units of 18 and 35-seater diesel powered taxis. This is to take place over a period of five years and will amount to a total streamlining of the public transport system in the country (Turner, 1999).

Nevertheless, there were certain conditions laid down in the whole plan, otherwise as the status quo would really make it more difficult for small operators to get entry and compete healthy with each other. According to Turner (1999) taxis operators are compelled by certain minimum objectives in line with recapitalization policy which have been set in this regard as follows:

- black economic empowerment (BEE);
- job creation; and
- support of the local automotive manufacturing industry.

A further non-commercial goal of the recapitalization project has been the regulatory management of the taxi industry with a view to improving road safety and decreasing violence within the informal taxi industry. A final implication will be the legal, commercial and fiscal incorporation of all relevant business entities involved, with a major source of revenue for the South African Receiver of Revenue (Turner, 1999). This

process will give the South African government a fiscal mechanism for controlling the roadworthiness of taxi vehicles by manipulating the capital depreciation period. The restructuring will sideline umbrella taxi association which is hoped to ultimately represent a new generation of more legitimate taxi operators. From the outset SATACO has allied itself with the government's restructuring programme, hoping to be a direct beneficiary, particularly regarding recapitalization partnership deals on the new vehicles to be manufactured and also in terms of transport service contracts for government-subsidized routes

3.7.2 Lack of consensus on recapitalization policy

As might have been expected, the establishment of SATACO and the proposed plans for the restructuring of the taxi industry have been without their problems and have already provoked opposition from 'those mother bodies that regard restructuring as a threat to their violence-oriented business interests' (Dugard, 2001). A month after SATACO was officially recognized, in June 1999, a splinter group of annoyed taxi associations called for the formation of National Taxi Association (NTA). Arguing that they represent the majority of the taxi industry, the NTA issued a statement to the media, in September 1999, stating that it did not recognise SATACO. Additionally, the NTA did not approve of the planned recapitalization of the industry because they felt that "plans to restructure the industry were compounding the problems in the industry and were directly responsible for the present chaos and violence" (Dugard, 2001). On top of this, the National Taxi Drivers' Organisation (NADTO), which claims to represent the interests of the taxi drivers, embarked on a series of highly publicised protests against the

recapitalisation process, fearing job losses as a result of restructuring (NADTO in Dugard, 2001).

3.7.3 The establishment of SANTACO

In September 2001 delegates of all democratically elected taxi structures, Provincial Council as well as mother bodies, gathered at the Durban Exhibition Centre for the National Taxi Conference. The conference saw the launch of the South African National Taxi Council- a new structure which will embody the aspirations of the taxi operators (Fourie, 2003:42). The conference adopted a new constitution for the industry, elected a new leadership and took several resolutions on all pertinent matters in the taxi industry. The resolutions which were agreed upon include among others the following objectives:

- road safety,
- cooperation with law enforcement,
- endorsement of the recapitalisation programme,
- improved services to the commuters,
- streamline the industry and be transformed into service industry and
- to deal with government using one voice (Robertson, 2002).

SANTACO has thrown its weight behind the government to recapitalise the industry and agreed to work with the authorities to implement the proposed programme. However, since the conference in Durban the Department of Transport and SANTACO have clashed over who should procure and control electronic management systems to be installed in each bus. The system will track the number of passengers and determine

whether the buses are on the correct route. SANTACO President Tom Muofhe believes SANTACO should control the systems (Lebelo, 2005:2). The recapitalisation programme, which was originally due to be launched in October 2000, has been delayed due to various undisclosed factors. However, in his budget speech in May 2002 Minister of Transport, Dullah Omar, stated that “the Government is in discussion with the South African National Taxi Council (SANTACO). Once an agreement has been reached the best and final offer process completed, government will immediately announce the winning bids. In the meanwhile consultations are taking place within government with a view to finalising all details relating to the operation of the recapitalisation programme (Budget Speech, 2002).

Mr Omar, also declared that the successful bidders to supply buses for the taxi industry recapitalisation programme could be notified by the end of June 2002. The first of the new vehicles should be on the road about three months later. None of this happened and in September 2003 Mr. Lionel October, deputy director –general of the Department of Trade and Industry announced that it is envisaged that the process will reach finality by year-end 2003 and that the first fleet of 18 and 35-seater taxis is expected to hit the road during the first quarter of 2004 (Fourie, 2003: 43). Nevertheless, none of these claims had materialised to that effect by November 2003 no announcement had been made in terms of the winning bidders or the rollout date for the plan. The most recent development in the transport sector is the *National Land Transport Transition Act (NLTTA), Act No 22 of 2000*. The transport policy envisaged in the MSA document will be implemented through this act. The Act set the scene for fundamental restructuring of land transport with an emphasis on public transport and will deal with issues like types of vehicles which may

be used for public transport, operating licenses as well as withdrawal of services in the rationalization of public transport.

3. 8 Trends in the development of transport systems in SA

Transport plays a significant role in the social and economic development of any country, and in South Africa the government has recognized transport as one of its five main priority areas for socio-economic development. The effectiveness of the role played by transport is to a large extent dictated by the soundness of transport policy and the strategies utilized in implementing the policy. Public policy cannot be static but must be dynamic in nature. It must at all times be perceptive to the environment within which it operates. Policy therefore needs to be reconsidered and if necessary revised on a continuing basis (White Paper on National Transport Policy, 1996). The last major analysis and formulation of transport policy in South Africa took place in the mid 80's. Since then there have been many profound and far reaching changes in the country and the time is opportune for a review of transport policy given the pace of participatory democracy.

Early in 1995 the Department of Transport embarked on a project to review and revisit transport policy and formulate new policy where it has become necessary to adjust to a changed environment. This policy making process involved, as far as possible, all role players and the public at large in identifying issues, generating policy options and discussing and accepting policy proposals. In this regard public participation is encouraged which will facilitate interaction between the public and government. The policies expressed in this White Paper (1996) are thus the result of a broad public policy

making process. Inevitably, however, public policy, while taking into account many and various conflicting viewpoints on specific issues, has to enunciate government's views on what will best serve the overall national interest.

3.8.1 Government vision on public transportation

The vision of Government on transport provision has been stated as follows: To Provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service and cost in a fashion which supports government strategies for economic and social development whilst being environmentally and economically sustainable (White Paper on National Transport Policy, 1996).

3.8.2 Attainment of public transport goals

A key ingredient to future success will be the sharing of this vision by all the key role players, backed by coordinated and integrated planning and decision making. This requires the formulation of broad goals, and translating them into specific measurable objectives relating to particular modes of transport. The South African transportation system is inadequate to meet the basic accessibility needs (to work, health care, schools, shops) in many developing rural and urban areas. Small scale and subsistence farmers in many rural areas find it difficult to transport products and other commodities to and from markets. Scarce resources will be mobilized to best meet the needs of those passengers and industries who need them most, and which are in the best interests of society. In order to meet basic accessibility needs the transport services offered must be affordable

to the user, and this will be a goal of transport planning, subject to the constraints of the financial affordability of the provision of the services.

3.9. Summary and conclusion

The establishment of legislated apartheid after 1948 accelerated the destruction of black settlements near urban centers and the removal of their populations to the urban periphery. In other cities, industrial zones, transportation corridors or other buffers the system separated black townships from white commercial and residential areas. The policy of apartheid has managed to move the poor away from job opportunities and access to amenities. This burdened the workforce with enormous travel distances to their places of employment and commercial centres, and thus with excessive costs. Apartheid transport policy also deprived the majority of people of a say in transport matters and exposed commuters to vast walking distances and insecure rail travel and unreliable bus service. Although, failed to regulate the kombi-taxi industry adequately; the government largely ignored the country's outrageous road safety record; paid little attention to the environmental impact of transport projects, and facilitated transport decision-making bodies that are unwieldy, unfocused, unaccountable and bureaucratic, taxi business survived.

Given this predicament the people felt that the demise of apartheid could be brought about through strikes and boycotts. These resulted in the high demands for public transportation which encouraging the usage of private vehicles for certain fare per destination. This gave birth to taxis since municipal buses could not be used due to boycott. The transport system inherited from apartheid also bears the scars of the anti-

apartheid struggle. Transit suffered especially as conflict became most acute. The withering of transit stemmed from a combination of boycotts, non-payment campaigns, labor actions and withdrawal of government support as the costs of repression increased. The government encouraged small black capital to invest in the mini-buses as it retreated from its investment in public transport. At the same time, the reality of accelerating urban migration led to the formal abandonment of "influx control" in the mid-1980s. Burgeoning squatter settlements on the edge of already marginal townships had no access to formal services, and even residents in long-established townships increasingly had trouble reaching destinations as jobs and white populations began to move away from central cities.

Since 1994, South Africa has been in the stage of transforming various services to meet the pace set among global communities. Public transportation in this regard had to merge with standard set in terms of safety and reliability, so this was an influence seeing the regulation and formalisation of the taxi industry came to the fore. Furthermore, the taxi fleets roaming around the streets were now labeled as not roadworthy and caused number of road accidents claiming innocent commuters and other road users' lives. In actual fact most of these vehicles were apparently death traps for commuters, hence the introduction of the recapitalization policy. However, the endeavor to revamp the taxi fleet could not sound romantic to every stakeholder within the taxi industry. Various organizations and associations are of varying and conflicting views regarding the policy during late 90s. Nonetheless, the recapitalization policy is aimed to address such structural and organizational problems perceived within the taxi industry, which the National Department of Transport is keen to address with the implementation of this policy.

CHAPTER FOUR

ECONOMIC AND SOCIAL DYNAMICS OF THE TAXI INDUSTRY

4.1 Introduction

The minibus taxi industry, operating for about 25 years in South Africa, is seen as one of the major public transport problems in this country. It is apparently undeniable that the taxi industry has experienced many problems of its own despite the lack of opportunities claimed by taxi stakeholders. Market saturation has led to violent feud and driver training is still not abreast with the rapid growth of the industry. According to popular opinion and investigations conducted by various state agencies; passenger over-loading, taxi accidents, driver attitudes and bad driving habits, coupled with lawlessness have tainted the image and flagship of this black business in South Africa. The industry has also attracted numerous predators that are of the opinion that the taxi industry is a quick and fast way of making money. The taxi industry may seem to fall prey to the political volatility of passenger transport in South Africa. To this extent it has been seen in many ways as needing a desperate solution. Public transportation is one of the services that the government has not yet successfully transformed.

The focus of this study is the taxi recapitalisation policy introduced by the Department of Transport in 1999, with an aim to remedy dysfunctional situations facing the minibus taxi industry in South Africa. Public transportation will be discussed in general before specifically drawing attention to the minibus taxi industry. The Department of Transport and taxi structures in collaboration deal with taxis on transformation bases that will be

referred to in the light of improved public transportation service in the country.

Moreover, the taxi industry has people behind its operations whom in this instance are employers and employees (taxi owners, drivers and marshals), so it is of significance that the labour relations be discussed. Since the study is on public transportation, minibus taxi manufacturing will have to be looked at microscopically as part of the agenda whenever plans are made. In essence, the introductions of the 18 to 35-seater diesel-powered vehicles which are to replace the existing fleet of minibus taxis through the implementation of the recapitalisation policy will be discussed. Thus, data relevant in line with taxi recapitalisation will be collected empirically through techniques listed in chapter one.

4.2 Public Transportation in South Africa: background

Although South Africa is one of the developing countries, it is quite advanced in terms of facilities and resources such as mining, farming and entrepreneurship. It is undisputable that the economic success of such industries depends largely on the skills, expertise and experience of its workforce. The question is, how do these employees commute from home to work? One may also include the ordinary citizens that also make use of public transportation for personal trips whilst commuting from one area to another. Most people cannot afford private vehicles therefore they rely on public transportation as a mode of travel. To understand circumstances that led to identification of dysfunctional situation in public transportation, it is imperative to clarify passenger road transportation.

4.2.1 The nature of passenger road transportation

Transport is an aspect of economic activity that provides for the carriage of persons or goods from one place to another (Pegrum, 1968:3). Conventionally, however, official short trips are not included in the household or office as part of transport, nor are the transmission of electricity and the transport of water considered within the ambit of this transportation study. Within the context of this study, public transport refers to the transportation available to the public, particularly minibuses. The models referred to in this study have been converted to taxis by different motor vehicle manufacturers, which ideally were meant to be family vehicles initially.

The opportunity to realize the advantage of the division of labour depends to a large extent upon the accessibility of the markets. The larger the extent of the market for a product, the more feasible it becomes to specialize in it. There is consequently continuous pressure for the reduction of costs so that new markets can be tapped. The possibilities for expansion as well as the opportunities to manufacture new products are therefore intimately related to the availability of transport facilities (Zimmerman, 1988:44). In essence, such facilities are to be in consistent with the method of transportation used in any given area, be it inside the industry or around townships and other areas closer to town. However, the central point of this study is particularly based on the usage of public transportation, mainly minibuses.

4.2.2. Manufactured taxi models in South Africa

There are 23 models of taxis on the South African market made by six different motor vehicle manufacturers. Toyota South Africa believes that 50% of African minibuses taxi

operators use its Hi-Ace minibuses (there are six different models) while Nissan South Africa believes that about 40% use its E20 minibuses (four models). While they hold some 90% of the taxi market between them, Nissan and Toyota accounted for just over 50% of all minibuses sold between 1980 and 1988 (McCaul, 1990:30). Minibuses were initially manufactured for private, family and company purposes and was not designed or meant to transport the public for a fee. Due to circumstances minibuses were resorted to as a means of public transportation. Furthermore, the balance of the taxi market is held by the Delta Motor Corporation (which makes the Isuzu Relay Bus) and Volkswagen of South Africa (kombi and microbus). Nissan commanded an estimated 55% of ten-seater sales to the taxi industry and 40% of 16-seater sales, Toyota claimed 50% and 45% respectively; while Delta had an 8% share of 16-seater sales to the taxi industry and Volkswagen 6% (Barolsky, 1989:28). These models referred to had been in use for the past 20 years, when more than ten-seaters were allowed according to the *Road Transportation Act 74 of 1977*. Plans made by the Department of Transport to change the mode of transportation will undoubtedly affect the manufacturing companies. It will compel them to keep up with the rapid change required by authorities.

One can also notice that these manufacturers are based in the country, which this means that the more the demand for public transportation, the more these companies produce minibus taxis. However, the authorities dealing with transportation has never introduced regulations to control the number of taxis produced per manufacturer, despite controls set to reduce the number of minibus taxis on the roads. Nevertheless, the state cannot afford to be controversial by controlling the productivity of companies, this might mean no

laissez faire business-wise which will not be economically viable.

4.2.3 Kombi taxi purchase during 1980s

Despite the widespread use of the term 'kombitaxi', Volkswagen, which makes the kombi model, has always had a very small share of the kombitaxi market, partly because operators mistrusted their formerly air-cooled engines and believed their petrol consumption to be high. In 1985, Volkswagen developed the 14-seater microbus and gave six to South African Black Taxi Association (SABTA) for testing. However, this did not have much of an impact on its market share (Barolsky, 1989:32). The situation was like this during the struggle with public transportation, again it depends on the kind of what commuters anticipated to be users of the taxi model in question. In addition, it also depends on what kind of trips will be undertaken for the vehicles that will be purchased for both long and short distances. Kombi purchases at that time were heavily burdening the up-coming entrepreneurs. However, the taxi industry kept growing steadily despite huge increases in vehicle purchases.

According to the Mail and Guardian (2003:11) these increases in vehicle purchase had been due to the withdrawals of foreign capital leading to the collapse of the rand in 1985, and the severe recession, which affected the import-intensive motor industry badly. For example, a 10-seater Toyota Hi-Ace cost R 8 825 in August 1980 and a 16-seater, R 9 575. However, the respective prices in August 1989 were R 41 500 and R 47 600. In November 1989 a 10-seater Nissan E20 cost R35 950 and the 16-seater SABTA taxi model, R42 800. Nissan and Toyota found that the 16-seater was far more popular among

owners than the 10-seater, although not necessarily among the commuters. On the question of how safe their vehicles are, both Toyota and Nissan say that they are designed to cope with loads beyond their speculations. In fact during the 1980s it was clear that the taxi market was still very vibrant with the potential of expansion into other southern African countries and growing urbanization, the taxi industry was then regarded as a significant part of business for the motor industry. A survey conducted from March to April 1985 on the types of taxi vehicles in various metropolitan areas indicated as follows:

<i>Area</i>	<i>Sedan vehicles</i>	<i>10-seater</i>	<i>16-seater</i>
Durban	1%	40%	59%
Johannesburg	2%	80%	18%
Port Elizabeth	0%	68%	32%
Pretoria	2%	75%	23%

Source: McCaul (1990:33).

4.3 The scope of transport economics

Since time immemorial the economic problems of transport concern the inefficient allocation of resources for provision of transportation services. Thus, facilities as compared to other modes of transportation (buses and trains) were of such a class since designated racial groups were to be comfortable. It follows that transport services and the means of supplying them are economic goods and are therefore scarce. In practice this gives rise to complex problem of public policy which is intractably related to the institutional arrangement through which government decision-making takes place.

Pegrum (1968:3) draws attention to the fact that transportation may also be viewed as consumption goods. Travel may be undertaken by people for the sheer enjoyment it affords, an activity which is reaching enormous proportions worldwide.

Unfortunately, too frequently, this has been an excuse for justifying policies and expenditures which allegedly compensate for “market failures” and as a basis for contentions that the diffused benefits of transport are much as to warrant the abandonment of basic economic principles. It is the failure to use fundamental economic criteria that has led to the present transport dilemma in this country when its urban passenger transportation had “crisis”, railroad “inefficiency”, and metropolitan “congestion”. The taxi industry has not been on the official records of the public transport sector according to the authorities of public transport during early 1980s. One could also not recognize the contribution which the taxi industry made. Mr Ngoato (2005) of the Bophelong taxi rank intimated that with the money made every month he could manage to maintain his family of six children. However, the Department of Transport merely want to acknowledge the economic contribution of the taxi industry such as multiplier effects on petrol, vehicle spares and toll fees.

4.4 Road Transportation and infrastructural matters

In addition to the specific strategic objectives formulated for each mode of public transportation, infrastructure, road traffic and safety could not be ignored. The White Paper on public transportation (2000) also generated 10 key thrust or guidelines for any future policy and strategy formulation, thus public transportation couldn't be an

exception. The White Paper suggests two types of Key Thrusts; those that are means to achieve goals, and those that are goals themselves which are to be explained in the following paragraphs.

4.4.1 Key thrusts: means to achieve goals

There are a number of means to achieve set goals for public transport development. The following key aspects seem to have had an influence on the introduction of policies aimed to remedy issues within the industry.

4.4.1.1 Skill and Technology Building

A key requirement of the transport industry is to build the skills and technology available to the industry, for instance drivers having to receive proper training. As regards the taxi industry, this does not leave out issues around ranks, whose overcrowding has been a cause for concern (Mawson, 2004:22). On many occasions it was said that “the government must just forget about taking over the taxi ranks and routes” as pointed out by General Secretary of Soweto Taxi Services Mrs Molefe (2006). Various associations and most of its membership do not believe that the government can have *bona fide* intentions regarding the issues facing the taxi industry. The infrastructure of taxi ranks are to be built in such a way that commuters can use them with no problems, otherwise should the municipalities come with unacceptable rank renovation, taxis won't utilize such a rank facility (Radebe, 2005). Just as vehicle manufacturing systems are to be user friendly, likewise must the taxi ranks be adaptable for use by drivers and commuters alike.

4.4.1.2 Broadening participation in decision-making

Creating wider and more representative ownership of South Africa's transport assets also mean that the vehicles in transit ferrying people to different destinations for a fee are to also participate meaningfully within the parameters of the traffic regulations and laws of the road. Taxi owners are to be brought to the fore when public transport issues are being addressed. In this way it will be possible for other stakeholders to accept any proposal, provided proper consultation and liaison has been emphasized. When decisions are made without recognizing the taxi stakeholders inputs, this is likely to increase conflict and violence (Dugard, 1995:2).

4.4.1.3 Promoting Competition

Transport strategy should build competition within the industry to ensure the highest levels of service at the lowest levels of cost (Mabasa, 2001:02). Otherwise in a case whereby competition is not controlled properly, there will be a situation of unfair operations among taxi operators. The taxi industry has a number of owners, each of who expects to make profit, thus in ensuring fair market-oriented competition; the role of each stakeholder in the taxi industry must be acknowledged and ought to be intensified.

McCaul (1990:x) points out that another unpleasant feature of the taxi industry has been feuding and conflict between groups of taxi operators, which has worsened in recent years as the market has become overtraded. It is quite clear that the taxi industry has never being subsidized like its other public transport counterparts (bus and train industries).

4.4.2 Key thrust: goals themselves

The means are concerned with the development of the taxi industry to make it a public transport sector one which the country can be reckoned with. Thus, it is imperative to clarify the goals in line with the taxi industry as stated in the White Paper on Public Transportation (2000) as follows:

- **Customer needs:** the transport strategy must be based on a data-driven understanding of the needs of different customer segments, their service levels and cost requirements. In this instance commuter needs are of utmost importance in any endeavor to bring about some change. It is not supposed to be about taxi owners and drivers only (Dladla, 2006).
- **Investment objectives:** national investments in the infrastructure and operations should provide the required returns, be they economic returns to the country, financial returns to the investors or social returns to the people of South Africa;
- **Integration:** the strategy should identify where regional, modal and institutional integration can be enhanced and facilitated;
- **Safety:** the safety of people and security of goods is an essential requirement;
- **Environmental sustainability:** the impacts of various modes and transport alternatives should be measured for their environmental impact and;
- **Low Cost for Designated Level of Service:** the transport strategy must recognize that various customers have different needs and strive to meet those needs at the lowest possible cost.

The above reference to the White Paper bears testimony that indeed it has been imperative for some kind of proposals to be made for the taxi industry. The question posed by this study is on the whole process of the drawing up of such a proposal, if it has been necessary for the introduction of 18 to 35-seater vehicles to replace ageing unroadworthy minibuses.

4. 4. 3 Meeting Basic Needs

Transport has an impact on the key goals of the Reconstruction and Development Programme of meeting basic needs of the people of South Africa. The White Paper set out the 10 key thrusts because the National Department of Transport (NDOT) recognized the limits of the White Paper in the whole process. Whilst the White Paper set out a vision, strategic objectives and policies, it did so as stakeholders would like to believe, based on a consultative process and a short- or medium-term time horizon (Mabasa, 2001:02). The policy review process was an effort to set the agenda and to provide a policy framework for government at all levels in order to respond to the recent dramatic changes in the country. The White Paper process did not depend on data-driven conclusions nor look over the long-term horizon for its work. As such, through the White Paper (2000) itself, the NDOT acknowledged that "in the longer term, specific goals, strategies and action plans to proactively lead the South African transport system into the desired vision of the future will be developed through the Department of Transport's 'Vision 2020' project".

4.4.3.1 Vision 2020 project in line with public transportation

The Moving South Africa Mandate and the Connection between Policy and Strategy

The *Vision 2020* project became '*Moving South Africa*', which commenced in June 1997 with a mandate to develop a strategy to ensure that the transportation system of South Africa meets the needs of all South Africans in the 21st century and therefore contributes to the country's growth and economic development (Mabasa, 2001:2). By mandating *Moving South Africa* (MSA) in this way, the NDOT charged the project with the additional responsibility for helping to break new ground in government approaches to long-term strategic issues. For this reason MSA undertook to create, and make clear, the relationship between policy and strategy. Since the White Paper had already set out the vision, MSA's mission was to determine how – in an environment of limited resources, capacity, and time – to implement that vision in a way that is consistent with the key thrusts articulated above. For this reason it became necessary for the strategy to verify the White Paper objectives on the basis of hard data, and to reconcile or choose amongst some of the sometimes competing objectives of the White Paper.

Most importantly, the strategy was also required to create a context for action within which to achieve the White Paper objectives. In all cases, however, the Moving South Africa strategy represents an extension of the White Paper process that set the objectives and guiding principles. The strategy does this by making difficult choices, based on data, about how to meet those objectives and by considering the delivery mechanisms by which those choices are translated into reality for government, customers, and service providers. Because the strategy covers a 20-year time horizon, it must be sufficiently

durable and sensitive to respond to changes that will inevitably occur in the transport environment and within the transport system itself. Global transport trends, population trends, economic policy shifts, national income growth, changes in manufacturing processes, or new global environmental regulations could all make some of today's data and assumptions outdated (Ditlhoge, 2006).

Although the strategy is based on 20-year forecasts, it nevertheless must set up systems and institutions that can read the environmental signals and respond to them in a coherent fashion within the context of the strategic vision. This vision, and the accompanying propagation of a set of transport strategic principles, is what ultimately creates the durable connection between strategy as it is developed and actions that are implemented. The strategy – based on a shared understanding of the data – provides a shared vision, clear choices, and consistent decision rules for all participants in the industry, including among others; Public and Private sectors, National, Provincial, and Local government transport and other Ministries.

4.5 Official representatives in the taxi industry: Taxi organizations

The South African taxi industry, even though has been regarded as informal for a number of years, had elements of a formal industry in the sense that there are employer and employee sides in the industry as much as other industries so regarded as formal. The significance of making references to the taxi organizations is that these groups are influential in terms of the development of the taxi industry. In essence, these organisations referred to are to represent the interests of taxi stakeholders.

4.5.1 Organisations in the taxi industry: 1980 to date

The African taxi industry in South Africa is highly organized. Organisations date back some 50 years and arose from the desire to divide routes among operators, organize the use of ranking facilities, and set fares (McCaul, 1990:73). The purposes of establishing organisations as leveled out clearly imply that these organisations were not necessarily formed as political bodies and were not expected to play a political role nor its performance be within the political milieu. The first umbrella body, however, and the organisation which has established almost total dominance in the taxi industry, is the Southern Africa Black Taxi Association (SABTA). According to McCaul (1990:73) the body used to embrace some 400 local associations. All associations were actually regulated by the system at the time with application of policies which were regarded as stringent. The associations which did not fall under SABTA were to affiliate with independent groups.

The taxi industry has vehicles which are specifically labeled as long distance taxis by the operators based on recommendation from these organisations, and those for short distance (local) trips. Barolsky (1989:2) stresses that local associations in the early period were not only consumer bodies, but played an important social function, organized parties and community gatherings. One of the important roles of the taxi associations is that they control the taxi ranks and this is a crucial reason for belonging to an association. The associations have an official contacts with the local authorities hence they are allocated taxi ranks, which means that whoever needs to use the rank must join. However, the taxi industry, even if it has associations to make rank arrangements there

will always be those un-registered taxis roaming around the streets.

4.5.1.1 The Southern Africa Black Taxi Association (SABTA)

South African Black Taxi Industry (SABTA) which was established in 1979 by 21 taxi operators under the presidency of Mr Jimmy Sojane (its constitution was only ratified in 1981), has moved far beyond the initial concerns of the traditional taxi association. It is a powerful consumer grouping and can in many ways be seen as an employer organisation. According to McCaul (1990: 74) the association further has the following features;

- at national level it is a professional body,
- little different to any other profit-minded organization in the country,
- it deals with labour relations problems, and
- has powers to negotiate with government on behalf of the taxi industry.

SABTA, as a consumer body, has negotiated special deals from suppliers for its members. Its bargaining power is a reflection of the strength of its membership and the resilience of the industry in the face of many obstacles, particularly those affecting black business in general and government opposition historically to the black taxi industry in particular (McCaul, 1990:75). In addition, the organisation also had to deal with many problems that are unique to the taxi industry.

4.5.1.2 SABTA's membership claims

According to McCaul (1990:75) at face value, SABTA claims to 45 000 members (not vehicles) seem anomalous on various grounds: realistic estimates put the numbers of

minibus vehicles in the industry in South Africa at some 55 000 to 60 000- legal and illegal: SABTA has only legal operators as members; many own more than one vehicle, and SABTA claims a high proportion of white owners in the industry, who would not be SABTA members. The anomalies in references to these claims made by SABTA are as follows;

- firstly, SABTA's membership extends beyond South Africa;
- secondly, many of its members still drive sedan vehicles;
- thirdly, there is a category of membership for drivers and many operators have more than one driver to a vehicle- as many as three- as drivers often work on part-time bases; and
- fourthly, there are various categories of membership and the claimed 45 000 members include honorary members and linked members such as people who sell goods at taxi ranks.

4.5.1.3 Southern African Long Distance Taxi Association (SALDTA)

SALDTA was launched on 20 July 1987 at Holiday Inn in Johannesburg to organize long-distance taxi and lorry drivers. It was formed with 300 members but in November 1988 claimed 10 500 members, with 48 affiliated long distance taxi associations throughout Southern Africa (Barolsky, 1989:11). The establishment of the other association while SABTA was still 'energetic' tells something else; one could deduce that not all taxi people were comfortable with the representation of SABTA. According to McCaul (1990:82) the main role of SALDTA was to negotiate on issues affecting the long taxi stakeholders. Apparently, SABTA seemed to have failed

addressing matters concerning the long distance operations in the taxi industry. Every endeavor by the Department of Transport to develop the taxi industry will be applied in totality without any exclusion like, for instance, the revamping of taxi's means all taxis operating irrespective of being for long or short distances. As regards number of operations to be carried out by SALDTA, SABTA could not be in support of such endeavor. In 1988 SALDTA planned to expand well in Africa. The plan was to develop extensive operations in Namibia, which according to McCaul (1990:82) SABTA has never attended any of meetings called by SALDTA.

4.5.1.4. Black Union of South Africa Taxi operators (BUSATO)

It is apparent, that one organization could not cater for all diverse problems in the taxi industry given the extent of the business. In addition, it could be deduced that taxi people had varying interests regarding development issues. BUSATO was formed in November 1986, is chaired by Mr Joseph Mayena and it claimed 7 500 members and eight affiliates (McCaul, 1990:83). All of these associations were based in the area where they are established, so circumstances were different in various places hence a number of organisations sprang up. According to Barolsky (1989:115) most taxi associations were grossly inflating their membership. Unlike SALDTA and SABTA, small organisations were concerned with local matters affecting their business which was virtually impossible for mother organisations to address.

4.5.2 Relationships among associations in the taxi industry

Taxi associations are frequently wracked by splits. In the words of the then ex-secretary

of SABTA's Natal provincial structure, Mr Giffiths Ngwenya (2006) 'The trouble is that breakaway groups want to control but they don't want to be controlled'. SABTA has a long-distance affiliate. In 1989 SABTA was holding talks with SALDTA on unity in the long-distance taxi industry trying to identify means to settle differences and work together. On the relations between these organisations, SALDTA was concerned with transporting the public to distant rural areas and SABTA on the other hand has to transport people around the townships, so there was no real clash of interests. Unity between associations was advantageous to all groups as well to the commuting public (McCaul, 1990:84).

In November 1989 BUSATO, SABTA and SALDTA, amid severe feuding between taxi operators in the Western Cape which caused residents to threaten a taxi boycott, met and issued a joint call for peace in the industry. SABTA's long-distance members also gave it a mandate at their meeting in Eldorado Park in Johannesburg on 13 November to work together with SALDTA and BUSATO to form an umbrella long-distance organisation (McCaul, 1990: 84). It could be deduced that these efforts were influenced by peacekeeping efforts in the taxi industry as violence in the taxi industry has been caused by differences. These associations were responsible to draw the route according to the needs of their members and affiliates, so the situation of having many associations caused unnecessary quarrels among taxi operators. Feuding and conflicts between groups of taxi operators has been common since its inception, evidence being the formation of many organisations.

4.5.3 Taxi feuds

Feuding and conflicts between groups of taxi operators is common given the varying organisations found in the taxi industry. At times disputes, which are almost always about which group may or may not use a particular rank or ply a particular route, become openly violent and taxi operators and prominent taxi association officials are gunned down. Some operators forcibly prevent groups of others from using a rank or transporting passengers on a particular route, taxis are extensively damaged and drivers get killed or wounded. In February/March 1990 a taxi war in Katlehong (East Rand) enveloped the whole community in factional violence, leaving up to 50 people dead (McCaul, 1990:85).

According to Mashabela (2000:3) during 1989 some 20 people died and many more were seriously injured in feuding just around one area. In any way it had been regrettably a norm that there were forces bent on splitting the unity in the black business community.

In essence, the black economy can only grow if these organisations are willing to work together to create the situation where the taxi fraternity can speak with one voice.

Mashabela (2000: 4) stressed that it is necessary for a forum to be created on which problems common to all taxi associations could be discussed.

4.5.3.1 Conflicts among taxi associations

In the taxi industry it is difficult for operators to talk about the causes of the bloodletting, inquiries about the killings are met with a stony silence. According to Mashabela (2000:4) even the officials are scared of being quoted in the press. In one of the worst incidents, three people were killed with AK-47 and R4 rifles, and 12 injured near

Baragwanath (Chris Hani Baragwanath Hospital) at Soweto in an ambush following a dispute over plying a newly founded Pretoria route. The dispute was between members of SABTA (FIFO) affiliate and City Taxi-owners association (McCaul, 1990:86). Most of the taxi conflicts are influenced by the following;

- conflicts appear to be a defence of routes, jealously regarded as belonging to one group of operators;
- some associations have monopolies on routes or regard a particular rank as being for the use of their members alone;
- break away of some members forming their own association;
- a prevalence of a gang mentality in the industry, and
- these conflicts have been exacerbated by the tightening of profit margins as more and more operators have entered the industry through the *de facto* deregulation.

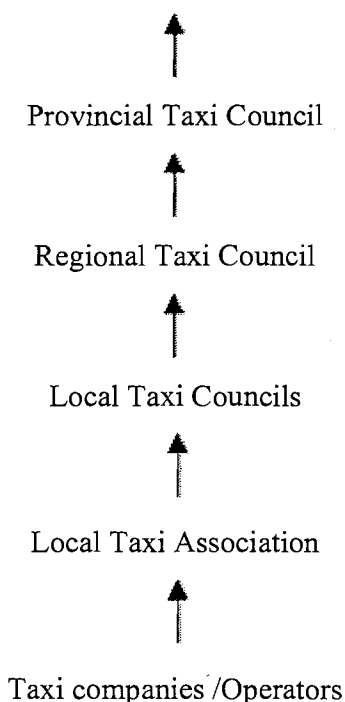
In the first instance referring to the issue of routes defence most taxi drivers are regarded as hard-workers provided they come with the targeted amount each day, so having many operators hampers the profit. Monopolizing the ranks again becomes a problem, whereby an innocent operator who is not properly informed not to use the rank, will rather be notified through primitive weapons like knives, pangas or axes which taxi drivers carry. A simple defunct of certain members forming new association causes a serious conflict due to the loss of support which means that the subscription fee relied upon could not be enough. Gang mentality is influenced by crime in the sense that these drivers are threatened by thugs hijacking taxis so in defence groups spring up to pledge solidarity. The taxi industry though is a public transport, it operates on private basis seeking profit,

allowing new entrants means the loss of paying commuters.

4. 6 The role of umbrella structures in the taxi industry

Official representation within the taxi industry aims not only to defend neither taxi owners from traffic regulations nor drivers from owner's exploitation, but also exist for commuter to report unruliness of taxi drivers. The association plays a significant role ensuring that the taxi industry gets involved in any endeavor to improve conditions.

These taxi representatives in the country have influence which goes from local association to umbrella organ at the top in the following fashion (Mabasa, 1999); South African National Taxi Council (SATACO) and South African Metered Taxi Association SAMTA structures are represented as follows:



Source: Umbono Corporate Advisors (2002).

Taxi operators organise themselves into Local Taxi Associations that form Local Taxi Councils. The Local Taxi Councils in turn elect representatives from local councils per

region and form Regional Councils. Representatives from Regional Councils elect Provincial Councils that in turn elect the National Council that is tasked with upholding national issues and policies. The National Council represents the national taxi industry by mandate of conference.

4.7 Law enforcement and the taxi industry

The taxi industry's success has been large despite the impositions of some sort from the state. There are two aspects to taxi law enforcement- enforcing the permit system (i.e the 1977 act) which restricts entry, and enforcing traffic and technical regulations contained in the provincial road traffic ordinances (McCaul, 1990: 58). In most of these cases one finds the taxi owner at loggerhead with traffic officers if not fighting with drivers on such matters, in the sense that owners end-up thinking that the driver has been caught due to negligence. *Final Report of the Commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa, RP50* (1983:23) reflecting on enforcement, states that the situation is such that control has become almost impossible. As regards unauthorized pirates taxis in particular, there is an alarming element of irresponsibility and it has been found that, in practice, it is sometimes even dangerous to enforce the law. The report also said of taxi operators that their enterprise and ingenuity in side-stepping the law can be described as astounding. With regard to effective law enforcement, the Road Traffic Management Corporation (RTMC) has been tasked to finalise a detailed business plan which aims at strengthening the capacity of the State to enforce the law. Government has committed R2,5 billion over the next five years to increase its capacity to enforce the laws in relation to public transport (Moufhe, 1999).

4.7.1 Permit application and allocation dilemmas: 1977-1989

In the taxi industry it is necessary that operators be in possession of a permit for public passenger transport. The number of taxis seen plying roads are expected to produce some sort of authorization. However, numbers of permits issued at some stage do not necessarily reflect the number of taxis on the roads, so one could not conclude that all taxis have permits, nor does it mean that having a permit means one owns a taxi. Mr Manqa (2005) stressed that each time there was a complaint regarding rank overcrowding, the problems stem from permit possession. Most of the taxi owners are not real owners, but just in possession of a permit and thereby another person will be using this permit which culminates in further conflicts within the ranks. When applications are made for permits the most important aspect to consider is the availability of space in the rank where an applicant wishes to operate. According to McCaul (1990:20) statistics on the number of successful applications for public carriers permits for Kombitaxis between 1985/1986 and 1987/1988 were given in Parliament by the Minister of Transport affairs, Mr Louw. The numbers were as follows;

Successful taxi permit applications to local road

Transportation boards for 9-15 seater vehicles

<i>Local Road Transportation Board</i>	<i>1985/86</i>	<i>1986/87</i>	<i>1987/88</i>
Bloemfontein	159	428	124
Cape Town	368	209	218
Durban	265	631	262
East London	50	76	122

Kimberley	36	37	15
Johannesburg	307	750	89
Pietermaritzburg	262	181	177
Port Elizabeth	120	351	28
Potchefstroom	665	882	508
Pretoria	453	1 357	3 273
<i>Total</i>	2 685	4 902	4 816

Source: (McCaul, 1990:20).

The taxi operators accuse government of failing to issue permits to taxi operators, and then impounding their vehicles for not having permits (Radebe, 2005).

4.7.2 Legalization campaign in the taxi industry

Taxi drivers form the bulk of road users who face lot of charges such as permit fines of R1 400 payable at respective traffic courts and an additional R1 000 impoundment fee payable to the Department of Transport in Johannesburg (Rapodile 2005) A spokesperson for Top Six stated that it is the government which has failed to issue permits in accordance to ranks and need of taxi stakeholders. George Negota (2006), head of the Permit Board in Gauteng provincial transport department, admitted that “there had been delays in the issuing of permits under the taxi ‘be legal campaign’. There is a moratorium on the issuing of permits throughout the country. The problem lies with taxis which don't qualify for permits; a decision must be taken at national level about what to do with such cases. We need to convene a conference of all permit boards in the country to decide on a

uniform way forward". The Gauteng Taxi Council (GATACO) has called on the authorities to approve all the applications to prevent conflicts. Mandla Mnguni, the spokesperson for GATACO said it was "understandable" why Top Six decided to go on strike (Thale, 2003:1). Taxi operators are unfairly harassed by law enforcement officers. It is said that they are made to pay exorbitant storage fees after their vehicles have been unjustly impounded. The board however, seem to have agreed for a while that taxis should not be impounded for not having permits, but added that such a decision can only be taken in conjunction with other provinces.

At the same time that taxi operators are being charged, the taxi recapitalisation plan has been delayed, yet the old fleet is being impounded for being unroadworthy. The taxi operators accused traffic authorities in the province for refusing to release impounded vehicles even after fines had been paid. "We can't keep our vehicles and we can't buy new ones," (Ramolle, 2006). Sizwe Matshikiza (2006), spokesperson for the Department of Transport in the Gauteng province, dismissed these allegations, saying "to start with, unroadworthy vehicles must not be on the road. We can't have moving coffins on our roads. So long as a vehicle is not roadworthy, it will be impounded over and over again". This is the message which has also raised an outcry from the taxi stakeholders who believe that the recapitalisation of the taxi industry is unacceptable as the government does not show any seriousness given the delays.

It is significant to highlight the role of public transport in the economic development of the country. In essence, the taxi industry is by far playing an important role in the public

transport system of the country. It is a known fact that the industry by far transports the largest number of public transport users. In spite of this competitive advantage, the industry has experienced violence, harassment and intimidation emanating from the need to dominate operations over routes considered to be lucrative (Dugard, 1995:02). The violence that has dominated the industry has unfortunately overshadowed the significant role played by the industry in the transport system. As more passengers and ordinary people become victims of taxi violence, they look for alternative means of transport and by so doing ensuring that the industry loses its niche market. It will be unwise to be ignorant that issues of taxi 'radius and route based permits' are more often than not, the cause of taxi violence. Rogue members of the industry take advantage of the radius based authorities on the permits to flout the rules and invade routes considered lucrative and operated on by rival taxi associations.

4.7.2.1 Taxi industry at loggerhead with government

It is as a result of this challenge that Government has intervened by ensuring that taxi permits get converted to Operating Licenses. In terms of *National Land Transport Transition Act 19 of 2000*, taxi permits should be converted to Operating Licenses by a date published in the regulations by the Minister of Transport in consultation with MECs. Indeed the permit conversion process to Operating Licenses is meant to ensure that taxi operators confine their operations to specific routes and stop invading routes used by rival associations. The Minister of Transport in consultation with all Transport MECs, have indicated that the permit conversion process should be completed by the 30 November 2005 after the initial extension was granted as requested by Operating

Licensing Boards so that they can be given more time to finalize the conversion process (Pearce, 2000:2).

4.7.2.1.1 Permit is Not a Right

There is not a single association in the country that must lay claim to route ownership, for the taxi industry stakeholders to claim anything it will be unrealistic for themselves. All routes belong to the people of South Africa, and these are public transport users. Most public transport industries are allowed to render a service for commercial gain, thus any road construction means are at government's expense. The role of the industry should be strictly on business, the role of Government is to ensure the compliance of regulations. A taxi permit or Operating License gets issued to an applicant to render a service but it remains the property of Government (Open Text Arrive Alive, 2005). These changes lead to the questions as to what is the striking difference between a permit and an Operating License. The most obvious difference is that a radius based permit allows the holder to operate on any direction for as long as such an operator does not go beyond the distance in kilometers indicated on the permit (Mokoena, 2005). More often than not, when that happens it causes violence within the industry. On the contrary, the Operating Licenses confine taxi operations to a specific route and is renewable after a certain number of years.

4.7.2.1.2 Permit conversion progress

The industry seem to have been very supportive of the permit conversion process, although a number of owners are skeptical as to what good reason the authorities have to

push for changes. A great number of operators have encouraged and confirmed that the permit conversion process will go a long way in resolving some of the problems facing the taxi industry in conversion from radius to route based permits. According to Mr Manqa (2005) Emfuleni Council Official, there has been an encouragement to those members of the industry who have not yet taken advantage of window of opportunity to convert, and to do so before 30 November 2005. By 1st of December 2005, law enforcement strategy was ready to deal severely with operators who were found to be operating without the necessary Operating Licenses. Nevertheless, there has been an applause for those early birds for converting their permits and wish them the best in their new way of operation (Machobane, 2006).

4.7.2.1.3 Registration Focus Group

The Acting Provincial Taxi Registrar leads this focus group. The group's objectives are to establish a register of taxi associations and operators, facilitate the appointment of the Provincial Taxi Registrar, his assessors/advisors and staff, as well as the setting up of his office, establish an administrative system for handling applications and the setting up of the register, and to determine and provide the funding requirements relating to the registration process (Machobane, 2006).

The Acting Provincial Taxi Registrar, with the assistance of work group members, initiated the process by informing operators and authorities about the registration process and made preliminary arrangements for the receipt of application forms. By the end of June 1998, statistics with regard to registration of Western Cape taxi associations were as

follows:

Table 4.1 Permit conversion

	Applications Received	Registered
No. of Associations	185	137
No. of Operators	4,817	3,999
No. of Vehicles	6,900	5,969

Source: (Ahmed, 1999:02)

As one of the criteria for registration, members of all associations have signed the constitutions and codes of conduct of their individual associations as a token of their undertaking to bind themselves to the conditions contained therein. Apparently, the association, when coming to these kind of approvals their role is to be influential to convince other stakeholders to comply. An indication that the South African government acknowledges the importance of public transport was that, South Africans were urged to use the Car Free Day, which was the 20th of October 2005, as a day of using taxis, buses and trains as a means of getting to their various destinations (Ahmed, 1999:02).

4.8 The Legalisation Process ('Be Legal' Campaign')

This constitutes the second stage of the formalisation process. After completion of the

registration process by the registrar, information is handed over to the Local Road Transportation Board for legalisation of operators and the processing of permit applications. Tokman (1989:87) stressed that the cost involved for entry to legality is the summation of the following; time needed for registration, financial cost of registration and money spent on modifications. There are three criteria used by the Board to determine the suitability of an application namely:

- The registration information of the members, his/her vehicle/s, routes and the association from the Registrar;
- A valid Certificate of Fitness from the relevant division of the Department; and
- A rank permit from the relevant municipality

The registrations required seem to aim at reducing the conflicts in taxi ranks whereby unregistered minibus vehicles were out-numbering the registered ones.

4.8.1 The process of permit approval

Since the beginning of 2001, 9 000 permits have been issued by the Board to deserving taxi operators, subject to them providing the following information;

- A valid certificate of fitness
- Rank permits from municipalities
- Route details for each vehicle within associations.

The validity of such permits was extended over a six-month period instead of the usual three months. However, during that period prior to the launch of the enforcement drive

very few permits were uplifted by taxi operators due to one or more of the above reasons (Irin-news, 1997:1). Of the few, which were uplifted by associations, very few were handed to operators by their chairpersons, mainly due to the fact that some of the chairpersons wanted payment for their services (Radebe, 2005). When the enforcement campaign started many of the vehicles, which were fined or impounded, were as a result of this oversight from operators and their associations. Firstly, upon realising this problem, many operators then flocked to the Board to try and arrange their permits; this unfortunately created a huge logjam within the Board. Secondly, many of the operators who wanted to uplift their permits came without the necessary documents for the uplifting of their permits. Other associations were not granted their permits by the start of the enforcement campaign simply because they were challenging each other in court over outstanding route claims and other-issues (Ahmed, 1999:02).

4.9 Labour relations in the taxi industry

The information analysed regarding the taxi industry will not suffice without referring to the people behind these operations and whose roles are central to this study. The taxi industry is made up of owners, drivers, marshals (rank managers) and commuters. The owners are therefore regarded as employers, while drivers are employees, so it is well understood that without the involvement of commuters in the basket of taxi issues everything goes sour. Fourie (2003:24) states that the taxi industry in South Africa developed under similar conditions where profitability is increased through the exploitation of labour, with reference to the taxi drivers in this regard, whom daily they are to give the taxi owner reasonable income.

4.9.1 Requirements of being a taxi owner

It is not that difficult to be an owner as most people might believe; one just has to purchase a 16-seater kombi and rank whenever one feels like. Whoever may decide to do so, it will be a clear suicide mission. As has been indicated above those associations have control over routes within their 'jurisdiction' which is not within the bounds of the law. Mr Motsoeneng (2006) a member of the Sedibeng Taxi Council stressed that a number of sacrifices are made by these associations, so they cannot allow a newcomer to enjoy profit without having to undergo some kind of strain. It becomes compulsory for owners to belong to a certain association and pay some kind of subscription for rank usage, per recommendation of permit board. The recapitalization policy (discussed below) also covers these issues, which causes unnecessary bloodshed in a number of ranks. The owner of the taxi has to ensure that permit papers are in order, the vehicle roadworthy and the driver legitimate. Taxi owners are not restricted to have limited taxis. According to *National Land Transport Transition Act 34 of 2000*, new operating licenses will ensure that taxi operators remain confined to specific routes and don't invade the routes of rival taxi associations. Taxi owners are required per association rules not to drive their own vehicles, rather, they should hire someone.

4.9.2 Taxi driver

Depending on how many taxis one owns will translate to the number of drivers. Taxi drivers are required to produce a driver's license and Professional Driving Permit (PDP) because thousands of lives are in the driver's hands. Drivers are also required by the

National Road Traffic Act 17 of 2000 to be in possession of PDP, which is renewable every 12 months. Prior to 1999 taxi drivers were not registered by their employers (taxi owners) according to labour laws in the country. It is obvious that an applicant has to be experienced regarding the routes; this however could not be determined by face value; rather experience was measured through profit made. This implies that if a driver does not meet the profit expectations of the owner he will lose his job. Taxi drivers are of two kinds; local trips and long distance drivers. Currently, in 2006 a taxi driver earns between R 200 to R 300 a week, confessed one of the drivers at the Vaal Internal Taxi association (Mr Elias Mosesi, 2006). Again, it depends on how much profit is made per week; it is quite sensitive for taxi owners to reveal their income however. As much as every employee has rights to join unions, taxi drivers as well are members of various taxi drivers associations.

4.9.3 Commuters

Nowadays people are free to express their dissatisfaction on any service rendered, thus there has been a lot of complaint from commuters and other road users. Mr Dladla (2006) one of the taxi users pointed out that traveling with a taxi is a matter of life and death, “these drivers have no respect for commuters and fellow road users, for example they just stop wherever they wish to without considering the road traffic rules”. In addition, taxi drivers speeding for profit leave much to be desired given the number of vehicle accidents a year attributed to careless driving. The Road Accident Fund or insurance cannot compensate passengers using a taxi without a permit. Government cannot limit its involvement by merely an expression of condolences to those killed or injured in car

crash. Enforcement ensures that operators do not risk the lives of passengers through overloading for quick profits.

4.9.4 Vehicles: minibus taxi

A certificate of fitness is required when the taxi owner has to receive the scrapping allowance, according to Fourie (2003:62), the COF is renewable every 12 months; it needs to be checked on a continual basis within those 12 months to ensure that the vehicle is roadworthy for the purposes of the COF. The COF is displayed on the windscreen of every minibus. Whenever the traffic officer stops a taxi, roadworthiness of the vehicle is first checked. Each taxi must display other licenses on its windscreen; COF and carrier permits. In addition to the normal training received by traffic officers; they received additional training in Public Transport Legislation as provided for by the *Interim Minibus Taxi Act, Act 4 of 1998* and *The National Land Transport Transition Act, Act 22 of 2000*.

The trading rights certify that the vehicle's owner has exclusive rights to trade on that particular route and has a right to be protected by law. This has been the single contributor of taxi violence in a number of provinces. Previously, there was a proliferation of private security companies to protect the routes of each association. Most commuters have seen a naked display of heavy caliber arms on the main routes. Any government must have a monopoly of a legitimate force. Security companies were paid for by a heavy levy, sometimes R2000 a week to maintain these heavy armies (McCaul, 1990:78).

4.10 Size and monetary value

The taxi industry consists of approximately 150 000 public minibus taxis. It is difficult to determine the number of metered taxis operating in South Africa due to the informal structure of the industry. The Western Cape and KwaZulu Natal taxi industry seem to be well coordinated while taxis in Gauteng in particular are not that well coordinated. Gauteng has about 3 700 metered taxis, only 1 860 are legal. The South African taxi industry is estimated to have a turnover of approximately R16, 5 billion. The precise contribution of the taxi industry to the country's GDP is unknown. Many taxi operators are not registered as taxpayers, although they may well be registered with the Department of Transport as taxi operators (Holiday, 2005).

4.11 Quantity restrictions and fare-setting

South Africa's taxis are not formally subjected to quantity restrictions, but the Department of Transport seems to have stopped issuing permits while it decides on how to formalize the process. In the case of minibuses, different individual taxi associations appear to decide collusively on taxi fares to be charged per route, without consultation with, or interference by, the authorities. In terms of Section 4(1)(b)(i) of the *South African Competition Act No 89 of 1998*, such agreements between competing firms, or an association of competing firms, are prohibited as they involve directly or indirectly fixing a purchase or selling price or any other trading condition. Currently, minibus commuters are charged fixed amounts for traveling on particular routes. These routes are generally known, without being published. In the case of metered taxis, there appear to be two

types of fares: metered prices and negotiated prices. The metered price is the 'official' pricing that should be complied with and is set by the taxi associations, again apparently collusively.

4.11.1 Metered taxis

Illegal taxi operators charge negotiated prices because of the lack of a meter reading, while legal taxi operators often choose to charge negotiated prices for fear of losing business. It is common practice to set fares according to their perception of the customer's willingness to pay. Current meter reading fares are charged as follows: an initial fare of R2.00, then R5.50 per kilometer and 10 cents per 20 second period of engine idling time. There is no charge for the distance travelled by the taxi to the client, so the fares mentioned must cover that distance as well. Some taxi companies also offer special rates of up to 50% discount for disabled passengers and pensioners (Holiday, 2005).

Unregistered 'metered' taxis that operate without a control center acquire business by means of;

- parking at taxi ranks and cruising past known pick-up spots; and
- by distributing business cards to retain regular clients. Freedom from tax liability as well as freedom from having to pay monthly membership fees of approximately R500 compensate for the lack of a control centre for unregistered metered taxis (Holiday, 2005).

4.12. Roads

South Africa's national road network currently covers 7 200km, with about 20 000km of primary roads planned for the future. The roads include 1 400km of dual carriage-way freeway, 440km of single carriage-way freeway and 5 300km of single-carriage main road with unlimited access. Approximately 1 900km are toll roads, serviced by 27 mainline toll plazas. Government projects to maintain new and existing roads, as well as the construction of several new toll road developments. Investment in road infrastructure is growing, while total expenditure on the road system has been declining. As a result, the estimated backlog in expenditure on roads is rising (R3bn on the national road network and R27bn in total, with a further backlog of R3bn for access roads). During 1999 the last financial year, there has been a welcome increase in road expenditure budgets. Transfers to the National Roads Agency have risen to an average of 11% per annum from 1998/99 to 2002/03, from R654m to R1 241 million as more funds are allocated to building and maintaining roads (Mabasa, 1999:3). The department is currently undertaking a study to develop a road infrastructure strategic framework that will give effect to the national vision of road transport in South Africa, taking into consideration the socio-economic environment, national imperatives, policy goals, institutional arrangements, funding mechanisms, current realities and future scenarios as well as the needs and perceptions of the road user.

4.13 The recapitalization policy: introduction

The above analyses indicate clearly that it has been necessary for the government to intervene if not to interfere in the taxi industry. The intervention is deemed appropriate to

promote safety by replacing the existing fleet of taxis (18-seater to 35-seater diesel power vehicles), as the state of having vehicles unroadworthy rendered public transport risky.

4.13.1 Brief background: towards safer and reliable public transportation

Between the early 1980s to mid 1995, the taxi industry grew at a phenomenal rate. The position of the taxi industry over other transport modes was strengthened by the perception in the minds of commuters of it being a community-based industry, surviving against the apartheid authorities and without any subsidy (Ahmed, 1999:1). Government policy during the 1980s further allowed market forces to determine entry into the minibus taxi market, thus encouraging almost any applicant to be granted a permit to operate a taxi. Thus by mid-1990s the taxi industry was not only over traded, but was in dire need of being formalized and regulated. The National Taxi Task Team (NTTT) was formed in 1995 as a government's proposal to begin a consultative programme to involve the role players from the industry in finding sustainable solutions to the problems that plagued the taxi industry. Since the release of final recommendations of the NTTT in September 1996, significant progress has already been made to finalize and restructure the taxi industry (Pearce, 2000:02). In terms of NTTT recommendations, the formalization of the taxi industry depended on the cooperation of the stakeholders to submit to the whole process in line with the *Road Transport Act 74 of 2000*.

4.13.2 Government statement on taxi recapitalization

The overall goal of the Taxi Recapitalization Policy (TRP) initiated by government in 1999 is the replacement of the current ageing fleet that constitutes the bulk of the taxi

industry with new vehicles that are safe and reliable. The programme also sought to ensure the sustainability of the industry as a business, as well as ensure its formalization and effective regulation. The taxi industry plays a strategic role in the economy and in society. The taxi industry is a dominant mode within the public transport arena. The industry carries almost 68% of commuters on a daily basis (Barolsky, 1995:71). Within the context of the review of the public transport system, the state will need to integrate the taxi industry into the public transport. There is no doubt that a more focused approach to formalize and assist the taxi industry will be in the best interests of commuters.

It is against this background that government is keen to expedite the implementation of the Taxi Recapitalisation Programme. Indeed, some serious delays were experienced in the past during the process. The evaluation of the original four bids (QLF, TATA, MALANDELA, DAMLER-CHRYSLER) received was finalized early 2005 and the steering committee made its conclusions about the two tenders that were issued. By way of a summary, the evaluation of the bids indicated that the programme, in its original form, which included the tender for the manufacture of the New Taxi Vehicle (NTV) and Electronic Management System (EMS), was neither affordable to the national fiscus nor profitable to the operators. In this regard, it will also not be affordable to commuters because under its current configuration operators will certainly increase their taxi fares to increase their profit margins (Barolsky, 1995:18).

The decision of the cabinet is primarily about taking forward the Taxi Recapitalization Programme in a revised form, whilst retaining the central objectives of the original programme as outlined above. The decision was also informed by the outcomes of the

extensive consultations undertaken by government with the taxi industry (Gozhi, 2004). There is convergence of views on how to take forward the Taxi Recapitalisation Programme. As approved by Cabinet, it will be implemented from the beginning of the 2005/2006 Financial Year, unfolding over a period of seven (7) years at an estimated cost of R7,7 billion (Montana, 2004).

4.13.2.1 Pillars of taxi recapitalization policy

The following are the key pillars of the Taxi Recapitalisation policy moving forward (Umbono Corporate Advisors, 2002):

- the introduction of specifications for the NTV through Regulation by the Minister of Transport, with focus on the safety aspects of the vehicles by a defined date (s);
- the introduction of a once-off scrapping allowance of R50 000 per scrapped vehicle to legal operators or registered taxi vehicles. The scrapping allowance will be rolled over a period of five (5) years to ensure affordability to the national fiscus. This will also enable those operators who have recapitalized enough time to use their existing new vehicles;
- to complement the safety specifications, Government will introduce thresholds or bands for vehicle seating capacity instead of requiring that the NTVs have a seating capacity of 18 and 35. The various bands/categories will be informed by the needs of a particular route; and
- Government will sustain the formalization and registration of the taxi industry across Provinces, so that effective regulation of the industry and enforcement of the law by government (and not self regulation) takes place.

Government is confident that this intervention will go a long way towards sustaining the taxi industry and bring greater benefits to commuters in the form of safe and reliable fleet as well as affordable services. Through partnership with the taxi industry and commuters, the government will move forward with determination to implement an intervention of economic and social significance. In rolling out the strategy, government recognizes that the sustainability of its interventions in the industry do not lie only in the scrapping of old taxi vehicles, which remains the primary and immediate goal of the TRP (Montana, 2004). Also key to the success of government interventions in the industry are effective regulation, its integration into the public transport system, effective law enforcement as well as empowerment. To this end, the rollout strategy identifies the need in the short-term for the removal of the very old and unroadworthy taxi vehicles from South African roads putting the safety of commuters first.

4.13.2.2 Rollout strategy for taxi recapitalization

Among the objectives set to improve the conditions of the taxi industry the following rollout strategy has been outlined;

- Introduction of Safety Requirements for the new taxi vehicles (NTVs);
- Scrapping of existing vehicles;
- Effective regulation of the taxi industry;
- Effective law enforcement in respect of public transport; and
- Empowerment of the taxi industry (Ahmed, 1999: 07).

4.13.2.3 New Vehicles Safety Requirements

Cabinet has approved the publication of Safety Requirements in the form of Regulations. The Regulations are final and binding and any new vehicle that enters the taxi industry without meeting these Safety Requirements from 1 January 2006 will not be licensed to operate as a taxi (Ahmed, 1999:03). The Final Regulations were published in the Government Gazette on 1 August 2005 and provides for the following; Seatbelts Roll Over Bars, Type 2 Braking System, Commercially rated tyres: Size 185 R or 195 R for Minibuses, Warning Markings, Wheel Bands, Tamper-Proof Speed Governors (100 km per hour will be set as the maximum). Most importantly the vehicles will be diesel-fuelled. Minister of Public Transport Mr Radebe added that, "Cabinet had also agreed that the regulations should also provide for the colour coding of all taxi vehicles in South Africa" (Mabasa, 1999). However, vehicles removed from roads will not be immediately scrapped, but will be stored at various safety pounds around the country. In early August 2005, the Department of Transport invited interested parties to submit proposals on the establishment and management of a scrapping and administration mechanism. The scrapping and administration mechanism will carry out the physical scrapping of old taxi vehicles, including those voluntarily handed in by taxi operators.

4.13.3 Broad Based Black Economic Empowerment

The renewal of the taxi fleet would not be sustainable if not accompanied by the empowerment of the industry and changes in the nature of taxi operations. However, the taxi industry empowerment process will be driven by the industry itself with government providing support mechanisms (Manqa, 2005). The strategy will also take into account

the interests of all taxi drivers. The Department of Transport is currently finalizing a programme directed at taxi drivers who have been in the industry for many years and/or whose employers will be exiting the industry. This policy will give taxi drivers the opportunity to graduate to taxi operator status in their own right and participate in related economic activities. Minister Radebe concluded that, "The successful implementation of the TRP strategy will depend on the ability of the Department of Transport to manage the rollout, make the right choices and trade offs, as well as effective consultations and communication with relevant stakeholders in the taxi industry. Government is determined to ensure that the interests and safety of commuters is at the heart of an improved public transport system which is safe, affordable and reliable" (Mabasa, 2001:1)

4.14 Summary and Conclusion

The Taxi industry in South Africa is huge with such contribution to the economy more than most industries that are regarded as formal in the public transport sector. On National, Provincial and Local roads each year there are lot of accidents which statistically are shocking, especially when it is realized that it is because of irresponsible driving, overloading, and lack of proper documents. However, conventional public transit service (trains and buses); with fixed routes, overcrowding during off-peak hours, limited frequency and delays, only imperfectly satisfy the demand for public transportation in and around urban areas. In the mean time this dysfunctional situation time place government budgets at all levels under increasing strain. The taxi industry from the onset has never come to the fore and rips government through subsidies, in anyway having remained informal for years such treatment was a daily bread for stakeholders. The

formation of associations within the taxi industry might however have managed to resolve certain problems, reducing conflict and violence that had claimed thousands of innocent commuters' lives. In vigorously dealing with the transport authorities the associations are pro-active and representative of their constituencies.

In attempting to regulate the possession of permit for carrying the public, the government has been so progressive in bringing forth the taxi industry to the tax-paying network. It will be impossible for the taxi owner to pay required fees for operations to authorities, given the approval from local authorities regarding rank utilization. The taxi industry is made to survive by the owners, drivers, marshals and commuters in close cooperation with the Department of Transport. For that matter, the National Taxi Task Team has been appointed with the development interest at heart, which in turn came with the proposal to replace the existing fleet of so called unroadworthy scraps of minibuses on road with 18 to 35-seater diesel vehicles.

CHAPTER FIVE
EMPIRICAL ANALYSIS ON EFFECTS OF THE RECAPITALISATION
PROCESS

5.1 Introduction

The introduction of taxi recapitalisation policy is a move which has been proposed in an attempt to bring the taxi industry to the fore economically, to ensure its sustainability as a business. Nevertheless, the policy has never been accepted by certain groups within the taxi industry indicating through wide eloquent expression of dissatisfaction. The business of minibuses is about routes, fares and different destinations. It will be a fallacy to hope there will be peace in absence of proper transport regulations for the taxi industry. The introduction of taxi recapitalisation policy served also to reveal the differences among taxi operators irrespective of the associations affiliated to it as will be seen throughout this study. Thus, in contrast, flawed as the policy appears, it has generated more resistance and violence within the taxi industry as will be shown in the chapter.

The purpose of this chapter is to analyse and interpret data which has been collected from relevant participants using various scientific techniques. The study has been conducted within the Vaal Triangle; it is imperative to give a brief background of the area. Direct involvement of Sedibeng District Municipality will be looked at as this municipal authority has been allocated with the responsibility to shape the taxi industry in the Vaal Triangle. Before an in-depth analysis and interpretation is drawn from responses, a review on taxi recapitalisation policy will be made, and then results will be presented.

5.2 Research permission

The research process for this study took two years to complete due to limitations such as; lack of cooperation on the part of taxi stakeholders (associations), and distance between place of work/residence and the study areas. The permission to conduct interviews for the taxi associations was given by various executive committees of associations based on letters of request submitted in advance. In the Department of Transport at Sedibeng District Municipality (SDM) the Acting Manager Mr Conrad Natshivhale and the Member of Mayoral Committee on transport Mr Sakiwe Khumalo (2006) gave permission verbally for this study to be conducted.

It has been imperative to interview officers dealing with transportation in the specific areas of SDM as well as those executive committee members of different taxi associations. Time constrain became threatening as SDM officials had a number of task and meetings to attend, also on the part of the executive committee members of associations it became difficult for them to express their views without approval by the whole house.

5.3 Methods of investigations

This section focuses on the methods used during the period of investigation to collect data so as to draw conclusions that provide answers to research questions, objectives and the hypothesis based on scientific findings. Brynard and Hanekom (1997:28) stress that methods of collecting data necessitate a reflection on the planning, structuring and execution of the research in order to comply with the demands of truth, objectivity and

validity. Mouton (1996:169) further points out that in a qualitative research, the investigator usually works with a wealth of rich descriptive data, collected through methods such as participant observation, in depth interview and document analysis. Thus, such techniques have been applied during the research process. The following section briefly outlines the approach followed to collect data relevant to the research theme.

5.3.1 Approach

This study reflects descriptively on the taxi industry and seeks to induce explanatory value by analyzing the social relations which would, in the view of Babbie and Mouton (2001:81) indicates causality between variables and events. Importantly, this section attempts to construct an analytical frame of reference for the interpretation of the state-societal relations under conditions of relative scarcity as it applies to the taxi industry. Introduction of taxi recapitalisation policy is not only influenced by the economic gains that the government anticipates, but rather as indicated earlier, the policy presumed to have been considerate of public/commuter and marshals in the whole process. Nevertheless, each method utilised to gather data will be explained and substantiated.

5.3.1.1 Interviews

The taxi industry is huge countrywide with specific representative structures varying in terms of principles, areas and routes allocated to each by the municipality per jurisdiction. On one hand these structures pledge solidarity for activities taken by the Government should they be perceived as failing the taxi industry. On the other hand they fight with each other over lucrative routes. The importance of referring to these structures

is the data which have been collected from representatives through interviews. At the upper level there are two national organizations which could not be ignored during the investigation, namely; Top Six Taxi Management and the South African National Taxi Council (SANTACO).

Interviews were also conducted with relevant key officials from the Sedibeng District Municipality and also selected managers in three different local councils namely; Emfuleni, Midvaal and Lesedi local authorities. Furthermore, selected taxi commuters were also interviewed, nonetheless, caution has been taken to ensure objectivity. As Vos, *et al* (1998:299) emphasised, the researcher should be neither objective nor detached, but rather be engaged. Data has been gathered from municipal officials to draw conclusions based on theoretical framework of policy making processes embarked upon relating to the taxi industry transformation agenda.

5.3.1.1.1 Interviews conducted

During the research process interviews were conducted with identified participants. May (1997:109) is of the opinion that interviews yield rich insights into people's experiences, opinions, aspirations, attitudes and feelings. What was most central to this study was to inquire on opinions and experiences from taxi stakeholders using semi-structured and unstructured interviews. The respondents (executive committee members) from Sedibeng Regional Taxi Council as the umbrella body in Vaal Triangle and other affiliated local structures committee members were approached.

5.3.1.1.2 Interviews: analysis of responses from participants

In the process of research on recapitalisation policy it has been imperative to conduct interviews, to determine to what extent the policy encourages resistance, violence and conflict. Taxi recapitalisation policy has been drafted based on NTTT recommendations regarding the taxi industry's standards. Thus, the NTTT had involved the umbrella structure (SANTACO) and Top Six Taxi Management Committee in consultation with a number of consultants hired by the Department of Transport in the region. The interviews conducted were semi-structured, and informal. Triangulation approach however has been favored as it has been deemed necessary not to restrict and confine participants' responses. In essence, circumstances determined at a certain time which interviewing method could be applied given the suitability of the area for data to be collected.

5.3.1.2 Participant observation

Participant observation involves becoming part of a group or organisation to understand it, it is not simply just a case of hanging around. However, how people manage and interpret their everyday lives is an important condition of understanding a social scene (May, 1997:141). Brynard and Hanekom (1997: 39) emphasised that the advantage of observation is that real-life behaviour can be perceived, studied and verified.

Misunderstandings can also be clarified on the spot. A taxi driver or commuter could not be easily accessed given the varying trips taken a day. It had been imperative to take a taxi roaming around on different trips to observe and gather data relevant to this study. Furthermore, the researcher could not conclude that minibus vehicles are not roadworthy before checking conditions physically, thus, observation became imperative.

5.3.2 Statistical population of this study

In the research process various variables were identified as follows:

- Taxi industry;
- Department of Transport; and
- Recapitalisation policy.

Thus, the study has two participants namely; the taxi industry with associations as mouth piece of the industry as well as the Department of Transport as the regulator.

Nevertheless, inputs from the following institutions regarding taxi recapitalisation policy could not be ignored;

- Department of Trade and Industry (manufacturing);
- Department of Minerals and Energy Affairs (Fuel matters)
- Department of Labour (regulator)

Sedibeng Municipality's Senior Investment Facilitator Mr Dladla (2006) emphasised that 'Manufacturing' is one thorny issue to be tackled with extra care, since the bidders selection by the National Department of Transport (NDOT) had been of considerable delay. Short-listed bidders interviewed by Lebelo (2005:1) indicated that 'though NDOT had been concerned about the delays, they remain confident the policy would be implemented'. Bidders could not be contacted as either they were in overseas or not available. Given the apparent delay in the process due to recurring postponement; there

was bound to be stiff resistance from the taxi industry.

5.4 Semi-structured personal interviews: data collected

Arksey and Knights (1999:32) state that qualitative interviewing is a way of uncovering and exploring the meanings that underpin people's lives, routines, behaviours and feelings, and allows for understanding and meanings to be explored in-depth. Qualitative interview examine the context of thought, feeling and action and can be a way of exploring relationship between different aspects of a situation. In essence, reactions towards taxi recapitalisation policy were checked and ascertained during the interview, Respondents were consulted and intentions were made clear from the onset to gain trust of participants. Semi-structured interviews were applied.

5.4.1 Interview with Sedibeng transport officials

According to the manager of Sedibeng Infrastructural Development, Mr Netshivhale (2005) three senior technical officers are responsible in responding to questions regarding the taxi industry recapitalisation policy. One official was mandated to deal with questions (semi-structured) which were posed as follows;

Question 1: The respondent was asked as to when and under which circumstances did the Department of transport start to consider intervening in developing the taxi industry within the district. The purpose of this question was to allow the respondent to explain the background of the taxi industry in the district.

-- The respondent gave the brief history which was related to problems and conflicts of interests encountered between the state and the taxi industry. Thus, it was indicated that the advent of democratic dispensation required the taxi industry be regulated. In essence, the taxi industry has been taken seriously post 1994.

Question 2: The respondent was asked to briefly explain the relevance of The White Paper (1996) on National Transport to municipalities. The objective was to comprehend the number of regulations that flowed from the Paper regarding public transportation in South Africa since 1994.

--the respondent indicated the vision being to provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers at improving levels of service.

Question 3: The respondent was asked to explain *National Land Transport Transition Act 22 of 2000* in relevance to the taxi industry's circumstances in the district. The objective for this question is on public policy development, intending to trace the steps and bases relied upon during decision-making in drawing the recapitalisation policy. In essence, the question traces the origin of transformation policy for taxi industry and to cover the political systems approach in dealing with the taxi industry's dysfunctional situation identified within the district.

--Respondent indicated that the provision of the NLTTA and its regulations has influenced the introduction of steps to revamp the taxi industry. Transport Authorities dealing with, namely: Municipal Systems Act and the differences between a Core City

and a Transport Authorities were established. Transport Authorities have been established to ensure the smooth running in dealing with regulatory matters concerning the taxi industry at the local government level, hence the Municipal System Act forms part of the NLTTA.

Question 4: The respondent was asked to explain the process embarked upon to form National Taxi Task Team (NTTT). In essence this has to do with government commitment. This question relates to policy initiation stage, to look at the involvement of the taxi industry stakeholders in the whole process.

--The respondent stated that in recognising the significant role played by the taxi industry in the economic life of the country and particularly at Sedibeng district, and as a major carrier of passengers nationally, the government embarked upon a consultative process that culminated in the establishment of the National Taxi Task Team in 1995. The respondent further indicated that government objective is to lift the taxi industry out of the quagmire of the past to enable it to take its rightful place within the mainstream of public transport system in South Africa. The government's policy objectives reaffirm its commitment to finding lasting solutions to the 'problems' besetting the taxi industry and ensuring that it becomes an integral part of the formal public transport sector. In upholding its commitment to a partnership that will pave the way for the transformation of the industry into a viable business entity, the government reciprocally commits itself to consultation.

Question 5: Why has it been necessary for municipalities to consider establishing a Transport Authority? The purpose of this question was to allow the respondent to expand on the *raison d'être* of the Transport Authority.

-The respondent indicated that in terms of the National Land Transport Transition Act (No. 22 of 2000) (NLTTA), a Transport Authority (TA) is an institutional structure in the municipal sphere of government, the sole purpose of which is to improve transport service delivery and by grouping transport functions into a single, well-managed and focused institutional structure. A TA is expected to perform at least the following six functions in relation to the transport area;

- Prepare and implement transport plans;
- Develop land transport policy (including spatial development policies);
- Perform financial planning for land transport plans, infrastructure, operations, services, maintenance, monitoring and administration;
- Manage and co-ordinate the movement of persons and goods on land;
- Encourage and effect public consultation and participation (with customers, operators, unions and communities) and
- to take responsibility for all aspects of public transport service contracts (commercial and subsidised).

Question 6: The respondent was asked what the role of the taxi industry in the Transport Authority is. This was to determine the significant role played by the industry public transport arena.

--The respondent indicated briefly that a number of decisions could not be taken without proper involvement of the taxi industry. Additional question requested the respondent to expand further, to explain the kind of involvement. The response was brief; that the district has authority in making policy decision, with limited involvement of the taxi industry stakeholders. This meant that the taxi industry has no legal mandate to determine what has to happen to itself, and could not be allowed to be law unto themselves as this had been one of the causes of crisis. This scenario is, of course, in line with the art of policy-making where official participants, such as of local government, have legal mandate to make policy, with inputs from unofficial participants (Anderson, 2000:52).

Question 7: The respondent was asked to describe the process of granting converted permits for the taxi industry. This question is directly related to the legalisation and formalisation of the industry as there were more pirate unroadworthy taxis roaming the district.

--The respondent stressed that the *de-facto* deregulation of the taxi industry in the late eighties led to uncontrolled growth that eventually slipped into anarchy, which saw many lives being lost as a result of the scramble over routes that were seen to be lucrative. The taxi industry, once hailed as the flagship for black economic empowerment became overtraded and as absolute breeding ground for violence and factionalism. In 1996, government initiated a Special Legalisation Procedure (SLP) which has been carried out in consultation with mother-body Sedibeng Taxi Council as an official representative of the taxi industry in Vaal Triangle. The SLP was intended to legalise minibus taxi

operators. The SLP apparently did not address all the problems.

It is estimated that nationally close to eighteen thousand (18 000) applications remain unprocessed and are still entangled within the system after two years since the cut off date (the respondent did not want to indicate the number of unprocessed permits within Sedibeng to avoid accusations). While different provinces could not complete the legalisation process due to different problems, a standard threshold became necessary to ensure a minimum degree of uniformity across the country. It is now estimated that there are 36 000 illegal operators throughout the country, the number within the district could not be disclosed. Apparently, the legalisation of the taxi industry was undertaken through different stages though none of them became entirely successful due to administrative and technical problems encountered in different provinces. Respondent also pointed out that in terms of regulation of the *Gauteng Public Passenger Road Transport Act 7 of 2000* (GPPRTA), in converting radius or area permits to route based operating licenses, a Board must adhere to route descriptions, identifications, numbers and codes shown in the municipal transport plans, in consultation with the registrar. In addition, the due date for conversion of permits had been set for 31 May 2006 (currently the taxi industry is still negotiating the extension).

Question 8: The respondent was asked to explain the relationship between the taxi associations and the district municipality in general. The aim of the question was to ascertain the level of understanding and tolerance of associations towards the process of transforming public transportation with regard to the taxi industry.

--The respondent stressed that the relationship is normal as he personally spent a lot of time at the taxi ranks and this gave him an opportunity to know taxi issues better, so taxi people know him and as a result they can exchange sensitive information freely. It can be deduced that the environment within which the taxi industry operates is surrounded by violence especially when a person is a suspected infiltrator.

Question 9: The respondent was asked how the district is dealing with the revamping of the old fleet of taxis in Vaal Triangle. The objective of this question was to allow the respondent to explain the application of recapitalisation policy and to indicate as to what the reactions of participants involved in different areas are. This, in addition was to determine the level of taxi resistance towards the changes, and violence that the policy might generate within the district.

--the respondent explained the recapitalisation policy as has been outlined in chapter four. One point that the respondent mentioned regarding the policy is that NTTT has played a pivotal role in paving the way for the introduction of the recapitalisation policy especially on legalisation and formalisation processes. The final recommendations of NTTT became the guiding principles for the district in the process of implementation which has to be consistent with the plans of National Department of Transport. It can be deduced that the taxi industry really need to change its image before it can get support of the government and the public at large.

Question 10: the official was asked to narrate the difficulties encountered in preparing for the taxi recapitalisation policy within the district. The objective of this question was to allow the respondent to point out what may have generated violence and resistance

from the taxi industry.

--the respondent did not want to dwell much on this question for obvious reasons. It could be deduced that the respondent did not want to wash a dirty linen in public. In essence, the respondent did not want to find himself at loggerhead with taxi stakeholders. Thus, the respondent claimed that the permit conversion process is embarked upon vigorously and currently there are data collectors employed to verify routes per association.

In the final analysis, it is clear that there were series of consultation between the taxi industry in the Vaal Triangle and the Sedibeng District Municipality, as shown from the number of meetings, conferences and workshops that the respondent had attended with the taxi industry and the authorities. Furthermore, the policy is implemented in the Vaal Triangle based on strategies outlined out by NDOT at the central and provincial level. As regards the legalisation it was clarified by Mr Ndamane (2006), that the conversion of permits to operating licenses had been carried out smoothly in the Vaal area with minimum resistance. Ahmed (1999:2) emphasised that in terms of the NTTTT recommendations, the formalisation of the minibus taxi industry depended on the co-operation of the taxi industry to voluntarily submit themselves to the entire process of driving the taxi industry into a tax paying net. In this instance the taxi industry's contribution to the economy could not go unnoticed officially, provided the taxi associations are convinced to support it. According to assistant manager of Sedibeng Infrastructural Development Mr Manqa (2005) there seemed to be no conflicts in the district as most of the associations are affiliated to SANTACO, which supports the recapitalisation policy.

5.4.2 Taxi industry's associations: semi-structured interview

In terms of the hypothesis of this study, the taxi recapitalisation policy is likely to generate resistance and violence within the taxi industry. In essence, the taxi industry had a hope during the promulgation of recapitalisation policy that it will eradicate taxi problems, evidently this has never been the case. SANTACO has provincial offices in each province; Gauteng Taxi Council (GATACO) as a provincial structure in Gauteng for instance, has Sedibeng Taxi Council as the regional branch in Vaal Triangle area.

Under Sedibeng Taxi Council, there are/were 19 affiliated associations (Mtonintshi, 2004:110). Out of these 19 affiliated associations a random sample of eleven were contacted for interview namely;

- Civic Centre Taxi Association (CCTA)
- Evaton West Taxi Association (EWTA)
- Federated Taxi Association (FTA)
- Get Ahead Transporters (GAT)
- Internal Taxi Association (ITA)
- Meyerton-Africa Taxi Association (MATA)
- Orange Vaal Taxi Association (OVTA)
- Sharpeville-Vereeniging-Vanderbijlpark Taxi Association (SVVTA)
- Vereeniging-Sebokeng Taxi Association (VSTA)
- Heidelberg District Taxi Association (HDTA)

➤ Vanderbijlpark Taxi Association (VTA)

The responses gathered from these representatives, from questions as are in appendix attached were consistent to STC's stand which is not different from that of SANTACO, that is, the full support for the taxi recapitalisation policy. However, there were certain differences among these associations regarding the policy, due to the fact that not all associations are affiliated to SANTACO. Some of these associations consulted claimed they were considering an affiliation to Top Six Taxi Management Committee (which is a rival to SANTACO over the policy) even though currently they carry SANTACO cards. Among these associations about 80% could not express full support to the recapitalisation policy irrespective of SANTACO stand.

5.4.3 Section A: Profile of respondents (associations)

The interviews were conducted with the spokesperson of respective associations. It is usually the case that each association has to delegate the public relation officer of the executive committee. In addition, views of these taxi association executive committee members were considered as representative of operators (owners), as these representatives are also taxi owners. Thus, eleven respondents were consulted (see annexure on profile of respondents attached).

Question 1: Respondents were asked to indicate their age range.

The data revealed that there were;

- two respondents within the age range of 18 to 35 years

- three respondents within the age range of 36 to 45 years
- two respondents within the age range of 46 to 55 years
- four respondents within the age range of 56 to 65 years

Question 2: Respondents were asked regarding the education background and the data revealed that 40% have matric certificates and 60% did not complete matric.

Question 3: Respondents were asked to indicate the number of years as a member of the association. According to data collected years of experience varied from 7 to 20.

Question 4: Respondents were asked to indicate type of role they play
100% of respondents are owners of minibuses and also members of executive committee are operators.

Question 5: Respondents were asked to describe their involvement in policy development.

Data revealed that 80% were given more active roles to play towards the recapitalisation policy, as they were delegated to attend conferences for their inputs. 15% felt that their role in associations have been more on settlement of internal disputes than about the recapitalisation issue. 5% had no clarity regarding the role they play towards the recapitalisation policy.

Question 6: respondents were asked to discuss their views towards the recapitalisation

policy.

92% believed that the recapitalisation policy is not planned to develop the taxi industry but rather to pave the way for government interference. 8% thought that it was proper to wait until the actual implementation of the policy. It could be deduced that 92% of SANTACO members were considering the stand taken by Top Six Taxi Management Committee, which is opposition to the move to revamp the taxi industry.

5.4.3.1 Section B: Taxi operator's responses

Semi-structured interviews were conducted with the Sedibeng Taxi Council and Top Six Taxi Management Committee affiliated associations; their responses are outlined as follows;

Question 1: The respondents were asked to explain their involvement in the NTTT talks. The purpose of this question was to ascertain the level of consultation engaged with the taxi operator(s) representatives in line with theoretical framework of policy making processes. Thus, the involvement of the taxi industry in NTTT marked the significance of public-private-partnership within the public transport sector.

--All the associations referred to agreed that Sedibeng Taxi Council (STC) represented them and admitted that the NTTT establishment had played a pivotal role in paving the way for empowering the taxi industry, particularly on legalization and formalisation bases. Furthermore, 100% believed the industry will be formalised, legalised, democratised, made orderly and regulated

Question 2: The respondents were asked about their position on permit conversion

process. The objective of this question was to ascertain the level of support for the legalisation process.

--The respondents seemed to believe that 'Special Legalisation and Be Legal Campaigns failed as there were a number of problems with administrative processes'. The majority of respondents (75%) claimed to be through with the registrations, the remaining 25% claimed to be preparing to register before 31 May 2006.

Question 3: Respondents were asked to express their views on R50 000 scrapping allowance (more than 10 years old minibuses to be given to the government) promised by the NDOT. The objective has been to obtain the interviewees' responses towards the taxi recapitalisation policy.

--65% of respondents did not support the move entirely whilst at the same time skeptical that those operators with only one such taxi would lose. The explanations given were that R50 000 would not be adequate for an operator at the age of 50 years up to 65, and people of that age group could not be employed elsewhere. The criteria used for registrations were not supported by 75% whilst 25% claimed to be applying a wait-and-see-policy though obeying the law.

Question 4: Respondents were asked to indicate their views on the whole taxi recapitalisation policy. The purpose of this question was to explore more data on support or rejection (feedback) for the recapitalisation policy.

--the respondents claimed that the policy had been drawn based on inputs from

consultants, most of who have no experience of the taxi industry's day-to-day operations. The associations (100%) believe that the government has to be pro-active in conflict resolution as such potential existed between national and provincial structures of SANTACO and GATACO. The former seemed keen to go on supporting the taxi recapitalisation policy, while the latter has specific problems with the policy i.e. the government had been warned not to be a player and the referee at the same time. Fears were expressed that the government was only interested in controlling the taxi industry.

Question 5: Respondents were asked question on the introduction of 18-35-seater new taxi vehicles. The objective was to determine the extent to which the proposed vehicles are accepted and approved by the taxi operators.

--all associations (100%) at the moment preferred the 'Toyota Quantum carrying 13-16-seaters and 16-seater Toyota Hi-Ace Siyaya ' new vehicles. Few of taxi operators have already bought (in Vaal Triangle more that twenty vehicles of this kind could be seen in different areas), though with permit problems. 95% believe that 18-35-seater vehicles are not preferred due the to number of passengers intake, meaning the driver has to wait longer on queue than usual, particularly taxis that ply to towns and long distance. The local/internal taxi operators' claimed that the vehicle will be roaming around with empty seats as it is hard to gather passengers of such number per local trip. In addition one of the problems raised was the affordability of such vehicles, which will encourage the operators to increase fares.

Question 6: Respondents were asked concerning safety standards in the old and new taxis. The objective of this question was to allow the respondents to point out advantages and disadvantages of recapitalisation policy in the Vaal Triangle.

--90% of respondents admitted that within the taxi industry there are a number of unroadworthy vehicles (did not want to put the number) which operate in the area. Such respondents (10%) seemed to blame it on subsidies. Respondents however, could not deny that the question of subsidies in the taxi industry will be hard to address, the taxi industry is different from other public transport modes subsidised by the state. The NDOT has been making proposals to the taxi operators to amalgamate as close corporations (companies) of some sort so that subsidies could be given. The infrastructural problems (ranks and roads) were identified to contribute to the unroadworthy vehicles in Sedibeng municipality. This encourages operators to take advantage and decide to buy old scrap minibus as they do not want to put new vehicles on such roads.

From the accounts given above it could be deduced that there are more problems that surround the recapitalisation policy. Conflict and violence will remain the order until two giants; SANTACO and the rival Top Six sort out problems amicably. The differences are basically on route verification, vehicle specification and labour issues within the industry. The government is responsible to address some of these problems as they have to do with government intervention i.e. there ought to be proper allocation of routes, suitable specification of new vehicles and issuing of permits in an *intra vires* manner. The uncertainties seem to be increasing as shown by ongoing demonstrations to the office of

the registrar to extend the dead line for permit conversion. The conversion of taxi permits to operating licenses is one of the central matters concerning the taxi recapitalisation policy. The NDOT has made several extensions such as from on 30 April 2006 to 31 May 2006, yet the taxi industry needed further extension. It could be deduced that there will be delays to implementing the policy because extensions will influence the acceleration of the process negatively.

5.4.4 Section A: Profile of respondents/commuters

During the process of this study 40 respondents were interviewed informally during the application of participant's observation, around ranks and on the taxis.

Question 1: regarding age range respondents were observed and presumed to be of age groups as follows;

- 13 respondents were within the age range of 16 to 25
- 15 respondents were within the age range of 26 to 45
- 12 respondents were within the age range of 46 to 60

Question 2: the respondents were asked regarding the education background and the data revealed that 65% have matric certificates and 35% did not complete matric.

Question 3: respondents were asked about their roles in public transportation

Data revealed the following:

- 27 % were at school

- 40% employed
- 8% self employed
- 7% unemployed

5.4.4.1 Section B: Commuters responses: views and perceptions

The new vehicles proposed by the NDOT are expected to be on roads replacing the old fleet of taxis by 2010. It has been imperative to informally interview the members of the public (commuters), as it can be difficult for the NDOT to implement the policy without the support of the public. The chief executive officer of the Commuters Council of South Africa Mr Arthur Mpe (2005) emphasised that the commuters have the right to feel safe when being transported. It has been impossible to reach all commuters using taxis daily; only about twenty two respondents were interviewed.

Question 1: Respondents were asked regarding the taxi service in general. The objective of this question had been to find out the overall perception on vehicles, taxi drivers behaviour and driving.

-- 95% of commuters claimed to have travelled on a scrap on a number of occasions, and 75% claimed to have been ill-treated by the driver. With regard to the service approximately 85% respondents admitted that the taxis are helpful and it is necessary for improvement to be made.

Question 2: Respondents were asked on recapitalisation policy. The objective was to determine whether the commuter welcomes the NDOT move. 95% of respondents believe the move to replace old fleet of taxis is a breathtaking idea to address the unruly

taxi operators and will ensure safety and comfort more than the usual minibuses.

However, some commuters seemed to hold suspicion that the new vehicles will delay them as a result of the size. As it is a norm, a taxi does not take off from the rank unless it has loaded the number of passengers certified.

In the final analysis it is clear that taxi associations differ fundamentally, there are those which are in support of the recapitalisation move (SANTACO), while others are totally against the policy (Top Six Taxi Management Committee). It can be deduced that affiliates to these organisations are going to be at loggerheads with each other at the grassroots level. The reason is that some of these affiliated associations operate on similar routes, and such areas are apparently going to be a breeding ground for violence. Nevertheless, the Sedibeng District Municipality is confident that plans are on the way to ensure that the taxi recapitalisation policy is implemented effectively within the district. Infrastructures such as taxi ranks are looked at with constructions underway in different areas of the district as it has been observed.

5.5 Participant observations: inspections in Vaal Triangle

It became imperative for observations for this study to be made. The process of taxi recapitalisation policy has never been regarded as remedial to the taxi industry by the taxi stakeholders. Observations were made by virtue of recapitalisation plan which is also supposed to cover ranks renovations for the purpose of these 18-35-seater new vehicles. Ranks were visited by the student to ascertain whether there are proper facilities in place to accommodate the new vehicles. During the research process old vehicles (10 to 16-

seaters) in comparison with these new diesel 18- 35-seater vehicles were observed to determine the differences which were taken into consideration when taxi recapitalisation policy was drawn. Thus, due to constraints the participant observation has been applied in the areas which are officially within the jurisdiction of Sedibeng District Municipality.

5.5.1 Formal ranking facilities

There are 44 minibus-taxi ranks operating within the area of Sedibeng. Out of these only four are formal (CPTR, 2002/3). The following tables indicate the number of minibus taxi ranks per Local Municipality:

TABLE 5.1: Ranking facilities

Local Municipality	No of Formal Ranks	No of Informal Ranks	Total No of Ranks	% Ranks in Local Municipality
Emfuleni	3	34	37	84.1%
Lesedi	0	5	5	11.4%
Mid-Vaal	1	1	2	4.5%
Total	4	40	44	100%

Source: Report Sedibeng District Municipality- Public Transport Plan (2004)

The four formal taxi ranks in Sedibeng region (see table 5.2 page 155):

Table 5.2 Ranking facilities

	Name of Rank	Capacity	Routes	% utilisation
1	Boipatong civic centre taxi rank	39 days	8	353
2	Boipatong Tshabatsatsi	12 days	4	75
3	Meyerton	16 days	1	156
4	Taxido Junction	145 days	23	269
			Average	213.25

Source: Report Sedibeng District Municipality- Public Transport Plan (2004)

5.6 Summary and conclusion

The social history of the taxi industry seems to be as important defining factor as its relationship with the apartheid state. The necessity for intervention and compromises, as part of the process of accommodation, seemed to have become an inevitable feature of the industry's relationship with the state. As part of the meteorically expanding informal economy, the taxi industry not only had an effect on how any public transport policy is formulated, but also on how it is executed. Since post apartheid 1994 the taxi industry had to be dealt with, rather than eradicated due to its economic contribution. The taxi industry has contributed to the country's economy as much as other industries that South Africa is reckoned with. The minibus taxi industry is a critical pillar of the South African public transport sector, operating and competing with the heavily subsidised bus industry for more than five decades without receiving a cent from the government in the form of

grants or subsidies.

Currently, the taxi industry is the most available mode of transport to the largest number of transport 'customers' across a variety of income and need segments. As such, taxis carry 65% of the 2,5 billion annual passenger trips in the urban environment and serve as the base-load public transport carrier, both during peak and off-peak transport times. Presently, the taxi fleet consists of approximately +/-130 000 vehicles operating with legal transport permits. Approximately 95 000 are used for short and medium distance trips in the urban environment, and the remainder for rural and inter-city transport. More than a third of the vehicles operate in the Gauteng province are taxis. The minibus taxi recapitalisation policy seems to form part of an initiative by the South African government to formalise and regulate the taxi industry. However, the participants within the taxi industry see the policy to a certain extent within the context of an integrated, inter-modal transport system that would enhance customer convenience, service credibility and safety. The introduction of new vehicles though delayed has gathered support from giant associations. However, the affiliated associations seem to pose a threat as they believe that the policy is not to the benefit of taxi-men. It is undeniable that route information, speed violation, overloading and driver working periods will be sorted out through the policy. Objections remained around the permit conversion, vehicles scrapping allowance and new vehicles specifications. The criteria set by the NDOT regarding permit conversion become cumbersome as strikes looms.

CHAPTER SIX

FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

The central aim of this study was to investigate the resultant impact of the taxi recapitalisation policy that was introduced by the National Department of Transport. The goals of the policy for the taxi industry are that of providing larger and safer buses and also to establish an industry which will be responsible for its own regulatory framework through which to discipline its mother-bodies, members and affiliated associations. Formalisation of the taxi industry is the process that ensures the involvement of the industry in South Africa's economy meaningfully. In this final chapter of the study; there is a summary of the previous chapters. Furthermore, findings and recommendations of the study are outlined in this chapter.

6.2 Summary

Chapter one clarified the objectives of the study. There was an explanation of various methods used to investigate the taxi recapitalisation policy as proposed by the Department of Transport. The research has been conducted with the knowledge that there are only a few sources that refer to the taxi industry. Thus, during the process of investigation to give clear analysis of the taxi industry's situation; participant observation, interviews and review of the limited existing literature were used as techniques. Central to this study has been the discussions on the events that resulted from the introduction of the taxi recapitalisation policy on the taxi industry. The hypothesis

drawn indicated that the policy is likely to result in violence and resistance from the taxi industry. The hypothesis has been tested and validated through empirical research.

Chapter Two covered analysis of theoretical exposition of the public policy-making process in South Africa. The public policy process has been well defined and the meaning guided the researcher throughout the research process. In essence, the literature review from various sources on public policy indicated a similarity regarding the definition, that is, as a plan of action. The taxi recapitalisation policy has been a plan to formalize and regulate the taxi industry which had been in operation for more than 20 years before it could be acknowledged that it contributes to the economy of the country. It was stressed that not all the needs of the public could be met, instead identification of the dysfunctional situation led to government institutions effective and efficient intervention. Furthermore, it was shown that the setting of an agenda determines whether the issue has turned into a problem through a number of debates by relevant legislative bodies that warranted government attention.

There is no doubt that the situation of the taxi industry became cumbersome in the transport arena. In addition, the public policy-making process involved inputs by official and unofficial participants, the former refers to legislative bodies mandated by the state to debate the identified dysfunctional situation in public transport sector. The latter refers to interest groups and pressure particularly felt by the mother-bodies and other existing taxi structures. Interactions with these groups were aimed to determine as to whether the views and values relevant to address taxi problems were in the interest of all stakeholders

involved.

In Chapter Three the historical development of the taxi industry was traced. The taxi industry started with large vehicles such as Valliants and Chevrolets. One cannot deny that the bus strike and boycott paved the way for taxi industry, otherwise only buses and trains were regarded as official public transport modes. After the introduction of the Road Transportation Act (74 of 1977), it was then the taxi industry could be recognized. The RTA allowed more passengers to be taken though with conditions (de-regulations) attached, it took the taxi industry many years to deal with such conditions, operating with difficulty.

The taxi industry has a history that has to be considered in implementing any public transport plan in South Africa. For the start the apartheid regime suppressed small businesses mushrooming illegally, taxi industry was one of them. Regulation of the taxi industry as evidence has shown will cripple the industry as; during the period between 1977 and 1987 the taxi industry felt pressure from the state at the time. Many boards and commissions were appointed to study the taxi industry in detail. Lack of control of any conflict potential elements could ruin the whole country's economy; issues of taxi industry could not be left unattended.

Reference is also made of the period between 1987 and 1994. In chapter three it was clearly pointed out that the situation of the taxi industry has to be contained vigorously. The era of revolution in South Africa left causalities in a number of community settings.

The taxi industry during this period also faced the plaque of violence and instability in business. Social responsibility of the taxi industry operators has been also to support the communities, taxi violence has never been condoned despite rhetoric political liberation in the country that brought the demise of apartheid.

Chapter four refers to the economic and social dynamics of the taxi industry, as it could not be denied that the industry contributes towards the country's economy and also the social upliftment of communities. The processes to incorporate the taxi industry into a tax paying net has been one of the issues taken with caution by both taxi industry stakeholders and the Department of Transport. For many years taximen collected all the daily earnings from lucrative routes constructed by the state without paying taxation due to circumstances mentioned. The recapitalisation policy also required operators (taxi owners) to register their employees (taxi drivers), in this way taxi drivers will also be liable to pay tax, and when retiring they will receive what is due to them. The Labour Relations Act was foreign to the taxi industry of which it has been the aim of the policy to ensure that taxi industry is recognized as having more employees; drivers, marshals and hawkers, these are the people who can claim that the taxi industry has created employment for them.

Chapter Five involved the empirical investigation undertaken to conduct this study on taxi industry's recapitalisation policy. Methods which were utilised yielded relevant data and without any doubt indicated that the taxi recapitalisation policy has flaws that resulted in violence and resistance in the taxi industry. Minibuses are still using informal

taxi ranks due two reasons among others; on the part of Department of Transport, failure to renovate and allocate taximen with proper facilities, and also on the part of the taxi industry for dragging their feet in support of the policy to revamp the industry. Evidence showed that a lot is still to be done. Yet it could not be denied that the policy to restructure the taxi industry has been drawn based on intentions to develop the industry, uplift taxi drivers standard of living through labour relation practices and ensuring that commuters travel with roadworthy public transport.

6.3 Findings

The study has established that the taxi industry recapitalisation policy was initiated as a response to crises created in the industry that led to the deregulation of the minibus taxi industry. The situation of the taxi industry at the later stage developed to a level where operators fought over profitable routes and taxi ranks space. Violence, especially during early 90s left much to be desired about the industry, innocent lives were lost, and general disrespect for law and order nearly destroyed the industry. Obviously the chaotic situation that prevailed left communities and commuters in a defenseless situation where they became victims of random shootings at taxi ranks. These were the periods when taxi industry became law unto itself as the police could not contain the situation.

The study showed that commitment from the side of the taxi industry on the recapitalisation policy has not been that positive. SANTACO as well, is currently voicing the conditions leading to disagreement toward the policy. It was found that some of the taxi drivers are not yet registered, in other words they are not covered by the labour

relation laws. Lesser emphasis is placed on training of taxi operators about responsibility, though it has not become clear as to who is responsible for training. In terms of the permit conversion process there has never been an instance where demonstrations were not launched against any planning process to convert permits. In addition, it was established that the price of the proposed new vehicles are beyond the reach of the taxi operators. It has been shown that not only taxi operators will be left stranded, but also the taxi drivers due to job losses. Claims that the recapitalisation will create employment does not guarantee that taxi drivers will be suitable, as one must bear in mind that poor taxi drivers lack industrial skills.

The taxi industry stakeholders feel that the industry can survive without the intervention of Government. In the first instance the state utilizes consultants and rely on recommendations given without looking at the fact that some of the advisors do not know how taxis operate, some of these advisors have never traveled with a taxi in their lives for that matter. In the final instance there is a need to revamp the taxi industry yet there is a lack of a proper mechanism to follow by the government-of-the-day. Accidents on roads, overloading, rank overcrowding, bad behavior and lack of customer relations skills in the public transport sector cannot go unnoticed in any democratic state. Public transport is one of the sectors contributing to the economy of any country.

6.4 Conclusion

The focus of the study was to conduct a scientific study into the policy-making process in its application to the taxi recapitalisation policy. The hunch was to determine the causes

of recurring furore in mass protests against the implementation of the policy.

Consequently, the study was conducted with the use of a research design that set out questions and objectives, and hypothesis. An objective for the study was to give an overview theoretical exposition of the policy-making process. To achieve this, an extensive study was made into existing literature on public policy. The analysis involved an inquiry into definitions, problem identification, agenda setting, role of participants, and policy adoption, implementation and evaluation. The study succeeded in providing a framework by which the empirical side was conducted.

A further objective was to trace the historical development of the taxi industry. Like in any policy identification scenario, it was shown that the taxi industry was born out of the womb of a political system that created problems of travel by non-white commuters, as a result of the policy of separate development and attending confusion of violence and disorganization required government intervention for regulation, hence the introduction of the taxi recapitalisation policy. The urgent need for an inclusive consultation process was a further objective of the study. The research proved the reality of public policy theory that is, what turns to be a public policy is a function of interaction among official and unofficial participants in the process. Further, the economic and social impacts of the taxi industry were unraveled in that the industry helped substantially in job creation, growth of GDP, and a general sense of belonging in associations. Through the use of an empirical study by means of questionnaires and participant observation, the hypothesis for the study was validated. It was shown that the process had lacked enough public education on the exercise, and there had not been an all-inclusive consultation of all

relevant taxi associations and stakeholders such as commuters. These conclusions provide the basis for recommendations which are set out in the last section.

6.5 Recommendations

The traveling public and the public generally are not well informed on the taxi transformation processes including recapitalisation, steps will have to be taken to launch a communication campaign, so as to ensure that the public are adequately informed.

However, the following recommendations could be stated:

- consultation processes must be taken cautiously with all role players including those representing drivers and general workers;
- government could conduct a physical due diligence exercise to evaluate the manufacturing operations of all listed companies (bidders) both locally and internationally;
- requirements of safety standards specifications for new vehicles be made in a way that does not affect the purchase of these vehicles;
- number of taxi associations per certain area be reduced based on amicable agreements;
- training and capacity building of operators and drivers be considered and implemented;
- government has to promote fair competition, whilst ensuring greater integration of the various public transport modes, in essence, restructuring subsidy system so that rail, bus and taxi operators can access the subsidy;
- it has to be ensure that taxi ranks and related facilities are properly managed; are

cleaned regularly and there is access for people with disabilities, and security is provided at all time;

- mechanisms must also be put in place to ensure that there is no taxi operator or association that has the authority to prevent other operators from using facilities;
- improving the processes of registering new routes where there are new developments and housing settlements.

6.6 The need for more research

Flowing from the study, answers to the following questions may be probed by further research;

- To what degree has the taxi recapitalisation policy process impacted on the taxi industry?
- To what degree has the policy enhanced efficiency and effectiveness in the public transport service in the Sedibeng District Municipality?
- How has the recapitalisation of the taxi industry addressed previous shortcomings in the public transport sector?
- The taxi industry plays an essential role in keeping the economic wheels turning. The recapitalisation programme will annihilate this. Why are these larger, new buses needed, when the current ones seem to be fulfilling the demand?
- Is the “recapitalisation” going to imprison owners in debt?
- Or will it be inaccessible to many, because they have no credit record or perhaps even bank accounts, and will be forced to hook up with charlatan opportunities?
- Who are the players that will benefit from this scheme?

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ANNEXURE A



ANNEXURE B

Request of permission from taxi associations

6053 Zone 12 Ext

Sebokeng

1983

12 January 2006

TO WHOM IT MAY CONCERN:

Dear Sir/Madam

I am a Master of Development and Management student at North-West University. My research topic deals with the taxi recapitalisation policy. I have to conduct interview with any delegated executive committee member to help me with the information for my research. In a case of confirming my eligibility you can contact my supervisor Prof Ababio at (016) 910 3460 / 082 469 6098.

Hope that you will cooperate.

Yours Sincerely

Moyake, M.S

ANNEXURE: C

SECTION A: QUESTIONS TO OFFICIALS

- Question 1:** The respondent was asked as to when and under which circumstances did the Department of transport start to consider intervening in developing the taxi industry within the district.
- Question 2:** The respondent was asked to briefly explain the relevance of The White Paper (1996) on National Transport to municipalities.
- Question 3:** The respondent was asked to explain *National Land Transport Transition Act 22 of 2000* in relevance to the taxi industry's circumstances in the district.
- Question 4:** The respondent was asked to explain the process embarked upon to form National Taxi Task Team (NTTT).
- Question 5:** Why has it been necessary for municipalities to consider establishing a Transport Authority?
- Question 6:** The respondent was asked what the role of the taxi industry in the Transport Authority is.
- Question 7:** The respondent was asked to describe the process of granting converted permits for the taxi industry.
- Question 8:** The respondent was asked to explain the relationship between the taxi associations and the district municipality in general.
- Question 9:** The respondent was asked how the district is dealing with the revamping of the old fleet of taxis in Vaal Triangle.

Question 10: The official was asked to narrate the difficulties encountered in preparing for the taxi recapitalisation policy within the district.

SECTION B: QUESTIONS TO ASSOCIATIONS

Question 1: Respondents were asked to indicate their age range.

Question 2: Respondents were asked regarding the education background

Question 3: Respondents were asked to indicate the number of years as a member of the association.

Question 4: Respondents were asked to indicate type of role they play

Question 5: Respondents were asked to describe their involvement in policy development.

Question 6: Respondents were asked to discuss their views towards the recapitalisation policy.

SECTION C: QUESTIONS TO TAXI OPERATORS

Question 1: The respondents were asked to explain their involvement in the NTTTT talks.

Question 2: The respondents were asked about their position on permit conversion process.

Question 3: Respondents were asked to express their views on R50 000 scraping allowance (more than 10 years old minibuses to be given to the government) promised by the NDOT.

Question 4: Respondents were asked to indicate their views on the whole taxi recapitalisation policy.

Question 5: Respondents were asked question on the introduction of 18-35-seater new taxi vehicles.

Question 6: Respondents were asked concerning safety standards in the old and new taxis.

SECTION D: QUESTIONS TO COMMUTERS

Question 1: Respondents were to answer regarding age.

Question 2: Respondents were asked to indicate their educational background.

Question 3: Respondents were asked about their roles in public transportation.