

Perceptions of taxi-owners towards the Government's
Recapitalization Scheme: A case study of taxi-owners in
Pietermaritzburg

by

Nelisiwe Magubane

In partial fulfilment for the degree in Sociology Masters in the
School of Human & Social Studies, Faculty of Human and
Management Sciences at the University of Natal, Pietermaritzburg

January 2003

Abstract

The South African taxi industry has experienced large-scale growth in the nineteen-nineties and increased its share of the passenger transport market to a majority. However, it tends to suffer from various problems and has been subject to interventions from various quarters, the most recent being the Central Government's recapitalization scheme. The aim of this research was to investigate the perceptions of taxi-owners vis-à-vis the Government's Recapitalization Scheme. More specifically, the objectives were:

- To critically appraise the government's recapitalization scheme with a view to assessing its impact on the taxi industry
- To establish the economic problems that are faced by the taxi industry in achieving development, thereby empowering the industry and
- To identify the capacity-building needs of the taxi-owners.

Consequently, while recognizing the notion that 'poor understanding of taxi-owners towards the government's recapitalization scheme has led to resistance on their side'; this research maintains that the taxi-owners' main expectation of the government's recapitalization scheme relates to black economic empowerment. Hence, the view that the government should assist the taxi industry to face the current development challenges.

Using both qualitative and quantitative methods, the study focused on short distance taxi-owners under Umsunduzi one municipality in Pietermaritzburg. The main focus of this research was on their perceptions towards the proposed government's recapitalization scheme. Of the 137 taxi-owners, representing 21 Associations, in Pietermaritzburg, the majority of the respondents have positive perceptions towards the scheme. One other concern raised was that the proposed vehicles are too big and that the scheme would impact negatively on some owners who operate on routes where there is only a small number of commuters, as a result the new vehicle will take time to fill with the required number of passengers.

The other concern was that some of the drivers and conductors, who are sometimes breadwinners in their homes, were going to lose their jobs. However, they felt that to run their businesses effectively, they would benefit from the government assistance in terms of business skills, education and training.

The taxi-owners interviewed, felt that the government is taking too long to implement the scheme and they suggested that the government speed up the process. In addition to the recapitalization scheme, the taxi-owners felt that the government should provide the infrastructure for the scheme, for example taxi ranks with facilities. The taxi-owners believe that conflict within the industry is a threat to their business and they felt that the government should assist them in solving this problem.

Findings show that taxi-owners in Pietermaritzburg support the proposed recapitalization scheme. However, some of the taxi-owners are still not clear about the whole process of the recapitalization scheme. The taxi-owners suggested therefore, that the government should communicate more with the taxi-owners in order to implement the scheme successfully. Furthermore, government intervention is required so as to capacitate the taxi-owners by providing them with relevant skills. Infrastructure improvement is required so as to make the taxi business viable.

Preface

Except where otherwise specified in the text, this dissertation is my own original work and has not been submitted in part or in full to any other university.


Nelisiwe Magubane

Acknowledgements

My special thanks go to my supervisor Desiree Manicom, who guided, and encouraged me throughout the whole journey.

Thank you to the executive of the taxi industry, especially Mr Boyi Zondi, Mr Mamane, Mr Mweli, Mr Mkhize and all the chairmen of taxi associations in Pietermaritzburg for allowing and organising the interviews. Thanks to all the taxi-owners who took part in the study.

My thanks go to the Director of Transportation, Mr George Mahlalela, for taking part in the study.

Thanks to Adrian Crewe and John Smelcer, for the encouragement and support they gave me.

I would like to thanks Yusuf Bhamjee, for organising literature for the study and the support that he gave me.

Thanks to Prof. C. Roebuck, Director Simon Burton and Prof. Ralph Lawrence for their support and encouragement.

I would like to thank the National Department of Transport and the Eastern Centre of Transport Development, for supporting me financially.

Thanks to Darlene Holtz and Dawn Fowle for caring, supporting and organising my finances.

Thanks to Surie Bajjoo for assisting me with data capturing. Thanks to Mr Patrick Ngulube for assisting me with SPSS and data analysis.

I wish to thank my late brother, Mxolisi, and my family, for their support and encouragement when starting this research.

To Madeleine Jackson, Lionel Joubert, Zandile Wanda, Zwelithini Hulane, Tsepo Makhanye, thanks for being wonderful friends.

Acronyms

DoT:	Department of Transport
MSA:	Moving South Africa
RETACO:	Regional Taxi Council
SMME:	Small, Medium and Micro Enterprise
DTI:	Department of Trade and Industry
IDC:	Industrial Development Corporation
COSATU:	Congress of South African Trade Union
RDP:	Reconstruction and Development
GEAR:	Growth, Employment and Redistribution

Table of contents

Abstract.....	i
Preface.....	iii
Table of contents.....	vi
List of tables.....	viii
Chapter 1: Introduction.....	1
Background.....	1
Aims of the present study.....	2
Motivation for the study.....	2
Chapter 2: Literature Review.....	3
Public Transport in apartheid era.....	3
The taxi industry during the apartheid era.....	6
The taxi industry post-apartheid.....	8
Development in South Africa.....	11
The Department of Transport and public transport.....	14
International experiences in public transport.....	17
The Recapitalization Scheme.....	18
The Government Programmes for the taxi industry.....	21
Chapter 3: Methodology.....	23
Sample.....	23
Chapter 4: Findings.....	26
Taxi Associations.....	26
Demographic information of the respondents.....	26
Household Income.....	29
The Business.....	30
Input costs of the taxi business.....	32
Maintenance of vehicles.....	33
Profile of the employees.....	34
Passengers.....	35
Demographic information of passengers.....	35
Business Performance.....	35

Problems experienced by the taxi owners.....	37
Attitudes towards the Recapitalization Scheme.....	38
Recapitalization and development of the taxi industry.....	41
Problems with the Recapitalization Scheme.....	42
Chapter 5:Conclusion.....	45
Chapter 6:Bibliography.....	47
Appendices: Research instruments	51

List of tables

Table 1:List of taxi associations interviewed.....	24
Table 2: List of Taxi Associations Under Umsunduzi One.....	25

Chapter 1: Introduction

Background

South Africa faces the critical challenge of addressing the racial imbalances of the past, which were created by the apartheid government through its policies. While enjoying being a democratic country for the first time ever, South Africa has had to deal with problems such as HIV/ AIDS, unemployment, poverty, crime and road accidents as a result of ineffective and inefficient public transport. As a result of ineffective and inefficient public transport, South Africa was unable to meet basic mobility, basic access and integration. To effectively deal with these problems, the first step for the government was to ensure that it built a society that would guarantee the dignity of every citizen on the basis of a good quality of life for every woman, man and child, regardless of race, gender, colour or disability (President's speech, 25 June 1999).

This study explores the government's Recapitalization Scheme, which is aimed at restructuring and developing the taxi industry. The taxi industry has been regarded as accessible public transport to a majority of people in this country, especially blacks. Commuters regarded it as a community-based industry which survived during the apartheid times and is now surviving without subsidies from the government. The taxi industry had to compete with subsidized bus and rail industries. Due to apartheid policies, the taxi industry was not regulated and this encouraged people to enter and exit the industry any time. The taxi industry thus became a business where people could easily get permits to operate. The result was conflict over routes. The taxi industry therefore was characterized by wars, with operators fighting over routes.

South Africa became a democratic country in 1994; there were many plans that were initiated by the government to address the problems of the taxi industry. Besides the non-regulation of the taxi industry, the government was concerned about road accidents. The government wanted to formalize and regulate the taxi industry, so as to make it a viable business sector. The Recapitalization Scheme was one of the strategies of government to

address the needs of the taxi industry and to decide on a vehicle which would be compatible with the vision and the objectives of the Department of Transport in South Africa. No study has been done on this subject, so this dissertation explores the perceptions of Pietermaritzburg taxi owners towards the government's proposed Recapitalization Scheme.

The vision of the Department of Transport (DoT) is to:

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

The government realizes the social and economic contribution that the taxi industry provides South Africans. The majority of people of this country use minibus-taxis as a form of public transport, which is accessible and affordable. The taxi industry also provides employment to millions of South African people. Therefore the taxi business can be regarded as a form of entrepreneurship since taxi-owners use it as a way of generating income. It serves the needs of many families and in this sense it qualifies with the objectives of Small, Medium and Micro Enterprises (SMMEs). While the government tries to develop the taxi industry, taxi owners feel that their profit margins are low, due to the fact that they compete with the subsidised bus industry.

The continuous increase in the price of petrol and spare parts disrupted the taxi business which was profitable when it started. This made it difficult for taxi-owners to pay their instalments. Purchasing new vehicles has become expensive. A study that was done by Moss showed that financial institutions were not willing to provide taxi-owners with loans, as they felt that the majority of taxi-owners had no credit records or reference and they would be unable to repay these loans (Moss, 1994:7). Those who were able to get loans were faced with high finance charges. The Recapitalization Scheme is the

government strategy to deal with the issues of negotiating with the banks to allow taxi owners to access loans and to reduce finance charges.

Aims of the present study

The aims of the present study were to critically appraise the government's proposed policy to recapitalize the taxi industry, with a view to assessing its impact on the taxi industry. More specifically the study investigated the perceptions of the taxi-owners towards the government's Recapitalization Scheme.

Motivation for the study

The intention was to investigate progress around the government's Recapitalization Scheme and, in particular, to ascertain the perceptions of the taxi-owners towards the Scheme. In essence, the study reflects the taxi owners' responses and readiness to accept the programme. It was anticipated that such a reconnaissance should have clear indicators around the relevance and efficiency of the government's Recapitalization Scheme.

Chapter 2: Literature Review

Public Transport in apartheid era

Apartheid was the term used to describe the system that was mandated by the law until recently in South Africa (Giddens, 2001:244). The rationale behind apartheid was that the different races were so different in heritage and ability that they should each develop separately. The result of this was the system in which blacks and whites lived completely apart. Through apartheid the minority white people were able to keep the blacks relatively powerless. The apartheid system in South Africa caused many difficulties for the majority of people, especially black people. The structure of the parliament is a case in point. The structure of the parliament meant that whites were the dominant group, followed by Indians and then Coloureds and at the bottom and outside the parliament were blacks.

Through its fragmented policies, the government made sure that these policies gave privilege to white people and blacks were underprivileged. Dupre (1992:48) argued that whites, under the policies of the National Party and with the support of the Afrikaners, had the power to rule and its plan was to enforce racial segregation. With the limited political power that was linked to lack of economic power, blacks were unable to make suggestions concerning anything that the government initiated. Also, having no representatives in parliament and in other structures, they were subject to, and had no part in, decisions made by the government.

The establishment of the Group Areas Act of 1947 was one of the strategies of the apartheid regime to divide people into racially segregated residential areas (Human Awareness Programme, 1982:20). Black people were to live in places far away from the cities, where there were no resources such as, electricity, infrastructure, tap water and other recreational facilities. As a result their living standards were poor. Through the formation of Bantustans, people were divided into ethnic groups. Some people lived in rural areas, some in formalized areas (townships) and some lived in informal settlements (between rural and formalized areas). Other related Acts included: the Separate

Amenities Act of 1953, which authorized the creation of separate and unequal public facilities, for example, parks, trains, swimming pools, hospitals and waiting rooms for whites and non-whites (Ferrante, 1992:272). The Bantu Urban Areas Act of 1945 forced blacks to live in strictly demarcated townships, far from the Central Business District (CBDs)(Human Awareness Programme, 1982:20). Not only was segregation linked to race but it was also linked to transport. Transport was segregated. The people who lived in urban areas had access to public transport and, because of poor infrastructure, people who lived in informal settlements did not have access to transport.

To stimulate their livelihoods, black people had to search for jobs in cities. Those blacks that were able to get jobs faced difficulties in the workplace, one being the low-paid jobs which were semi-skilled. Skilled labour was reserved for whites. Income was not distributed equally among the different races. Even when a black person had the same education as a white person, their incomes were not the same; the income of black people was low.

Black people stayed far from the cities where they worked. They had to use public transport to take them from home to work and from work to home. At that time the mode of public transport that existed was buses and the railway. Buses were the only road public transport and were used by most black people. The subsidies went to these modes of transport. Buses, with the assistance of the government became a monopoly. The way in which the transport system was run provided a good example of capitalism and monopolies in action. A monopoly is defined as “an industry that produces a good or service for which there are no close substitutes which exists and in which there is one supplier that is protected from competition by a barrier preventing the entry of new firms” (Parkin, 1997: 286). The bus industry was protected by the apartheid government through its policies to ensure that whites (as the owners of those buses) were supported economically.

A larger percentage of the salaries that were earned by black people was spent on transport. As a result they had to sacrifice other things like food, clothing and education, commodities that are necessary for the survival of a human being. Because of the transport expenses black workers were incurring vis-à-vis the low salaries they were earning, getting to and from work became expensive for a black worker. This meant that workers were working to pay their transport costs.

Related to this view is the notion of poor access to transportation. Beside the cost that was incurred for transport, the other cost was time. Commuters/workers had to travel long distances by foot, since buses could only leave them at the bus stops, which were far from the destination (either work or home) they wanted to reach. The average distance traveled by black commuters increased from 23 kilometres in 1979 to 37 kilometres in 1990(Barrett, 1993:5). This affected their level of performance at work. Consequently, most black workers had no quality time with their families because of the poor service offered by buses. The buses were not reliable, workers had to wait hours for the bus to pick them up and therefore some workers chose to travel by foot to their homes. Other indirect costs included frustration due to time wasted in waiting, overcrowding, lack of personal comfort, poor safety, poor facilities and their effect on health (Human Awareness Programme, 1982:6).

The poor co-ordination of the transport system, coupled with the apartheid system policies led to inefficiency and the ineffective public transport. Economists argue that 'where there are no close substitutes in the market, there will be a market failure' (Parkin, 1997:218). Assuming that the transport sector was a market, the fact that most commuters during the apartheid era used buses as an available and subsidised mode of transport meant that buses could operate with no or little competition as they were protected by the government and hence their service was poor.

The taxi industry during the apartheid era

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

Although the government had invested a large stake in subsidising buses and the railways, transport companies were still unable to provide adequate transportation which satisfied the needs of the black people in townships as well as in rural areas. The Welgemoed Commission was established in 1989, to investigate the competition that was brought about by the legalisation of the eight seater kombi (Matjila, 2001:20). The commission took a long time to report and by the time they reported the number of taxis had doubled. The commission then recommended that permits be refused to applicants who wanted to operate with vehicles of more than four passengers. This strategy was intended to register a limited number of taxis.

The doubling of the number of taxis created more fear to the bus industry as they had already lost 39% of the black commuters transported (Barosky, 1990:1). The government decided not to phase out these taxis, but taxi operators were subject to police harassment, intimidation and some were even killed. No action was taken by the government to arrest these police, which is why Kingdon (1995:78) argued that 'decision is the same as non-decision'. The fact that the government did not arrest its officials can be viewed as non-

decision on its side. In response to this, taxi-owners around the country organised themselves and the South African Black Taxi Association (SABTA) was formed in 1978(Matjila, 2001:19). The idea behind the formation of this organisation was to ensure that taxi owners were able to bring the issues affecting the taxi industry onto the government agenda. As a result, the government was able to negotiate with banks to lend them money. SABTA was a taxi body that represented taxi owners during the apartheid era. SABTA and Wesbank established a financial scheme to assist SABTA members to obtain loans from WesBank without being screened (Department of Transport, 1990:7).

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

Many taxi associations were formed. The scrapping of the Group Areas Act in the late 1980s meant that people, either black, Indian, or Coloured, could live in the cities. As people moved into cities, the demand for minibus taxis increased and the demand for buses decreased. The bus industry received subsidies from the government, but they were unable to discourage people from using other modes of transport, because they failed to reduce the fares. When the minibus taxi industry started, it managed to accumulate high profits. The taxis were more affordable and flexible, taking commuters to and from their own destinations.

Given a free choice, commuters were willing to pay for the service that was provided by the taxis, as the benefits were greater than the cost. Taxis were affordable to them, inspite of low income. The taxi industry became a natural monopoly. A natural monopoly occurs when one firm can supply the entire market at a lower price than two or more firms (Parkin, 1997:219). Therefore the taxi industry can be regarded as a natural monopoly, which was able to supply both bus and train with passengers, as commuters linked their trips using this mode of transport. The taxi industry provided this service at an affordable price.

The taxi industry post-apartheid

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

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

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

act as safe public transport. It is an industry in which competition for the more profitable routes often finds expression in violence (ibid).

Through their associations, some of the taxi-owners contributed to the continuation of the taxi violence after apartheid ended. For example, in Cape Town, the conflict between the Langa/ Gugulethu/Nyanga (LAGUNYA) Taxi Association and the Western Cape Black Taxi Association (WEBTA) was caused by the fact that LAGUNYA represented more urbanized African operators and WEBTA represented more traditional operators. They tended to involve themselves in political groupings, either the ANC or PAC (Minnaar and Pretorius, 1997:143). Hence, they argued that the political violence exacerbated the taxi violence in South Africa. The other factor that contributed to taxi violence was the competition between taxi organizations over routes and control of ranks. This was caused by the low barriers to entry where operators entered the industry without any control and, as a result these people were attacked and driven away. The involvement of the police in taxi ownership contributed to the conflict between LAGUNYA and WEBTA. In 1994 two police officers were found guilty of running a taxi business, which was registered in the name of the wife of one of them (Minnaar and Pretorius, 1997: 147). Disputes over ranks, routes and passengers became increasingly common, especially as severe overtrading and market saturation occurred in more and more areas.

Dugar (2001:3-4), in his doctoral thesis on taxi violence in South Africa, argued that the reasons for taxi violence were:

- the policies of the apartheid government, for example non-regulation of the taxi industry, allowing anyone to enter the industry, poor law enforcement, poor coordination of public transport. These were the main contributing factors of taxi violence in South Africa.
- violent taxi organisations that tended to monopolize routes were allowed to expand and develop ,with no law enforcement from the authorities.
- the ownership of taxis by the police and other government personnel which aided criminality through the payment “hit men” and attempts to resolve the taxi conflict.

- the mainstream political violence, which characterized the run-up to the general elections of 1994, also contributed to taxi violence. Taxi operators were associated with political organizations of the area in which that taxi was operating, be they Inkatha, ANC, PAC or any other political organization.

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

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

It was estimated that the taxi industry spends R2.2 million on petrol, services, repairs and tyres every day (Ministerial Lead Programme, 99/2000:16). The collapse of SABTA's foundation or scheme impacted on the position of the taxi owners (Minnaar and Pretorius, 1997:152). According to the scheme, SABTA members were promised that they would receive the 20% that they had payed as a deposit for the purchase of the kombi, after they had settled their vehicle account (Department of Transport, 1990-1994:7). The arrangement was that all those who had payed the full amount on their vehicles were going to be given certificates, and in exchange for those certificates, they were going to

access money from the WesBank. However, it was found that because of the taxi violence, which continued, some owners could not afford to pay for their vehicles and the result was R10 million loss by WesBank (Minnaar and Pretorius, 1997:153).

Poor law enforcement resulted in the entry of illegal operators to the industry (Dugar, 2001:9).

Development in South Africa

Most theorists have been unable to define development, since it is a difficult term to define. Different countries have different definitions of development. It depends on the needs of that particular country. Development cannot be imposed. Coetzee (1989:2) argued that “ *development is not about index numbers of national income, it is not about savings ratios and capital efficiencies: it is about people and for people. Development must therefore begin by identifying human needs. Its objective should be to raise the level of living of masses of the people and to provide all human beings with the opportunity to develop their potential*”. One can therefore argue that development should be defined by the people of a particular country.

South Africa is a country that has been dominated by colonialism, racism, apartheid, sexism and repressive labour policies. Since the early days of colonial rule, poverty and unemployment have been much higher for South Africans of colour (Knight, 2001:2). In such conditions it has been difficult to achieve development since, for a long time, development has been defined by other people to satisfy their needs and their vested interests. It is in this sense that South Africans are faced with serious problems.

In 1994, when the Government of National Unity, led by the African National Congress (ANC), took power, it inherited a country of gross inequities, with high unemployment. Many people opposed against this system for decades, to improve their lives and to bring about a more just society (Knight, 2001:1). Although many people died in the struggle, the result was that South Africa became a democratic country. Poverty was an important problem which needed to be addressed so as to improve the quality of the lives of people.

Many strategies were initiated by the country's government to improve the lives of the people. The first strategy which was initiated by the government, its alliance and other mass organizations, was the Reconstruction and Development Programme (RDP). The RDP, as an integrated, coherent socio-economic policy framework, was meant to mobilize all South Africans and its resources towards the final eradication of apartheid and building of a democratic, non-racial and non-sexist future (ANC, 1994:1). The RDP was meant to be a sustainable programme which was going to ensure that the needs of the people were met, for example housing and services, water and sanitation, electricity, efficient and effective transport, health care, education and jobs regardless of race sex, whether the people are rural or urban, rich or poor, and to be involved in an investigation to determine their needs. Hence, it is within this view that the ANC pointed out that *"development is not about the delivery of goods to a passive citizenry, but is about active involvement and growing empowerment"* (ANC, 1994:5).

In supporting view above, Susanne and Haggis argued that "development is a means, goal and intention" (Susanne and Haggis, 2000:2). In other words, the government has to express its intentions and formulate the policies which will be able to define its goals and the desired outcomes and the strategies by which to achieve those goals. Therefore, through active participation of all the people, and by capacity-building, the South African government aims to achieve economic growth and development. One other aspect of the RDP was nation-building. Given the nature of inequalities and divisions among the people of the country led by apartheid, nation-building was a crucial factor in building a country that could support the development of the southern African region, without isolating itself from the world.

In terms of the transport system, the government realized that the apartheid transport policy deprived the majority of the people of a say in transport matters and failed to regulate the minibus kombi-taxi industry adequately. Transport planning was emphasized as a crucial factor of development. The government, through its RDP, felt that an effectively owned passenger transport system needed to be developed which would promote road safety and take into account the needs of all people, including disabled

people (ANC, 1994:36). Minibus taxis were to act as feeders to bus or rail services, or as prime movers if rail is not available (ibid).

The RDP was replaced by Growth, Employment and Redistribution (GEAR). GEAR was adopted as a policy by the Department of Finance in 1996. It was aimed at strengthening economic development, broadening employment and redistributing of income and socioeconomic opportunities in favour of the poor (Knight, 2001:3). Through this policy the government wanted to achieve economic growth, reduce inflation, increase the rate of employment, improve the distribution of income and reduce the government deficit. Some of the goals were achieved, but some were not.

The government managed to reduce its deficit and inflation. There is still, however, a high level of unemployment in this country and more people suffer absolute poverty especially black people. Statistics showed that 61% of Africans are classified as poor, compared to 1% of whites and the unemployment rate for Africans is 42.5%, compared to 4.6% for whites (National Report and Social Development 1995-2000, cited in Knight, 2001:2). It is with this in mind that the Congress of South Africa Trade Unions (COSATU) argued that “GEAR failed to deliver the promised economic and job growth or significant redistribution of income and socioeconomic opportunities in favor of the poor”(Knight, 2001:4). COSATU argued that the focus of GEAR, with its monetary and fiscal targets, conflicted with the RDP goal of growth-based job creation, meeting people’s needs, poverty reduction and a more equitable distribution of wealth.

In the modern globalized world there has been a shift in production from agriculture to industrialization. This means that more machinery is used, instead of human skill. This has increased the level of unemployment in this country and hence increased the importance of entrepreneurship. Formal sector employment has been growing very slowly. It was estimated that only one out of ten new entrants into the labour force find work in the formal sector (Katzen, cited in Cole, 1994:51). Therefore, small businesses are not only important to meet the daily needs of the people but also for development. The taxi industry is an example of small business and is compatible with the objectives of

Small, Medium and Micro Enterprises through its accessibility and affordability to public transport users. The Department of Trade and Industry (DTI) recognised the importance of small business. They saw a need for the government to intervene in order to enhance the capacity of entrepreneurs so as to make them grow (The DTI, Annual Review 2001:18).

The Department of Transport and public transport

The key aim of the Department of Transport is to develop strategies and policies that practically support the development needs of the nation and the transport needs of both passenger and freight customers. The government wants to ensure that the transportation system of South Africa meets the needs of all South Africans and contributes to the country's growth, economic and social development. Transportation can therefore be defined as "a means to an end" and it is a key factor in creating sustainable economic growth (Moving South Africa, 1999:2).

The taxi industry provided a form of transport convenient for mostly black commuters and it has become the principal provider in all areas of commuter transport (Matjila, 2001:19). It grew from a few hundred six-seater Valiant sedans in the late 1970s to more than 80 000 ten and sixteen seater minibuses in the late 1990s, then to a comprehensive fleet of over 120 000 vehicles in 2000(The Taxi Millennium Indaba, 2000:1). This growth took place in spite of the problems and the restrictions that were imposed by the apartheid regime on the industry. Its survival could be traced to its ability to meet the needs of black communities in this country and to the inadequacy of public transport system.

The taxi industry contributes directly to the growth and effectiveness of the economy as a whole, as it transport more than 60 percent of workers to and from work every day. It also provides a valuable service in terms of medium and long-distance trips over weekends and during holiday periods and supports over 200 000 economically active people (The Taxi Millennium Indaba, 2000:1). Hence, it is regarded as the largest black

economic empowerment initiative in the country. In KwaZulu-Natal alone 70 percent of the population use taxis (Wazup Magazine, 2002:4). Most Black South Africans' daily mobility needs are met by public transport. By far the largest market share of public transport has been captured by the minibus taxi industry (Department of Transport, 2000:13). The taxi industry also spends approximately R10 billion per annum on fuel, vehicle spares, insurance and other overheads (ibid). Statistics indicate that in KwaZulu-Natal almost R2 million is spent on petrol by the minibus taxi industry in one day and it employs thirty thousand people (Wazup Magazine, 2002:4). This means that the taxi industry contributes to a decrease in unemployment and to creating wealth.

Socially, by offering mobility to schoolchildren, it increases access to education. It also bridges the social gap between rural and urban areas and it is making it possible for even the most remote communities to broaden their exposure to the urban centres. Hence the taxi industry is, in a sense, the hub of socio-economic development (Cox, 2001:4). By making it easier for the commuters to access health centers and welfare departments, it improves the life expectancy of the people. The taxi industry therefore needed to be formalized and regulated.

The Department of Transport's vision is '*to provide a safe, reliable, effective, efficient and fully integrated transport operation and infrastructure*' (Media release, 5 July 2000). Its mission is '*to afford commuters with as much choice as possible- and to ensure that buses, taxis and trains operate professionally and efficiently*' (Canning, 2002:1). One of the key aims of the Department of Transport is to provide efficient public transport which will be accessible, affordable and available to commuters (KwaZulu-Natal DoT, Budget Report 1999:13). DOT aims to achieve this through:

- *A properly regulated environment*

While recognising the problems facing public transport, DoT aims to regulate the taxi industry by changing the existing permits, which allowed taxis to operate anywhere, to new permits, which limit the operation. DoT aims to ensure that all the vehicles, their associations, their members and the routes are registered. DoT also aims to improve the

monitoring mechanism and systems for the bus industry. It aims to achieve this through the establishment of satellite monitoring technologies (DoT, 1999:13).

- *A sound policy framework*

Realizing that there was a lack of coherent policies under the apartheid government, DoT aims to develop strategies and policies that practically support the development needs of the nation and the transport needs of both passenger and freight customers. By doing this, the DoT aims to allow commuters to be able to choose among the available modes of transport.

- *Appropriate institutions*

The DoT established institutions that are critical for the delivery of viable public transport (DoT, 1999:14). The institutions are:

- The Urban Transport Board- responsible for the management of all the funds budgeted for the development of the public transport sector.
- The Office of the Registrar- in existence now, this office currently is responsible for regulation of the taxi industry.
- Metropolitan Transport Authority whose functions are to integrate the public transport planning process for the entire area, to create an intermodal transportation for better service to the commuter and to provide the necessary strategic and management support to the various public transport operators.

- *An enabling economic environment*

In KwaZulu Natal, the government allowed the taxi industry to be involved in the bus industry (DoT newsletter, 2001:1). The taxi industry has formed partnerships with the public sector to enhance investment. This is part of what the government calls black economic empowerment.

According to Matjila, redressing the imbalances and deficiencies was the most important factor for the survival of the taxi industry (Matjila, 2001:19). He argued that the taxi industry should not merely survive; it should advance from the informal sector into the

mainstream economy as a leader of black business. This could be achieved through the improvement of infrastructure. This includes road improvement and the building of more ranks and rank facilities. Infrastructure is very important for the effectiveness of public transport and for the lives of the people. So whatever programmes the government initiates in developing the taxi industry they should be business orientated (Patel, cited in Minnaar and Hough, 1997:120).

Training and capacity-building is one aspect of addressing the needs of the taxi operators. Capacity-building means that taxi-owners should participate and should be provided with proper training in whatever project is implemented. The participation of the taxi owners in projects will allow them to make decisions about the industry. This will assist them in putting those in the industry, who are serious about becoming entrepreneurs and big business people, on a sound professional business footing (Patel, cited in Minnaar and Hough, 1997:120).

At the inauguration, in February 2000, of the KwaZulu Natal Taxi Council (KWANATACO), the chairman Mr CB Ngiba, pointed out in his speech, that black economic empowerment could not be achieved without the training of the taxi drivers and the owners alike (cited in Wazup Magazine, 2002:4). This suggests that there is a need for training the drivers and owners to enhance black economic empowerment and to enable the owners and drivers to run the business effectively. The training should include customer care and finance management.

International experiences in public transport

African countries have had problems in making their public transport efficient and effective. The core of the problem has been with the policies which have been decided independently by the different ministries with little or no co-ordination (Barrett, 1993:1). The increase in demand for public transport has been a problem. With the scarcity of resources, these countries have been unable to meet this demand. They have been unable to reduce the number of accidents on the road and this has discouraged people from using public transport. They have been unable to facilitate the development of cheaper modes

of transport. In some countries the World Bank had to intervene to try and solve the problem. The involvement in urban transport of the World Bank in Sub-Saharan Africa began in the late 1970s(Barret, 1993:2).

The World Bank initiated and implemented projects in the following countries: Cote d'Ivoire, Mali, Senegal, Cameroon, Zimbabwe, Kenya and Nigeria. In these countries transport was provided by the private sector. These projects were aimed at transport management, transport congestion and the maintenance of roads and were successful (Barret, 1993:3). However, there were indirect problems in Nigeria, for example. Due to the depreciation of the Nigerian currency, the purchasing of vehicles became expensive. As the price of imported buses increased, operators who owned more than 10 buses were unable to replace their old buses. They ended up owning fewer than they owned before. As a result they were unable to meet the demands of the commuters. The government intervened by setting up state-controlled transport companies.

The World Bank was invited by the South African government to assist in developing transport policies and projects for the new South Africa (Barrett, 1993:5). These policies and projects were aimed at redressing the imbalances of the apartheid era and increasing the mobility and accessibility of black communities to services and job opportunities (ibid). Through the assistance and consultation of other countries, which had similar problems with their public transport, it is hoped that South Africa would be able to improve its public transport.

The Recapitalization Scheme

For the government, the core problem in the taxi industry was economic disempowerment. The key issues being the diminishing profit margins, non-legal business structures and the negative relationship with financial institutions and other suppliers (Cox, 2001: 3). The government acknowledges that the taxi industry is not only an avenue of investment in itself, but also a sector of economic activity, which creates opportunities for investment in related activities and within its linkages with the wider economy.

In 1995 the National Taxi Task Team (NTTT) adopted a government proposal to begin a consultative programme to involve role players from the taxi industry, so as to establish sustainable solutions to the problems that the taxi industry faced. The NTTT was made up of representatives from the taxi industry, drivers, civic organisations, trade unions and the government. This task team laid the basis for a partnership between the government and the taxi industry. In 1996, the NTTT released a set of final recommendations (Cox, 2001:3), which were put forward as follows:

- the industry had to be organised on a democratic basis
- the industry had to be formalised
- illegal operators had to be given a chance to become legal
- the industry had to become properly regulated, coupled with law enforcement
- economic empowerment projects had to be implemented

Implementation of these recommendations formed the basis of the transformation for the minibus taxi industry. A memorandum of understanding between the leaders of the taxi industry and the government was entered into, to implement the NTTT recommendations.

The Recapitalization Scheme is a strategy that the government proposed for the development and restructuring of the taxi industry. With the Recapitalization Scheme, the government aims “*to assist operators to acquire new vehicles which comply with the safety specifications*”(Dullar Omar’s Speech on Recapitalization, 2001:10). This innovative scheme was developed by a task team, which was represented by the Departments of Transport, Trade and Industry, Finance and Mineral & Energy Affairs, in partnership with the taxi industry, which was represented by the South African Taxi Council (SATACO). With this scheme, the government aimed to address the concerns of the taxi operators and associations with regard to the removal of the remaining abnormalities in the legalization process such as the registration of taxis and associations.

The Minister of Transport, in his speech, emphasised that the main objectives of the recapitalization were: bringing about comfort to commuters, promoting efficiency of the taxi service, promoting reliability of the taxi service, ensuring the safety of commuters

and empowering the taxi owners (Cox, 2001:9). The government aims to replace the current, under-capitalized, ageing and increasingly dangerous fleet of approximately 129 000 minibus taxis with 18 and 35 seater vehicles specifically designed to the high quality safety standards required for public passenger transport (Cartoday, 2000:8). This strategy is based on the fact that the current kombis were not meant for public transport and the government is concerned about the number of accidents caused by the minibus-kombis.

The introduction of bigger vehicles forms part of a formalization process. Passenger safety, comfort and a cashless fare system, in the form of smart card technology, are the official mark to guarantee quality of these new vehicles. This step, however, could raise operating costs of taxis, primarily in the areas of increased insurance payments and higher capital repayments. It is anticipated, however, that taxi-owners will benefit from the lower cost of diesel and owning safer vehicles. The other aspect of the Recapitalization Scheme is a grant of R30 000 (scrapping allowance), which is aimed at assisting taxi-owners to purchase the new vehicle (Cartoday, 2000:8).

The formalization of the taxi industry recommended by the NTTTT “was based on the recognition of the taxi industry by the government as a formal part of the public transport system, subject to the taxi industry complying with the fundamental principles of democracy, peace and unity within the taxi industry” (Department of Transport, 2000:2). This compliance took two main organizational forms: adoption by associations of a Standard Constitution and a Code of Conduct, and the Memorandum of Understanding between SATACO and the government, signed in May 1999. Adoption of the standard constitution was linked to the registration process, wherein all associations, operators and non-members are required to register with an independent statutory entity, known as the Provincial Taxi Register (DoT, 2000:2). A final implication of formalization was the involvement of taxi-owners in the tax net. This means that, unlike before, the taxi-owners will be required pay tax like any other business people.

Another aspect of the Recapitalization Scheme was regulation and control. The legalization of taxis was the focus here. The government wanted to control routes efficiently and empower the taxi-owners. As part of empowerment, the DoT supported the KwaZulu Natal provincial taxi industry through the establishment of the Umthombo Investment Company. Umthombo is a powerful financial holding company with the taxi industry as its majority shareholder (Department of Transport, 2000:7). Umthombo was established in 1999 ‘as a vehicle to empower the taxi industry to meet the challenges of providing a safe, efficient and affordable service to commuters’ (DoT Budget Report, 2002/2003:11). It was established to assist the taxi industry so that taxi owners could create a support system which could benefit the taxi industry as a whole. Its objectives are as follows:

- to create viable business entities within the taxi industry,
- to develop the strategies to reduce input costs
- and to assist the DoT in improving public transport in the province (KwaZulu-Natal).

The Congress of South African Trade Unions (COSATU) and its affiliated Transport and General Workers’ Union (TGWU) showed their full support for the government’s restructuring of the taxi industry (Cartoday, 2000:2). They participated in the National Task Team (NTTT) when it was formed. It was in their interest to support and to assist the government in improving the taxi industry.

TGWU pointed out that ‘the taxi recapitalization project will help speed up the registration process-making all other aspects of regulation easier’ (Cartoday, 2000:2). They felt that the project would promote local manufacturing. This could have a big impact on the purchasing of the vehicles (exports are cheaper than imports) and it means improvement in South Africa’s economy.

The Government Programmes for the taxi industry

The South African government initiated many programmes or strategies to regulate the taxi industry. Operation Thiba was implemented in 1997 as a pilot scheme, which

emphasized the registration of the taxi associations, declaring their routes. All operators applying for permits were expected to identify the associations they belong to and the drivers would be issued with stickers to indicate their route of operation (Eksteen, 1997:3). Operation Thiba demonstrated that high-pressure campaigns could be successful in reducing taxi violence, but the entry barriers needed to be maintained in order to stabilize the industry beyond the limited time period of the campaign (Moving South Africa, 1998:58). This scheme did not last long.

Complementary to this strategy was the 'BE LEGAL' campaign established and implemented in 1998. This campaign was aimed at giving illegal operators which existed in the system, an opportunity to legalise their operations, provided they met and satisfied certain conditions. The vehicles had to be safe and roadworthy. Through this campaign, the government wanted to enhance law enforcement and ensure that the taxi operators complied with the Interim Taxi Act 4 of 1998, which was approved by the Public Transport Licensing Board in 2001 (Wazup Magazine, 2000:15). This Interim Act was established to encourage operators to register their taxis by paying the registration fee and submitting the certificates of ownership, operation and of the vehicle's roadworthiness to the taxi registrar. Many taxi operators supported this campaign.

The other programme meant to enhance law enforcement was 'Operation Shanela'. This programme was initiated early in 2002 and it became effective in November 2002. The government established the New Public Enforcement Unit (NPEU), whose task was to confiscate the taxis without permits and which were not roadworthy (Igalelo, 2002:1). The NPEU worked with the South Africa Police Service (SAPS), the South African National Defence Force (SANDF) and the Road Traffic Inspectorate (RTI). The programme was not focused on taxis only, but on any form of transport which does not abide by the law. Towards the end of November 2002, 110 taxis and 19 buses were confiscated. The conditions for the phased out vehicles were:

- a fine of R2000
- the owner of the vehicle had to produce certificate of route operation
- a R200 fine per day for confiscated vehicles

Chapter 3: Methodology

Qualitative and quantitative methodology was employed to gather data. The researcher initially conducted a focus group with key informants in the taxi industry (six RETACO members). A focus group guide with open-ended questions was used. Furthermore, in-depth interviews were conducted with the Director of Transportation in KwaZulu-Natal. The responses were recorded on audio-tape. The information gathered in these interviews was used to construct a questionnaire for the survey.

A structured questionnaire with mostly closed questions was used to interview the executive members of various associations. All interviews were conducted face to face. The interviews were undertaken in the preferred language of the respondents. Access was achieved through telephonic and verbal communication with the chairman of each taxi association.

Sample

The research covered short distance taxi associations in Pietermaritzburg, operating in Umsunduzi One. One hundred and thirty seven taxi-owners covering 21 associations out of 31 in Pietermaritzburg, were surveyed. Due to time constraints and the accessibility factor, the researcher was able to interview only 21 taxi associations. Figure A is a diagram of the structure of Pietermaritzburg taxi associations. Table 1 lists the taxi associations in the sample. Table 2 is a list of all the associations under Umsunduzi 1. Figure B is a map demarcating the study area.

Table 1:List of taxi associations interviewed

Taxi Associations	No. of Respondents
3J&CC	9
Ashdown	6
Azalea	9
Copesville	5
City Taxi Owners	3
Dambuza	8
Edendale	8
Esigodini	8
Glenwood	4
Greys& Chasevalley	6
Imbali 1&2	6
Imbali 13&15	8
Imbali 18&BB	8
Pata	5
Sinating	3
Slang, Grange& West	9
Sobantu	9
United	9
Willowfontein	2
Woodlands	2
Eastwood	7
Total	137

After collecting data, data was cleaned, coded, captured and analysed through the Statistical Package for Social Science (SPSS), version 9.0 for Windows.

Structure of Pietermaritzburg Taxi Industry

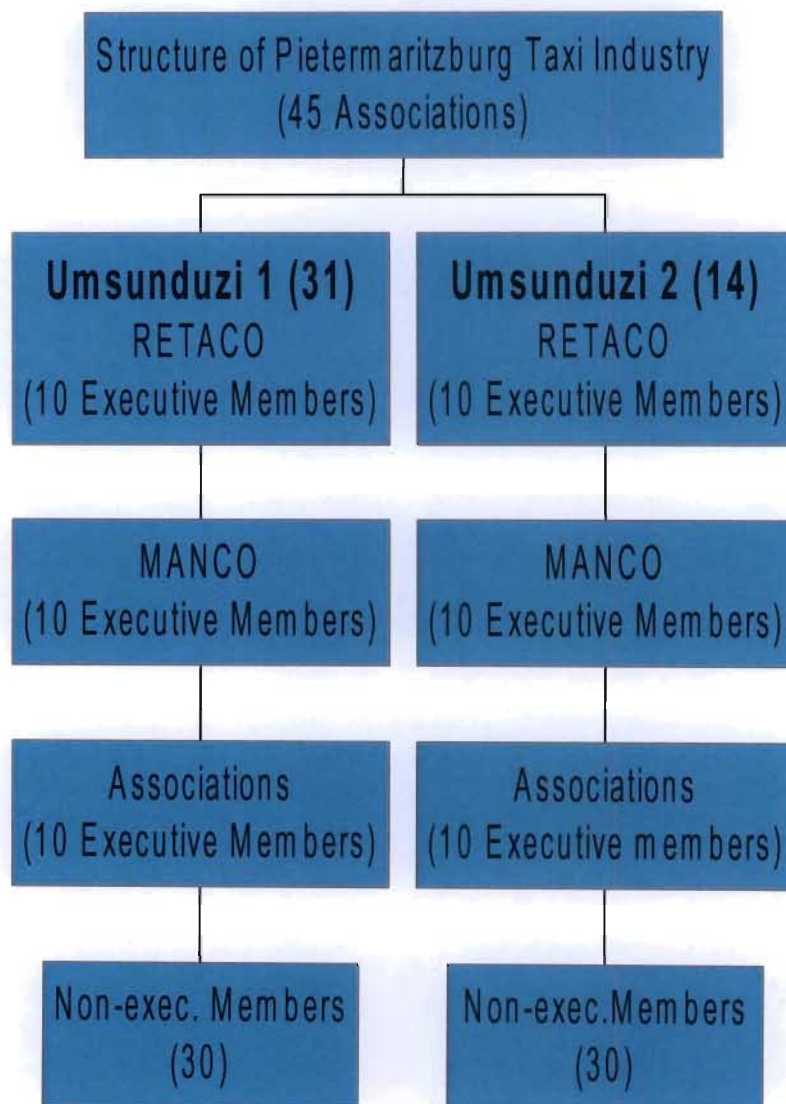
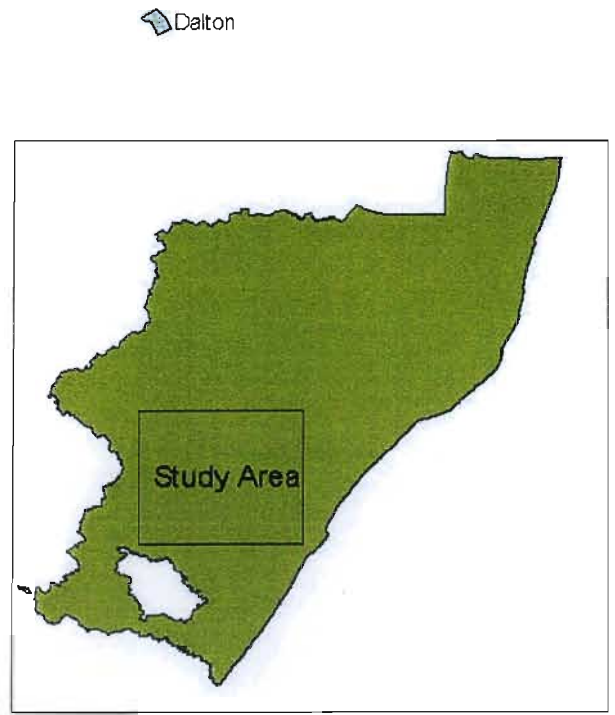
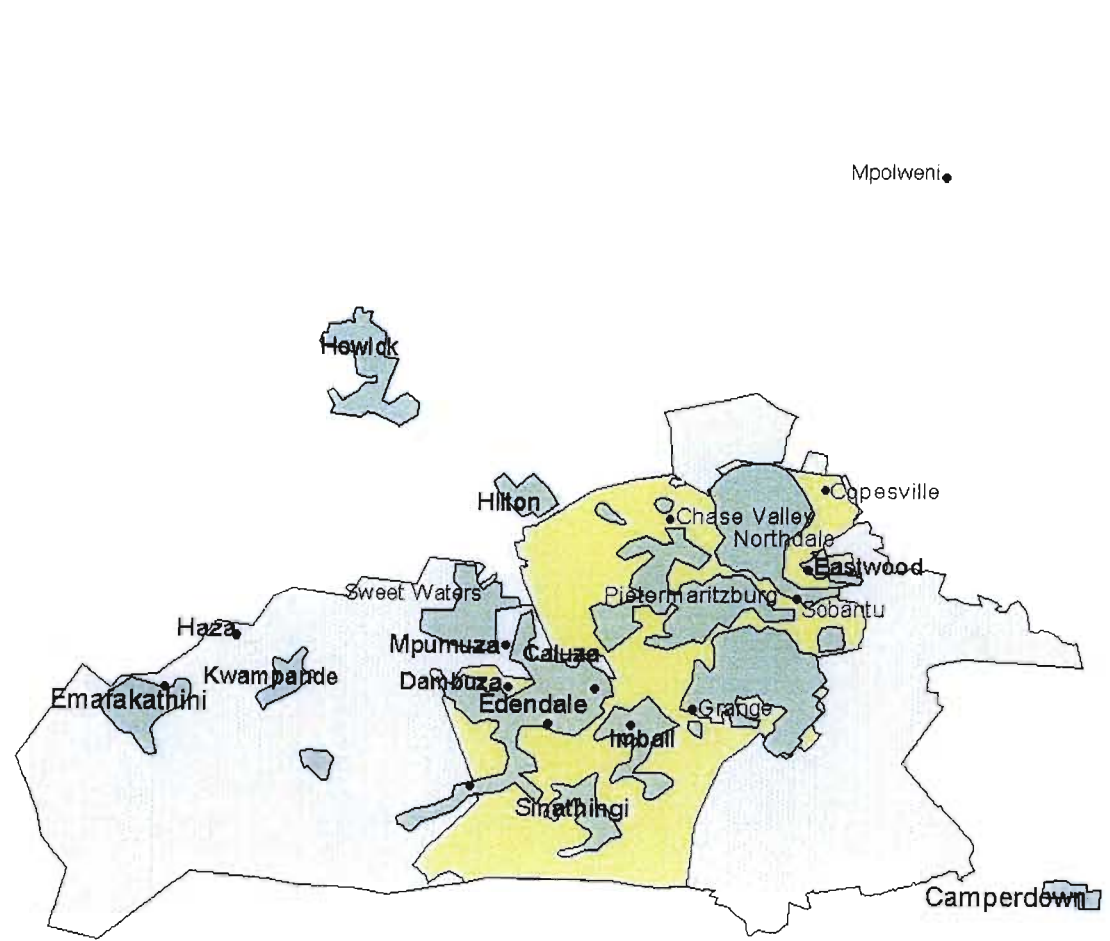


Fig. A

Table 2: List of Taxi Associations Under Umsunduzi One

Umsunduzi 1	
Taxi Associations	
1	3J & CC Taxi Association
2	Ashdown Taxi Association
3	Azalea Taxi Association
4	Caluza Taxi Association
5	City Service Taxi Association
6	City Taxi Owners Association
7	Copsville Allandale Taxi Association
8	Dalton Taxi Association
9	Dambuza Taxi Association
10	Eastwood Taxi Association
11	Edendale Taxi Association
12	Esigodini Taxi Association
13	Glenwood Taxi Association
14	Grange & Westgate Taxi Association
15	Greys Chasevalley Taxi Association
16	Imbali Unit 1 & 2 Taxi Association
17	Imbali 18, BB Taxi Association
18	Imbali Unit 13 & 15 Taxi Association
19	Inkanyezini Taxi Association
20	Mafakathini Haza Mgwagwa Taxi Association
21	Mkhondeni Taxi Owners Association
22	Mpumuza Taxi Association
23	Northern Suburbs Taxi Association
24	Pata Taxi Association
25	Sobantu Taxi Association
26	Sinathing Taxi Association
27	United Taxi Association
28	Willowfontein Taxi Association
29	Woodlands Taxi Association
30	Zwartkop Taxi Association
31	Imbali Unit 14 Taxi Association



Cato Ridge

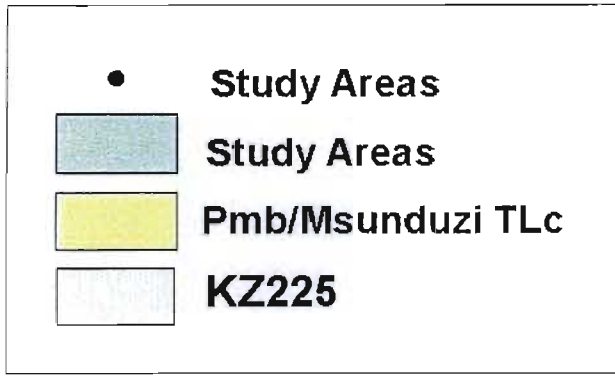


Figure B: Shows the Map of Study Area

Chapter 4: Findings

The study was designed to establish the taxi owners' views towards the government's proposed Recapitalization Scheme which is regarded as a solution to the problems in the taxi industry.

Taxi Associations

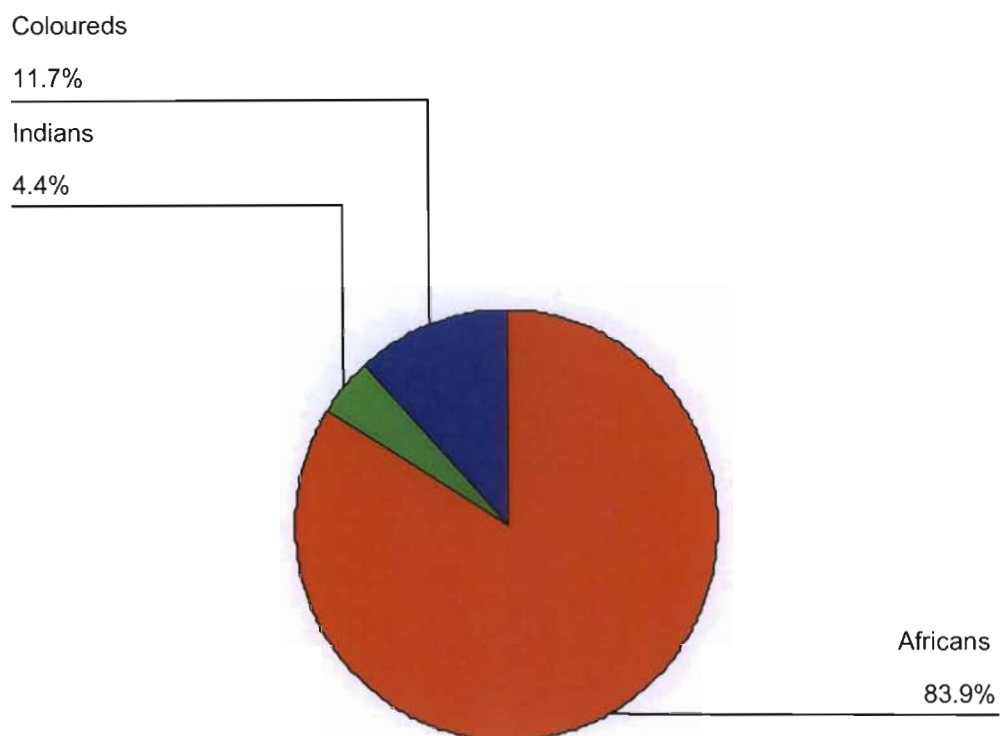
Twenty-one out of 31 associations were interviewed, giving a total number of 137 taxi owners in Pietermaritzburg.

Demographic information of the respondents

The demographic results showed that the taxi business is dominated by middle-aged black people who are males and who mostly live in townships. Among 137 taxi owners interviewed, most of their ages (38%) ranged from 37 to 47 years old, followed by (25.5%) between 26 and 36 years old; 21.9% of the respondents were between 48 and 58 years old; 10.9% of the respondents were between 59 and 69 years old; 2.2% of the respondents were between 15 and 25 years old and 1.5% of the respondents were older than 69 years. In terms of gender, most respondents were males (92.7%), 7.3 % of the respondents were females.

Racially, the majority of respondents were African (83.9%), 11.7% of the respondents were Coloured and 4.4% of the respondents were Indian. This is illustrated in Figure 1 below.

Fig.1 Race of the Respondents



Most respondents lived in townships (71.5%), 19.7% lived in the suburbs and the remaining 8,8% lived in rural areas.

Fig.1.1 Education level of the Respondents

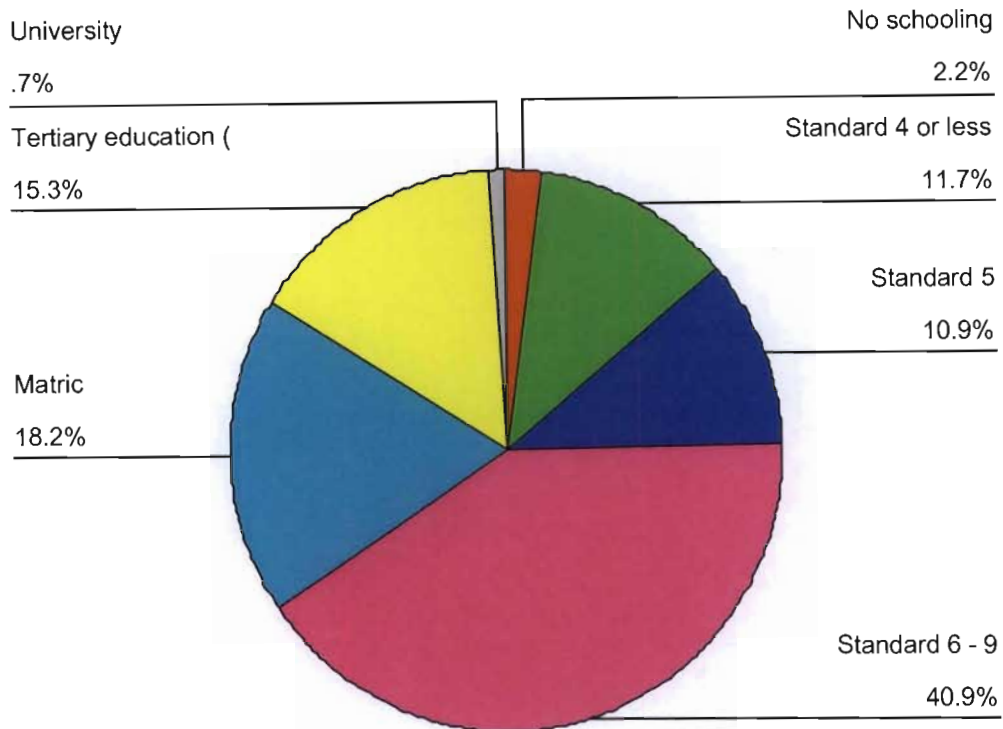


Figure 1.1 above shows that the education level of the respondents ranged from no education to post matric, it was generally low. Most respondents (40.9%) attended school and their schooling ranged between standard six and standard nine, 18.2% had matric, 15.3% attended colleges and technikons, 11.7% of the respondents' schooling ranged between no schooling and standard four, 10.9% of the respondents had standard five, 2.2% of the respondents have no schooling and 0.7% of the respondents had university qualifications.

The respondents had children whom they were supporting. Most respondents (57.7%) had between 1-3 children, 31.4% had four to six children, 3.6% had seven to nine children and 2.2% had ten to twelve children and 5.3% of the respondents had no children. Most of the respondents' children age (25.5%) ranged between four to seven, 15.3% ranges between eight to eleven years old, 15.3% ranged between one month to three years and 10.9% ranged between twelve to fifteen years old, 9.5% of the

respondents' children were between the age of sixteen to nineteen years, 7.3% of the respondents' children were between twenty to thirty years and 5.1% of the respondents had no children and 10.9% of the respondents children were 23 years and above. Most of these children (83.9%) attend school, 10.9% of these children were not schooling and 5.1% of the respondents do not have children.

Household Income

The results showed that most of the respondents had no permanent jobs; they were dependent only on the taxi business. Most of the respondents (62%) n = 85 had no formal employment other than owning a taxi and (38%) n = 52 respondents had other formal jobs. 35% of the respondents had one person who contributed to income of the household, 2.2% of the respondents had two people who contribute to the household income, 0.7% of the respondents had four people who contribute to the household income and 62% of the respondents had no people who contribute to the household income.

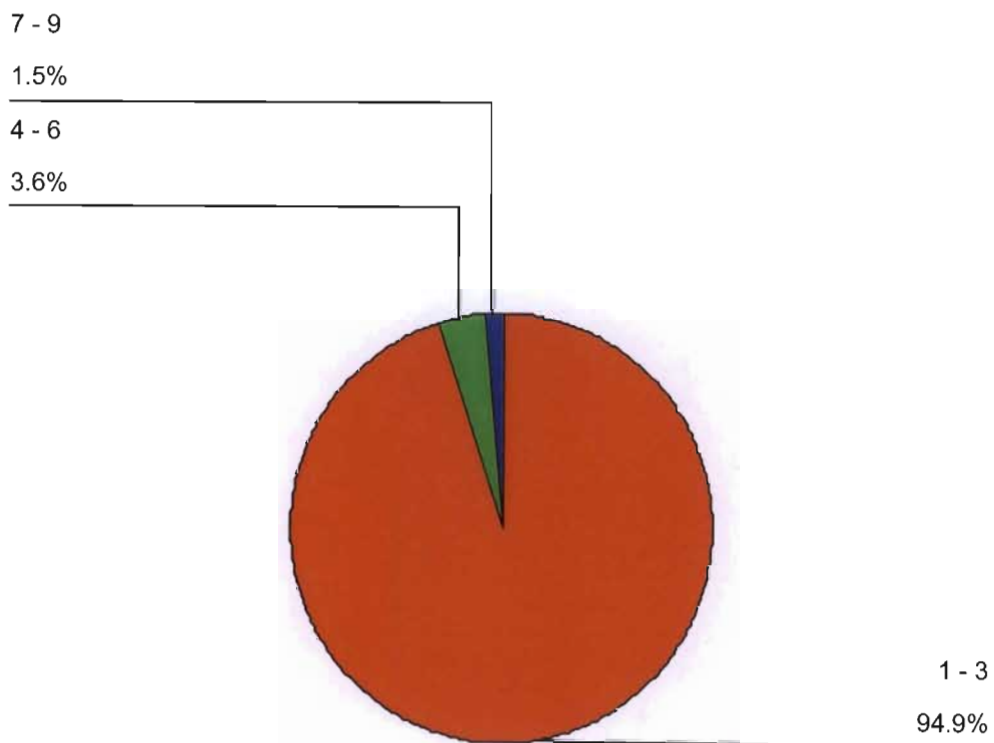
Most respondents were the breadwinners in their family and the income generated in their business was important for the survival of their families since it was the only income they were receiving, any loss of income threatens their business and livelihood. Most respondents (78.8%) were the only breadwinners in their households, 16.8% respondents were principal breadwinners and 4.4% were secondary breadwinners. The money that the respondents get as taxi owners was the family's main source of income for most of them (89.8%), 5.1% of respondents' family's main source of income was from their business and what their partners earns, 3.6% of respondents' family's main source of income was from what their partners earn and 1.5% respondent' family's source of income is from what other person in the family earns.

Most respondents (97.1%) were the sole owners of their business, 0.7% of the respondents own this business with partners and 1% of the respondents own this business together with some of the family members. From the findings above it can be concluded that the taxi owners were the main contributors of the household income.

The Business

The results showed that most respondents had no business other than the taxi business. They were only dependent on this business. Most respondents (87.6%) had no business or enterprise other than the taxi business and 12.4% of the respondents had other businesses or enterprises other than the taxi business.

Fig.2 Number of taxis owned by taxi-owners



Most respondents (94.9%) owned between one and three taxis, 3.6% of the respondents had four to six taxis and 1.5% of the respondents had seven to nine taxis, as indicated in Figure 2 above.

The results showed that most taxi owners had poor or no skills for the taxi business. Most of the taxi owners interviewed had no training for the taxi business and, as a result, they were unable to make their business viable and effective. The minority of taxi owners had business training, which was offered by Toyota a long time ago.

Most respondents (81.8%) had no training for the taxi business, 15.3% had business training, which was offered by Toyota a long time ago, and 2.9% had business training offered by DoT. This indicates that most taxi owners lack business skills.

The results showed that most of the respondents had worked for the government before they became taxi owners. Most respondents (43.1%) were government employed before they began their business; 26.3% were working for private companies, 11.7% were taxi, truck or bus drivers, 9.5% were self employed, 5.8% were students or scholars and 3.6% were unemployed.

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

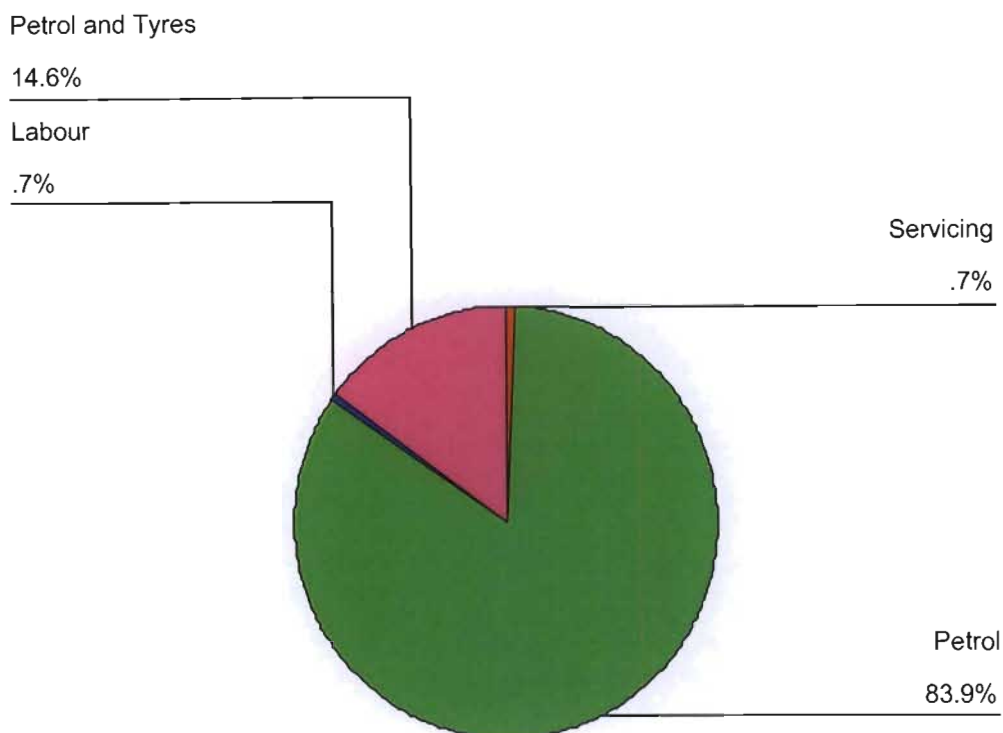
Since most of the taxi owners interviewed were workers before they became taxi owners, they used their savings to start their business. Some owners inherited the business from family-members. Most respondents (39.4%) obtained their start-up finance from their own savings, 24.8% obtain their start-up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

Most respondents (78.1%) had difficulties in obtaining a route when starting their business; 10.2% of the respondents felt that joining the association was expensive for them; 6.6% felt that political violence was a problem to them since the profit margins were low, while 5.1% of the respondents had no difficulties when starting their business. This indicates that the non-regulation of the taxi industry allowed those who were in charge to make it difficult for other people who wanted to be involved in the taxi business.

Input costs of the taxi business

Petrol alone cost between R1000 and R1500 per week. This affected their business, as some of the routes did not have enough commuters and their kombis could not reach the maximum number of passengers required. For most respondents (84%) the main cost for the taxi business is petrol, 14.6% felt that both petrol and tyres were the main cost for the taxi business, whilst 0.7% of respondents felt that labour was the main cost for the taxi business and 0.7% of the respondents' main costs was servicing. Petrol seemed to be the main cost for most respondents, since they used petrol every day for their vehicles. This response indicates that most of the taxi owner's money is spent on petrol. This threatens their business, as there are other costs that they have to meet.

Fig.3 Taxi-owners' main business costs



Most respondents (39.4%) spend between R1000 and R1500 on petrol per week depending on the number of taxis they have; 26.3% said petrol costs range between R1600 and R2100, 17.5% spend between R2200 and R2700 on petrol per week and 16.8% spend R2700 and above on the petrol per week.

Maintenance of vehicles

In terms of maintaining their vehicles, the taxi owners changed their tyres twice a year and they serviced their taxis monthly. Most respondents (75.9%) changed their tyres every six months; 12.4% of the respondents changed their tyres once a year; 10.9% of the respondents changed their tyres once every three months and 0.7% of the respondents changed their tyres once a month.

Most respondents (90.5%) serviced their taxis once a month; 7.5% serviced their taxis once every four months, 1.5% of the respondents serviced their taxis once every six months and 0.7% of the respondents serviced their taxis once a year.

Profile of the employees

Most respondents employed black people mostly males. The number of people employed was dependent on the number of taxis the respondents had. One person, only, was employed by 40.9% of the respondents, 38.7% of the respondents employed two people, 15.3% of the respondents employed three people, 3.6% of the respondents employ four people, 0.7% of the respondents employed five people and 0.7% of the respondents employed seven people. Most of the employees were males (97.8%) and 2.2% were females. Racially, most employees were African (92%), 5.8% were Coloured and 2.2% were Indian.

For most respondents, drivers are required to have Code 8 licences and a public driver's permit PDP. Most respondents (92.7%) expect their drivers to have code 8 licence and a PDP if they are to be employed; 6.6% of the respondents expect their drivers to have a Code 10 licence and a PDP and 0.7% of the respondents expect their drivers to have any drivers licence. The responses above indicate that most of the taxi drivers cannot drive the new proposed vehicle as it requires a Code 10, unless they upgrade their licences. The upgrading of the licenses will be the burden of the drivers and this could endanger the lives of the people who are dependent on them.

Most respondents (56%) pay their employees between R200-R600 per week, 31% of the respondents pay between R650-R1050 per week, 10% of the respondents pay between R1100-R1500 per week, 2% of the respondents pay between R1550-R1950, 1% of the respondents pay between R2000-R2400 and another 1% pay between R2450-R2850 per week depending on the number of drivers that they employ and also the number of kombis they have.

Passengers

Most respondents (42.1%) serve between 45 and 200 clients a day, 39% of the respondents serve between 250 and 405 clients a day, 13% of the respondents serve between 455 and 610 clients a day, 4.4% of the respondents serve between 660 and 715 clients a day and 1.5% of the respondents serve between 765 and 920 clients a day. The response above indicates that some routes do not have enough commuters and this makes profit margins low.

Most respondents depend on schoolchildren and workers for their business. The school and workers' holidays makes their profit margins low. For 86.1% of the respondents, most of their clients are schoolchildren and workers, 7.3% of the respondents said their clients are schoolchildren only and 6.6% of the respondents said their most clients are workers only.

Demographic information of passengers

Most respondents' clients (89.8%) were African, 8.8% were Coloured and 1.5% were Indians.

Since most of the respondents live in townships, most of their passengers are township people. This raises expectations of commuters, in terms of service that the taxis provide. Most respondents' clients (85.4%) live in townships, 7.3% of the respondents' clients live in rural areas and 5.8% of the respondents' clients live in suburbs and 1.5% of the respondents' clients live in squatter camp.

Business Performance

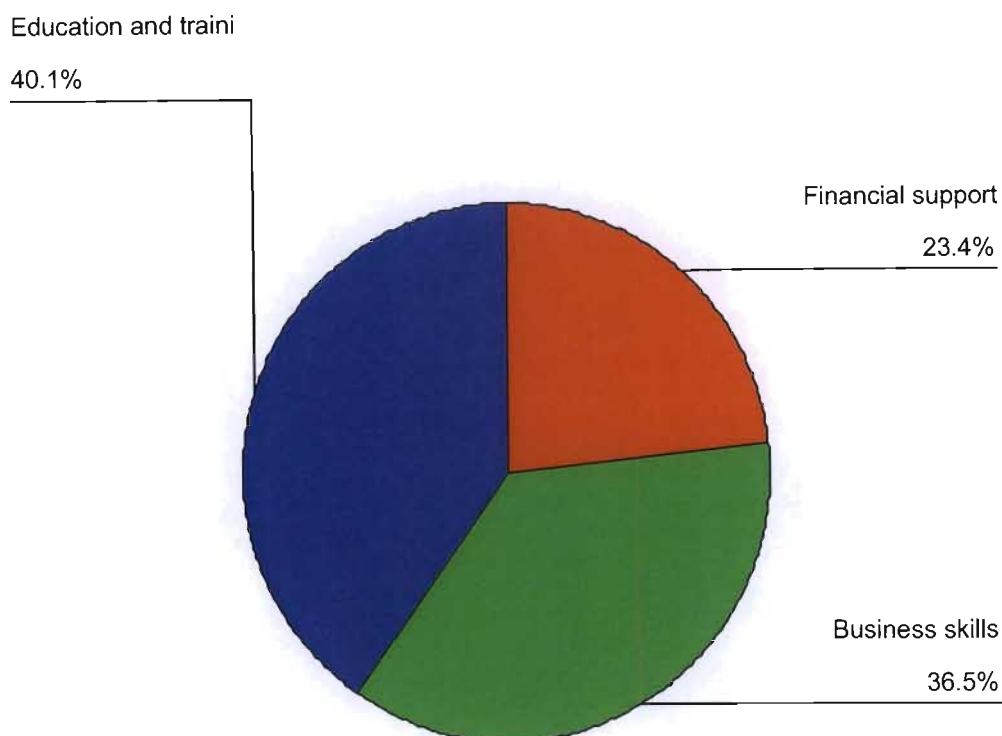
Most respondents (86.2%) felt that Mondays and Fridays were good days for their business because most workers go home on Fridays for weekend visit and on Monday they return to work; 10.9% of the respondents felt that only Monday was good for their business because Monday is a good day for job seekers; 2.2% of the respondents felt that Saturday was good for their business since most people go shopping on this day and 0.7%

of the respondents felt that Sunday was good for their business because not all the taxis operate on this day.

Most respondents (76%) n = 104 felt that Wednesdays and Thursdays were bad days for their business, the reason being that it is the middle of the week and most people get paid on Fridays or month end, so people see no need to travel in the mid-week; 18% of the respondents felt that Saturday was bad for their business and 6% of the respondents felt that Sunday is bad for their business, giving the reason that most people relax on this day.

Most respondents felt that their business was satisfactory, since they were able to make a living from it. They felt, however, that the profit margins were the same as in 1990, which means that there was no improvement in their business. The reason for this was the increase in input costs for example, spare parts, petrol, tyres and other components required for the functioning of their vehicles. Another reason given by the respondents was that they are competing with subsidized buses and some of the routes are not profitable. The fact that the taxi owners lack business skills made it difficult for them to improve the quality of service they provide to commuters. Most respondents (69.3%) rated their business as average, 21.9% said their business is doing well, 1.5% said their business was doing very well and 7.3% of the respondents said their business was poor.

Fig.4 Assistance needed by taxi-owners



For most respondents, education and training was the most needed assistance from the government to make their business viable. Most respondents (40.1%) said they needed most assistance in education and training to improve their business; 36.5% said business skills only and 23.4% of the respondents said financial support. This is illustrated in figure 4 above.

Problems experienced by the taxi owners

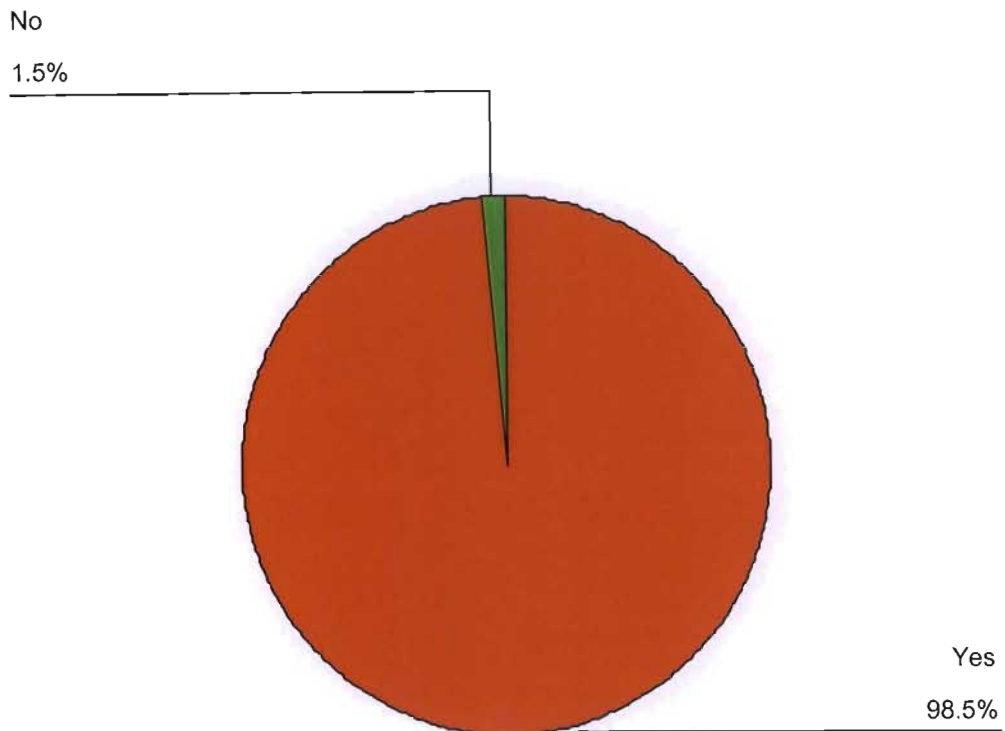
For most respondents, taxi conflict was a problem to their business. They are unable to solve this problem as they are lacking skills. Most respondents (58.4%) said the threat to their taxi business was of conflict within the industry, 32.1% of the respondents said lack of finance, 8% of the respondents said insufficient infrastructure and 1.5% said the problem was that they were not recognized by financial institutions.

Attitudes towards the Recapitalization Scheme

With the problems that the taxi industry faced, mentioned above, most respondents saw a need for government intervention. They thought that the government 's plan would solve their problems. Most respondents (97.1%) said it is important for the government to assist the taxi industry. Only 2.9% of the respondents felt no need for the government to assist the taxi industry.

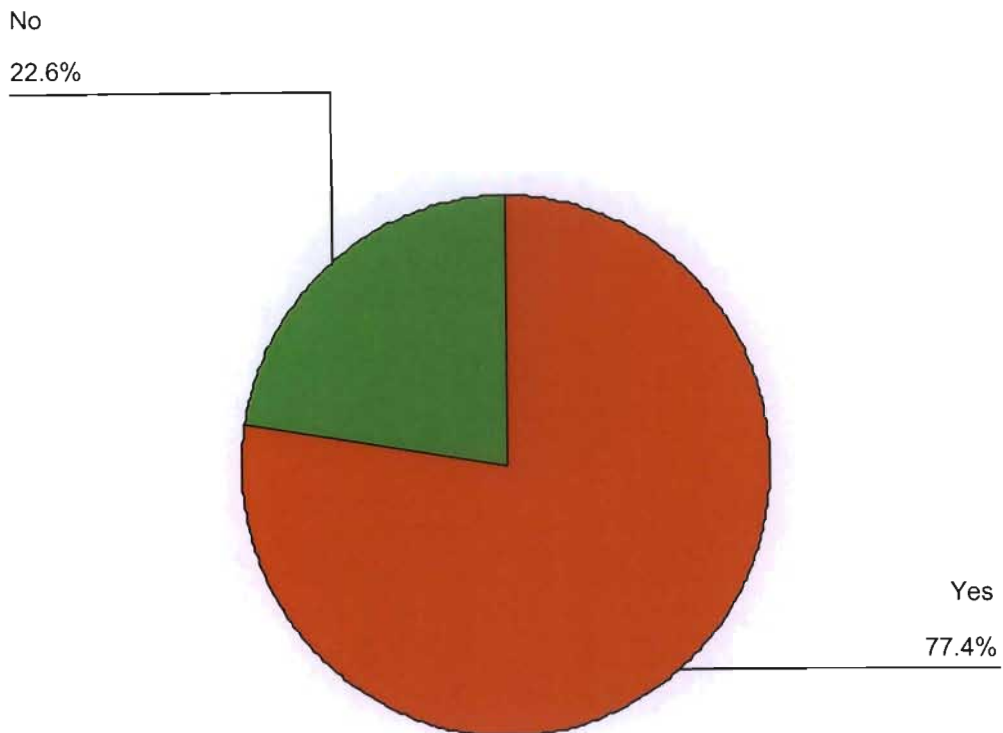
Most respondents had an understanding of recapitalization, as they were the executive members in their associations. However, some of them did not understand all the aspects of recapitalization. The minority of taxi-owners did not know what recapitalization is, which suggests that the government has to make sure that all the taxi-owners understand all the aspects of recapitalization before it implements the scheme. One taxi-owner said that he couldn't comment on something that he does not know. Most respondents (98.5%) knew about the Recapitalization Scheme, but 1.5% did not know what this Scheme was about. This is indicated in Figure 5 below.

Fig.5 Taxi-owners' knowledge of Recapitalization



Most respondents felt that recapitalization was a good idea, as they thought that recapitalization was a solution to the taxi industry's problems, although they were not sure of all the aspects of recapitalization. However, they were concerned that some of the drivers and conductors who were mostly breadwinners in their families were going to lose their jobs. They thought that the government was going to subsidise them. Most respondents (77.4%) had a positive attitude towards the Recapitalization Scheme and 22.6% of the respondents did not agree with it. This is indicated in Figure 6 below.

Fig.6 Taxi-owners' attitudes towards Recapitalization



For most respondents, the main objective of the government with the Recapitalization Scheme was to tax them. Most of them felt that it was important for them to pay tax. They even said they were part of the tax system long ago and because they bought, food, vehicle part, and other necessities, they paid tax. Most respondents (59.1%) said the government's main objective/s with the Recapitalization Scheme was to tax the taxi-owners; 20.4% of the respondents said the government's main objective with recapitalization scheme was to provide safer public transport to the commuters, 14.6% of the respondents said the objective was to empower the taxi owners; 2.9% of the respondents said the government's main objective was to reduce the number of cars on the road and 1.5% of the respondents said the government's main objective was to provide financial support to taxi-owners; 0.7% of the respondents said the objective was to assist operators to increase their profit margins and 0.7 % of the respondents said the objective was to discourage the use of cars.

Most respondents (62.8%) said the benefits of the Recapitalization Scheme for the taxi-owners are new vehicles, 14.6% of the respondents said there were no benefits for the taxi-owners, 9.5% of the respondents said the benefits of the Recapitalization Scheme is the massive reduction in finance charges, 9.5% of the respondents said the benefits for the taxi-owners is that they will be recognised by the financial institutions and 3.6% of the respondents said the benefits of the Recapitalization Scheme for the taxi owners is the scrapping allowance/ subsidy.

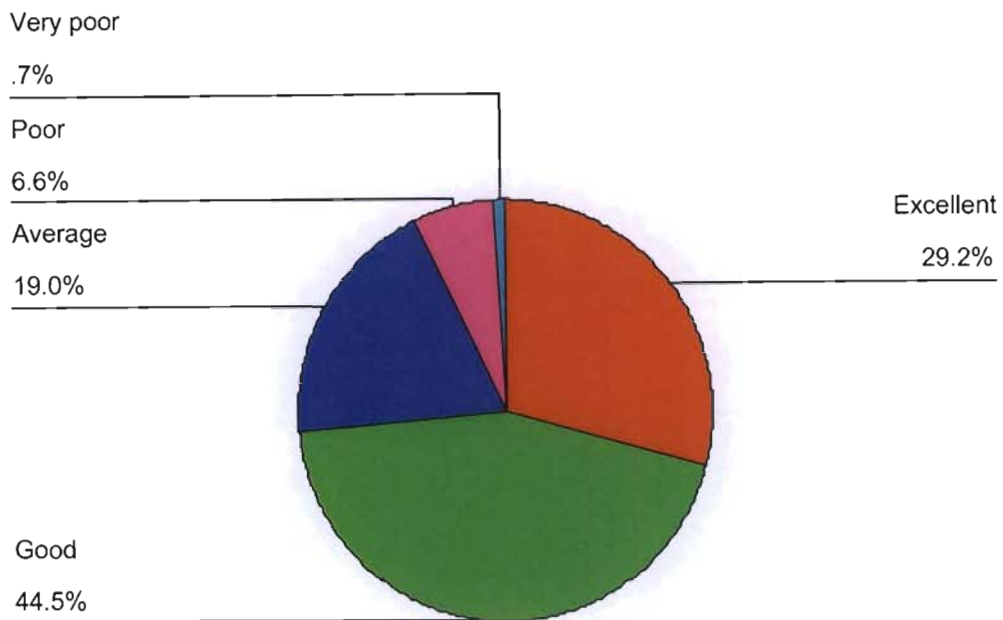
Most respondents (72.3%) said the benefits of recapitalization for the drivers is that they will work within a legal; protected environment; 16.1% of the respondents said there are no benefits of recapitalization for the taxi drivers and 11.7% of the respondents said the taxi drivers will be reskilled and absorbed in other businesses.

Most respondents (81.8%) said the benefits of recapitalization for the commuters are that the commuters will be able to use safer vehicles, 15.3% of the respondents said the benefits for the commuters are that the new vehicles are more spacious and hence allow free movement inside and 2.9% of the respondents said there will be a reduction in taxi fares.

Recapitalization and development of the taxi industry

Most of the respondents (44.5%) felt that the government plan (recapitalization) was a good idea, 29.2% of the respondents felt that the plan was excellent, 19% of the respondents felt that the plan was average, 6.6% of the respondents felt that the plan was poor and only 0.7% of the respondents said the plan was very poor. This is indicated in Figure 7 below.

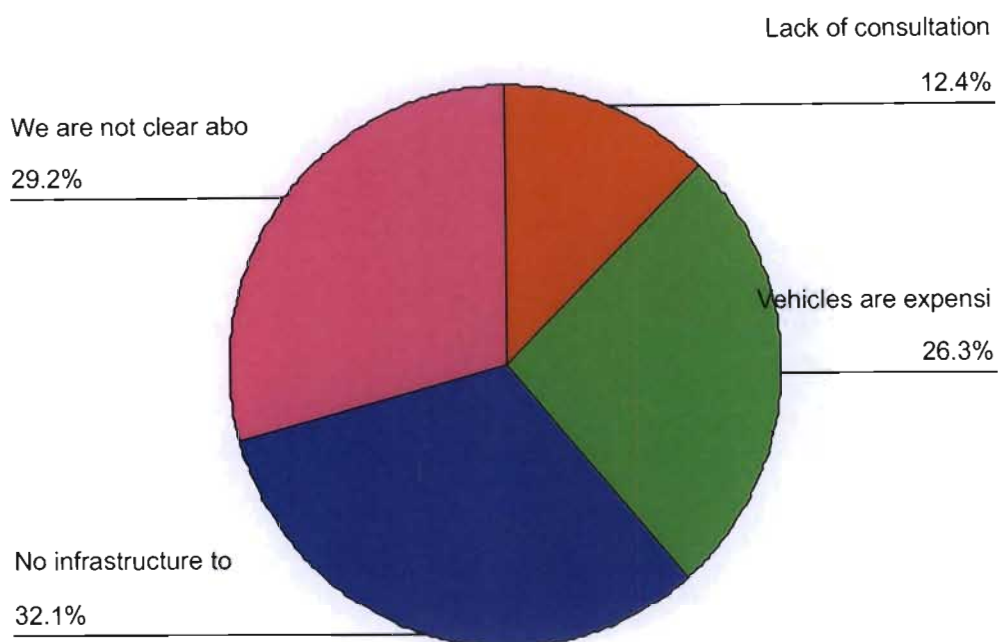
Fig.7 Taxi-owners' rating of Recapitalization



Problems with the Recapitalization Scheme

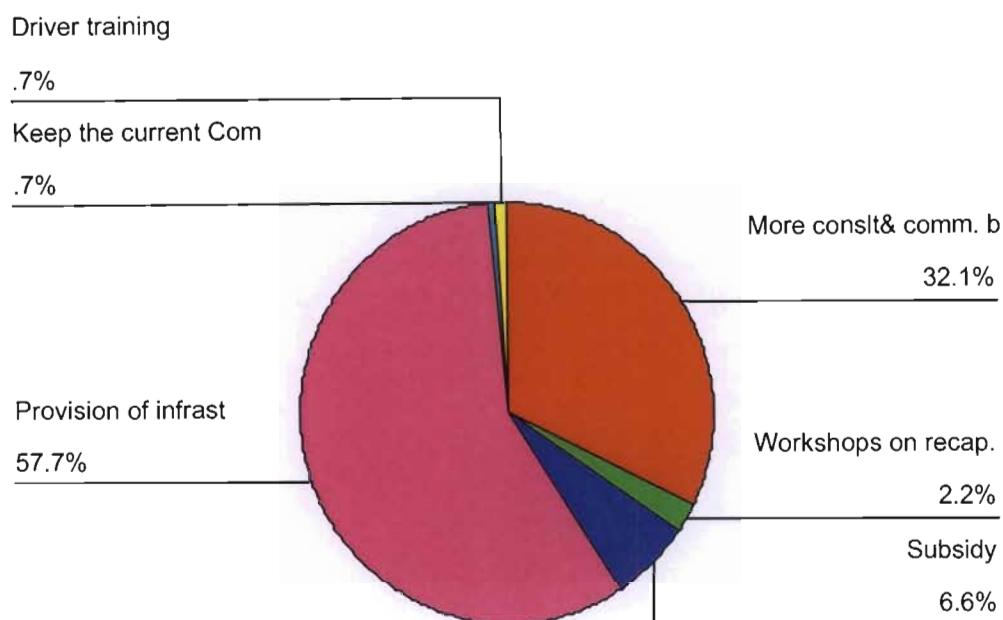
Insufficient infrastructure seemed to be a problem for most of the respondents. This is not surprising since in Pietermaritzburg city there are only three ranks with shelters and those ranks are not taken care of. As the government plans to introduce bigger vehicles, it means more that more ranks have to be built or extended, to cater for the new vehicles. Most respondents (32.1%) felt that the problem with recapitalization was the lack of infrastructure to cater for the new proposed vehicles, 29.2% of the respondents said they were not clear about the whole process, 26.3% of the respondents said the proposed vehicles were expensive and 12.4% of the respondents said they were not consulted by the government about the whole plan. This is illustrated in Figure 8 below.

Fig.8 Taxi owners' problems with Recapitalization



Most respondents (57.7%) felt that the problems with the recapitalization could be solved by providing more infrastructure, for example ranks and ranking facilities, 32.1% of the respondents by more communication and consultation between the owners and the government, 6.6% of the respondents by providing subsidies to the owners, 2.2% respondents said the government should organize more workshops on the recapitalization process, 0.7% of the respondents said by keeping and upgrading current kombis and 0.7% of the respondents said by offering training to the taxi drivers and by enhancing law enforcement. This is indicated in Figure 9 below.

Fig.9 Taxi-owners' solutions to the problems



In-as-far as the other comments are concerned, most respondents (56.9%) said the government should speed up the process. They felt that the government was taking too long to implement the scheme, 17.5% of the respondents said had no further comments, 16.8% of the respondents said they need more skills to run their business effectively, 3.6% of the respondents said the government should subsidise the taxi owners and 5.1% of the respondents said governments should explain everything to them concerning the Recapitalization Scheme, as some of the aspects of recapitalization were not clear to them, or send its officials or independent people to explain the whole recapitalization to each association.

Chapter 5: Conclusion

The Recapitalization Scheme was initiated to restructure and develop the taxi industry. The government was concerned about the taxi violence, which took away the lives of people. There was also a concern from the government that the current taxis were not meant for public transport. This resulted in too many road accidents and the loss of many lives. Most importantly, the taxi industry was not recognised as a form of public transport by the apartheid government. So with the Recapitalization Scheme the government is trying to address the imbalances of the past. More specifically, with the Recapitalization Scheme, the government aims to replace the current taxis with the more roadworthy and spacious ones. It is trying to capacitate or empower the taxi-owners, to make the taxi business viable.

The findings showed that more communication and consultation between the government and taxi-owners is required, since some taxi-owners felt that the government did not explain the whole process to all of them. It was therefore recommended by the taxi owners that the government communicate with each association at their level, since those who represent the taxi industry sometimes do not explain or give false explanations to the owners whom they are representing.

The respondents felt that all the aspects of the recapitalization were not comprehensible to them. Since most of the taxi owners had little education, they felt that the Recapitalization Scheme was a way for the government to introduce the new vehicles, tax them and scrap their taxis. The sources of information, for example newspapers, government pamphlets and newsletters, should cater for all people in terms of the language used.

The provision of adequate infrastructure is the most critical issue for the successful implementation of this Scheme. Poor facilities in the taxi industry are still a problem in Pietermaritzburg. In the whole area there are only three ranks with shelters and they are

not taken care of. Some taxis rank in the middle of the road, for example in street, and they disturb or block the traffic. The public and private sector could intervene by providing better facilities for the taxi industry.

Lack of business skills or poor skills of the respondents resulted in poor management of their business. Most taxi owners did not know whether they were making a loss or profit because they were not keeping records. They also felt that the conflict within the industry was a problem. Basic business training and conflict resolution skills should be provided to all minibus taxi owners who are in the sector and to those who still want to involve themselves in the taxi business. There is also a need for the government to educate taxi-owners on aspects such as road safety, law enforcement and the effect of speeding, so that the owners can transfer the information to their employees. This could improve the safety and security of commuters.

Affordability of the new proposed vehicle and the size of the vehicle might pose a problem. Some routes are not profitable and the operating costs are high. This vehicle will take time to meet the maximum required number of passengers, which might result in low profit margins and the poor payment of instalments and hence the purpose of generating income might not be achieved. This will affect the viability of the taxi business. The government should have a proper plan for unprofitable routes. It is also important to note that the taxi industry competes with the subsidized buses and trains. Providing a subsidy to the taxi industry will be the solution.

The delay in the implementation of the Scheme is a problem. Some respondents felt that the government was taking too long to implement the scheme and this confuses them because they were not sure about when they have to buy the new vehicles and whether they should continue buying the current taxis or not.

Chapter 6: Bibliography

ANC, 1994 Reconstruction and Development Programme: A policy framework
Johannesburg, South Africa

Atkinson H and Graaff J, 1996 Reconstruction, Development and People. International
Thomson Publishing Southern Africa (Pty) Ltd, South Africa

Barret R, The Role of the World Bank in the Development of Urban Transport in Sub-
Saharan Africa
Available at <http://www.worldbank.co.za>

Barolsky J, 1990 The Black Taxi Industry: Origins and Structure University of the
Witwatersrand, Johannesburg

Cartoday Newsletter, 2000 Big changes coming in road transport in South Africa
Available at <http://www.cartoday.com>

Canning D, 2002 Stabilizing the taxi industry
Available at [http:// www.polity.org.za/stabilizing the taxi industry.html](http://www.polity.org.za/stabilizing_the_taxi_industry.html)

Cole K, 1994 Sustainable Development for a Democratic South Africa. London

Cox A, Enterprise Supplement: Taxi Recapitalisation, November 2002

Department of Transport, 1999 Moving South Africa: Towards a Strategy for 2020
Report and strategic Recommendations, Government Press, Pretoria

Dugar J, From Low Intensity War: Taxi violence in South Africa (1987-2000) vol.4 May
2001
Available at <http://www.csvr.org.za>

Du Pre R H, 1992 The making of racial conflict in South Africa. Skofaville Publishers, Braamfontein

Eksteen A, 1997 Taxi-wars and the South African government
Available at <http://www.und.ac.za>

Ferrante J, 1992 Sociology: A Global Perspective, Belmont, California

Freeman M J, 1987 Short distance commuting and the use of Combi-taxis in Cape Town, Transport Marketing Group: National Institute for Transport and Road Research, Pretoria

Giddens A 2001 Sociology, Polity, Cambridge

Goldstone R, 1991 Second interim report, Commission of Inquiry, Cape Town

Human Awareness Programme, 1982 Black urban public road transport: an assessment, Johannesburg

Igalelo, 2002 Department of Transport Newsletter, Pietermaritzburg

Kane-Berman J et al, 1995 Beating Apartheid and Building the Future, South African Institute of Race Relations, Johannesburg

Knight R, July 2001 South Africa: Economic Policy and Development
Available at <http://www.sharedinterest.org>

KwaZulu-Natal Department of Transport Budget Report 1999/2000 Section A.
Ministerial Lead Programmes: Overview of the KwaZulu-Natal Taxi Industry

KwaZulu-Natal Department of Transport Budget Report, 1999/2000 Presented by Minister Sbu Ndebele, Minister of Transport on the 29th March 1999 at the KwaZulu-Natal Legislature, Pietermaritzburg.

Markman T, 1984 Transport policy: a study of road. Free Market Foundation of South Africa, Parktown

Markman T, 1984 Transport Policy: a study of road passenger transportation, including a critique of the report of the commission of Inquiry into Bus Passenger Transportation in the Republic of South Africa, Parktown

Matjila K , 2001 Beating Apartheid and Building the Future: Strategies of an irritating newcomer: Black taxis, South African Institute of Race Relations, Braamfontein, Johannesburg

Minnaar A and Hough M, 1997 Conflict, violence and conflict resolution, HSRC Publishers, Pretoria

Moss F A and Msiza N Z, 1990-1994, Department of Transport, Chief Directorate, Evaluation of initiatives to overcome the problems of the minibus-taxi industry, South Africa.

Office of the Minister, Department of Transport, Province of KwaZulu-Natal Media Release: Taxi Recapitalization Meeting 01/03/2000

Parkin M, et al 1997 Economics, Addison Wesley Longman, Essex

President's Speech, 25 June 1999 A nation at work for a better life, Pretoria

Susanne S and Haggis J, Culture and Development, Blackwell

Taxi Industry Millenium Indaba, 2000 The role of the taxi industry in the South African and Eastern Cape economies: Speeches and Media Release

Available at <http://www.ecprov.gov.za>

The enterprise organisation 2001 State of Small Business Development in South Africa, Ntsika Enterprise Promotion Agency, Pretoria

Van Rensburg J, Taxi Industry Recapitalization Programme

Available at www.tradeport.org

Wazup Magazine, Taxi industry magazine, March- May 2002.

Wuyts M., Mackintosh M and Hewitt T, 1992 Development policy and Public Action, Oxford University Press

Appendices: Research instruments

Focus Group Guide
Regional Executive Members
(Key informants in the taxi industry)

My name is **Nelisiwe Magubane**, I am doing Masters at the University of Natal (Pietermaritzburg). I am doing a research on transport, specifically on minibus taxis. The purpose of this research is to ascertain the "**perceptions of taxi-owners towards the proposed government's Recapitalization Scheme**". This research is supported by the Department of Transport and the Sociology Discipline in the School of Human and Social Studies. Your responses will be kept confidential. The interview will last 30-45 minutes of your time.

Guidelines

- * **People should be honest**
- * **There are no right or wrong answers, people should feel free to disagree**
- * **No names are required**
- * **Only one person should speak at a time**
- * **The use of tape recorder is so that the facilitator does not take time taking notes**

1. Demographic Information

1.1 Age	
1.2 Race	
1.3 Sex	
1.4 Level of Education	
1.5 Position held	

2. General

2.1 Let's talk a bit about being a taxi owner. Why are you a taxi owner?

2.2 What do you enjoy or dislike about being a taxi owner?

2.3 How many taxis do you have?

2.4 What is the importance of the taxi associations?

2.5 What are the problems or challenges that you are faced with as the executive members in the taxi associations?

2.6 How do you hope to solve these problems if there are any?

3. Attitudes towards the Recapitalization Scheme

3.1 What are the main problems or constraints that you are experiencing in the taxi industry?

3.2 What kind of support do you need from the government to develop the taxi industry?

3.3 What do you think about the government's development plans for the taxi industry?

3.4 Do you know anything about the recapitalization scheme?

3.5 What do you know about recapitalization scheme?

3.6 What do you think the benefits of this scheme are for the taxi owners?

3.7 What do you think the benefits of this scheme are for the commuters?

3.8 What do you think the benefits of this scheme for the taxi drivers?

3.9 How do you think the government should implement this scheme?

3.10 What are the problems with this scheme?

3.11 What are the other alternatives of developing the taxi industry besides the recapitalization scheme?

Thank you for your participation

Interview Schedule
Key Informant(Government Official)

My name is **Nelisiwe Magubane**, I am doing Masters at the University of Natal (Pietermaritzburg). I am doing a research on transport, specifically on minibus taxis. The purpose of this research is to ascertain the "**perceptions of taxi-owners towards the proposed government's Recapitalization Scheme**". This research is supported by the Department of Transport and the Sociology Descipline in the School of Human and Social Studies. Your responses will be kept confidential. The interview will last 30-45 minutes of your time.

1. Demographic Information

1.1 Age	
1.2 Race	
1.3 Sex	
1.4 Level of Education	
1.5 Position held	

2. The introduction of 18 and 35 seater minibus taxis(Recapitalization Scheme)

2.1 Why is it important for gorvernment to develop the taxi industry?

2.2 What is this scheme(introduction of 18 and 35 seater mini bus taxis) all about?

2.3 What are the cardinal objectives of government's introduction of 18 and 35 seater minibus taxis?

2.4 How is the government planning to implement this scheme?

2.5 What are the benefits for the owners, drivers and commuters?

2.6 What are the problems that are faced by the government in implementing this scheme?

2.7 What has the government done to address those problems?

2.8 Having regard to the reaction of the taxi owners, can we safely say the project will achieve its objectives?

Thank you for your participation

University of Natal

Pietermaritzburg

This questionnaire is part of a survey to find out about the PERCEPTIONS OF THE TAXI OWNERS TOWARDS THE GOVERNMENT'S RECAPITALIZATION PROGRAM/SCHEME.

Your responses will be kept confidential.

1.1	Interview Number	
1.2	Name of Interviewer	
1.3	Date of interview	
1.4	Taxi Association	

Nelisiwe Magubane

In each of the questions that follow, mark the correct answer with an X or *with a circle*.

1. Demographic Information

1.1 Age

[AGE]

[1] 15-25

[2] 26-36

[3] 37-47

[4] 48-58

[5] 59-69

[6] Other,specify_____

[OTHERAGE]

1.2 Sex

[SEX]

[1] Female

[2] Male

1.3 Race

[RACE]

[1] African

[2] Indian

[3] Coloured

[4] White

1.4 Number of people living with you

[NUMPPLE]

[1] 1-4

[2] 5-8

[3] 9-12

[4] Other,specify_____

[OTHERPPL]

1.5 Marital status

[MARSTATU]

[1] Married (legal/traditional)

[2] Polygamous marriage

[3] Separated

[4] Divorced

[5] Single

[6] Living together like married partners

[7] Widower/Widow

1.6 Where do you live? [LIVE]
[1] In township
[2] In a rural area
[3] In a suburb
[4] Other,specify_____ [OTHERPLC]

1.7 What is the highest level of education you have completed? [EDULEVEL]
[1] No schooling
[2] Pre-primary school
[3] Standard 4 or less
[4] Standard 5
[5] Standard 6-9
[6] Tertiary education(technikons and colleges)
[7] University

1.8 How many children do you have? [NUMCHILD]
[1] 1-3
[2] 4-6
[3] 7-9
[4] 10-12
[5] Other,specify_____ [OTHERNUM]

1.9 What are the ages of your children? [CHILDAGE]
[1] 0-3 years
[2] 4-7 years
[3] 8-11 years
[4] 12-15 years
[5] 16-19 years
[6] 20-23 years
[7] Other,specify_____ [OTHCHIAG]

1.10 Are your children schooling? [CHILDSCH]
[1] Yes(go to questions 1.11)
[2] No

1.11 How many children attend school? [CHATTSCH]
[1] 4 or less
[2] 5
[3] 6-8
[4] Other,specify_____ [OTHSCHCH]

2. Occupation and Income

1.12 Aside from this business, are you or any other member of your family who contributes to the income of household employed? [FAMMEMHH]

[1] Yes(write numbers)

[2] No

Number _____ [NUMBER]

1.13 Which of these best describes your position in the household? [HHPOS]

[1] Only breadwinner

[2] Principal breadwinner

[3] Secondary breadwinner

1.14 You family's main source of income is from: [FAMINCOM]

[1] The money you get as a taxi owner

[2] The money your partner earns

[3] The money another person in the family earns

[4] Other,specify _____ [OTHINCOM]

1.15 Who owns the business (taxi owner)? [BUSOWNER]

[1] Self

[2] Partner

[3] Family company

[4] Other company/corporation

[5] Other, specify _____ [OTHEROWN]

1.16 Do you or any other member of your family, who contributes to this household owns business or enterprise other than this? [FAMMEHHB]

[1] Yes (write numbers)

[2] No

Number _____ [NUMBUOWN]

1.17 What do they do? [CONTOBUS]

1.18 Of all these enterprise and sources of income, which do you consider to be the most important to your family's security? [MOSTINCO]

[1] This business

[2] Other business

[3] Other occupations

[4] All the same

Can you explain why you say this?

[WHYMOST]

3. This Business

1.19 How many taxis do you have?

[NUMTAXIS]

[1] 1-3

[2] 4-6

[3] 7-9

[4] Other, specify _____

[OTHNUMTA]

1.20 What training do you have for this business?

[TRAINING]

Explain

[EXPLAIN]

1.21 What did you do before you began this business?

[DONEBEFO]

Explain

[EXPLAIN]

1.22 Why did you become a taxi owner?

[WHYTAXI]

[1] To provide efficient and reliable service to the general public

[2] To be a business man/woman

[3] It is the first black business

[4] It is a business that is easy to control

[5] To get money so that I can cater for my family and my other necessary needs

[6] Other, specify _____

[OTHREASO]

1.23 Where did you obtain your start up finance?

[STARTFIN]

[1] Bank loan

[2] Inheritance

[3] Small development company

[4] Cash loans

[5] Other, specify _____

[OTHSORCE]

**1.24 What difficulties did you face when starting this business? [DIFFICUL]
Explain [EXPLAIN]**

4. Performance

1.25 What are the main costs in your business? [MAINCOST]

- [1] Servicing
- [2] Petrol
- [3] Labour
- [4] Tyres

1.26 How much do you spend on petrol per week for your taxi/s? [EXPPETRO]

- [1] R1000-R1500
- [2] R1600-R2100
- [3] R2200-R2700

1.27 How often do you change your tyres? [TYRECHAN]

- [1] Once a month
- [2] Once every 3 months
- [3] Once every 6 months
- [4] Once a year

1.28 How often do you service your taxi/s? [SERVICE]

- [1] Once a month
- [2] Once every 4 months
- [3] Once every 6 months
- [4] Once a year

5. Employees

1.29 How many taxi drivers do you employ? Please fill in the table below:
[NUMDRV]

	Number	Age	Sex	Skill	Length
Full time					
Part time					
Casual					
Total					

1.30 How many of these drivers are family members? [NUMFAMEM]
Number _____

1.31 What driver's license do you expect your drivers to have? [DRIVELIC]
 [1] Any driver's license
 [2] Public driving Permit (PDP)
 [3] Code 8 driver's license
 [4] Code 10 driver's license

1.32 Does your workforce change often? [WORKCHAN]
 [1] Yes
 [2] No

1.33 Why does it change? [WHY]

1.34 How much is your wage bill per week? _____ [WABIWEEK]

1.35 How much is your wage bill per month? _____ [WABIMONT]

1.36 What is the percentage of income on wages? _____ [PERCINWA]

6. Clients

1.37 How many clients do you serve a day?

[NUMCLIEN]

Number _____

1.38 Who are most of your clients?

[MOSTCLIE]

[1] School children

[2] Pensioners

[3] Workers

[4] Other, specify _____

[OTHCLIEN]

1.39 In which race group do most of your clients belong to?

[RACECLIE]

[1] African

[2] Indian

[3] Coloured

[4] Whites

1.40 Which sex constitutes most of your clients?

[SEXCLIEN]

[1] All females

[2] Mostly females

[3] Male/female

[4] Mostly males

[5] All male

1.41 Where do most of your clients live?

[CLIELIVE]

[1] In suburbs

[2] In rural areas

[3] In townships

[4] In squatter camps

1.42 What is the income group (class) of your clients?

[CLASCLIE]

[1] Low

[2] Middle

[3] High

1.43 Which day/s of the week is/are good for your business?

[GOODDAYS]

[1] Monday

[2] Tuesday

[3] Wednesday

[4] Thursday

[5] Friday

[6] Saturday

[7] Sunday

Why? _____

[WHY]

1.44 Which day/s of the week is/are bad for your business?

[BADDAYS]

[1] Monday

[2] Tuesday

[3] Wednesday

[4] Thursday

[5] Friday

[6] Saturday

[7] Sunday

Why? _____

[WHY]

1.45 Which month/s of the year is/are good for your business? _____

[GOODMO]

Why? _____

[WHY]

1.46 Which month/s of the year is/are bad for your business? _____

[BADMON]

Why? _____

[WHY]

1.47 How do you rate your business, how is it doing?

[BUSIRATE]

[1] Very well

[2] Well

[3] Average

[4] Poor

[5] Very poor

1.48 What was your past month gross income? _____

[PAMOGRIN]

1.49 Is that typical good or bad month? [GOODBADM]

[1] Yes

[2] No

Why _____ [WHY]

1.50 How do you rate your business in terms of quality of service?

[SERVQUAL]

[1] Excellent

[2] Very good

[3] Good

[4] Fair

[5] Very poor

[6] Poor

1.51 What is your most needed assistance to improve your business? [ASTNEED]

[1] Financial support

[2] Business skills

[3] Education and training

[4] Other, specify _____ [OTHASSIS]

7. Problems

1.52 What are the disadvantages/threats to this business? [BUSITHRE]

[1] Conflicts within the industry

[2] Lack of Finance

[3] Insufficient infrastructure

[4] No recognition

[5] Other, specify _____ [OTHTHRE]

8. Recapitalization Program

1.53 Do you think it is important for the government to assist the taxi industry? [IMP]

[1] Yes(go to question 1.54)

[2] No(go to question 1.55)

1.54 Why do you think it is important for the government to assist the taxi industry? [WHYIMPO]

- [1] To make an industry more formal
- [2] To ensure that commuters are provided with better services
- [3] To empower taxi owners
- [4] Recognition of taxi owners by the government and financial institutions
- [5] To control routes thereby ending taxi violence
- [6] Other,specify_____ [OTHRESON]

1.55 Do you know about the recapitalization program? [RECAPPRO]

- [1] Yes
- [2] No

1.56 Do you agree with the government's recapitalization program? [AGREEREC]

- [1] Yes
- [2] No

1.57 How did you find out about the recapitalization program? [HWFIOUT]

- [1] From the taxi associations
- [2] From the newspapers
- [3] From the government pamphlets
- [4] From television or radio

1.58 What do you think the recapitalization program is about? [WHTRECAP]

- [1] It is about the introduction of new vehicles which are bigger than the current ones
- [2] It is about taxing taxi owners
- [3] It is about manufacturing of the safer vehicles which will be affordable to everyone and vehicles which are roadworthy
- [4] It is about the recognition of taxi owners by financial institutions
- [5] It is about discouraging drivers from stealing money which will be enforced through the smart card system
- [6] It is about black economic empowerment
- [7] Other, specify_____ [OTHUNDER]

1.59 What do you think is the government's main objective/s with the recapitalization program? [MAINOBJE]

- [1] To tax the taxi owners
- [2] To empower the taxi owners

- [3] To provide safer public transport to the commuters
- [4] To discourage the use of cars
- [5] To reduce the number of cars in the roads
- [6] To provide financial support to the taxi owners
- [7] To assist taxi operators in increasing their profit margins

1.60 What do you think are the benefits of this program for the taxi owners?

[OWNERBEN]

- [1] None
- [2] New vehicles
- [3] Massive reduction in finance charges
- [4] Recognition by the financial institution
- [5] Scrapping allowance/subsidy
- [6] Increase in their profit margins
- [7] Other,specify_____ **[OTHOWBEN]**

1.61 What are the benefits of this program for the drivers? **[DRIVBEN]**

- [1] None
- [2] Working within a legal protected environment
- [3] They will be reskilled and absorbed in other business processes
- [4] Other,specify_____ **[OTHDRVBE]**

1.62 What are the benefits of this program for the commuters? **[COMMBEN]**

- [1] Safer vehicles
- [2] They will free movement inside the vehicles since the vehicle is more spacious
- [3] Reduction in taxi fares
- [4] Other,specify_____ **[OTHCOMBE]**

1.63 How do you rate this(recapitalization) government's plan of developing the industry? **[RECAPRAT]**

- [1] Excellent
- [2] Good
- [3] Average
- [4] Poor
- [5] Very poor

1.64 What are the problems with the recapitalization program? **[PROBRECA]**

- [1] Lack of consultation
- [2] Vehicles are expensive

[3] No infrastructure to cater for the new vehicles

[4] We are not clear about the whole process

[5] Other, specify _____ **[OTHPROB]**

1.65 How do you think these problems can be solved? **[HOWSOLVE]**

1.66 Would you like to make any further comments? **ANYFUCOM**

Thank you very much for your time and participation in this survey.