# ROAD AHEAD: SETTING THE BASIS FOR A TRANSFORMED MINIBUS TAXI INDUSTRY IN SOUTH AFRICA

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ABSTRACT

The lack of political will has hindered the progress of the minibus taxi industry's transformation efforts. The ANC government embraced the idea of a developmental state, aiming to use state intervention in the economy to address poverty, unemployment, and inequality. However, this intervention has yet to effectively extend to the minibus taxi industry. Although the government shifted its approach from a comprehensive recapitalization plan to restructure the taxi industry, more work is required to achieve meaningful transformation. Despite attempts to improve public transport through initiatives like the Bus Rapid Transport system, more measures still need to be taken to integrate urban planning and transportation effectively. Both vehicle and urban planning have been characterized as reactive rather than proactive, focusing on existing demands rather than catering to the increased accessibility and convenience needed by ordinary people who rely on minibus taxis. Consequently, the current transport and urban planning system must support the working poor, who primarily depend on minibus taxis, as they require more subsidies. As a result, despite using minibus taxis to access the city, only some of these individuals benefit from government funding. The paper addresses critical issues within the country's minibus taxi sector. It aims to comprehensively analyse the industry's current challenges, including safety concerns, regulatory issues, and sustainability. By examining these factors, the paper seeks to propose innovative solutions and policy recommendations to transform the minibus taxi industry into a safer, more efficient, and environmentally sustainable mode of transportation. The scope of the paper encompasses a wide range of topics, from regulatory frameworks and technology integration to socio-economic impacts, with the ultimate goal of fostering positive change and progress within this vital transportation sector.

*Keywords: developmental state, minibus taxi industry, recapitalisation, sustainable, transformation.*

## 1 INTRODUCTION

This paper addresses the multifaceted challenges plaguing the minibus taxi industry, this vital sector of the South African transportation landscape. South Africa's minibus taxi industry has long been a cornerstone of public transportation, serving millions of commuters daily. However, it has been marred by safety concerns, regulatory complexities, and a need for modernization. This paper aims to shed light on these issues and provide a comprehensive roadmap for transforming the minibus taxi industry in South Africa [1]. The primary purpose of this paper is to critically analyse the current state of the minibus taxi industry, emphasising its strengths, weaknesses, opportunities, and threats. It delves into the historical context, examining the evolution of this industry and its socio-economic importance. The paper also assesses the industry's various challenges, including safety concerns, informal operations, and regulatory bottlenecks.

By addressing these issues, the paper seeks to advocate for a more secure, efficient, and accessible minibus taxi system. Its scope extends beyond mere analysis. It aspires to implement concrete recommendations and policy suggestions to initiate transformative changes. These recommendations may encompass regulatory reforms, technology integration, safety enhancements, and strategies for fostering a more professional and accountable minibus taxi sector. Additionally, the paper explores the potential benefits of

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public–private partnerships and innovative financing mechanisms to support the industry's modernisation. This paper represents a critical endeavour to bring about positive change in a vital sector of the country's transportation infrastructure. It seeks to comprehensively understand the industry's challenges while offering practical solutions to usher in a new era of safe, efficient, and accessible minibus taxi services for all South Africans.

The minibus taxi industry in South Africa is a vital and ubiquitous component of the country's public transportation system. This industry significantly provides accessible and affordable transportation options to millions of South Africans, particularly in urban and peri-urban areas where formal public transportation systems may be limited [2]. Minibus taxis are small, privately-owned vans or minibuses that operate along specific routes, picking up and dropping off passengers as needed. This mode of transportation has become an integral part of South African daily life, serving as a lifeline for commuters and a source of livelihood for many operators and drivers.

The number of minibus taxis in South Africa is estimated to be more than 200,000, with a diverse array of operators ranging from individual entrepreneurs to larger taxi associations [2]. This decentralized structure contributes to the industry's adaptability and challenges, as it can be difficult to regulate and enforce standards uniformly. Many of these minibus taxis are often modified and customized to accommodate more passengers than their original designs intended, which can raise safety concerns. The legal situation surrounding the minibus taxi industry in South Africa has been a contentious issue for many years. Regulations vary from province to province, and there has been a long-standing debate about formalising and integrating this sector into the broader transportation network. In some areas, taxis operate with permits issued by local authorities, while in others, the industry operates more informal and unregulated. The regulatory environment is complicated, with ongoing efforts to balance formalisation, safety, and the preservation of livelihoods within the industry. The oversight of the minibus taxi sector in South Africa is shared between various government entities at different levels. Provincial and municipal governments typically play a significant role in issuing permits, setting routes, and enforcing regulations [3].

The National Taxi Alliance (NTA) and South African National Taxi Council (SANTACO) are the two influential industry associations (or mother-bodies) that advocate for taxi operators' interests and help facilitate communication between the industry and the government [3]. This intricate web of oversight can sometimes lead to challenges in implementing consistent and standardised policies nationwide. Regarding average driving distances, minibus taxis in South Africa typically cover relatively short to medium distances within urban and peri-urban areas [4]. These routes are often determined by demand, with taxis shuttling passengers between residential areas, commercial centres, and transportation hubs like bus terminals and train stations. While minibus taxis can also operate on longer intercity routes, most of their services are concentrated in densely populated areas where access to reliable transportation is crucial for daily life.

The lack of political will has hindered the ongoing project to transform the minibus taxi industry. Some political leaders have been accused of being taxi owners themselves, which adds to the challenges. Despite adopting the principles of a developmental state, the government's intervention in the industry could have been more effective. The dream of achieving a developmental state in the context of the minibus taxi industry has been postponed due to the need for more political will to address its problems. While the government shifted its focus from a recapitalization plan to transforming the taxi industry, much more must be done to achieve the desired transformation [1]. The minibus taxi industry is crucial for public transport but faces environmental and societal issues like pollution, traffic, and inefficient energy use. Considering the world's struggle with climate change and

depleting resources, transitioning the industry to renewable energy sources becomes vital. To promote sustainability and cleaner public transport, the integration of renewable energy sources into the minibus taxi industry holds promise.

In an effort to achieve this transformation, the Department of Transport (DoT) organized a National Taxi Lekgotla in October 2020. The Lekgotla aimed to improve the industry's state, particularly addressing issues related to unity, leadership, empowerment, regulation, and customer care [1]. However, the Lekgotla faced challenges as NTA decided not to participate, expressing concerns about the government's favouritism towards SANTACO. The absence of NTA and the rivalry between two mother bodies, SANTACO and NTA, complicated the government's consultation and agreement efforts with the industry. To achieve unity and progress, the government and industry must find ways to combine and unify leadership. Understanding the dynamics of the minibus taxi industry is essential before implementing renewable energy solutions. The industry's informal nature presents challenges and opportunities for introducing significant changes and innovations [2].

## 2 RETHINKING THE FORMALISATION PROCESS

The industry formalization process must be reimagined to achieve a sustainable public transport sector. Minibus taxis currently run on diesel or petrol, causing harmful emissions and contributing to climate change and air pollution. By transitioning to renewable energy sources, the industry can significantly reduce its carbon footprint and support cleaner air in cities. The minibus taxi sector faces economic challenges due to the unpredictable nature of fossil fuel markets. Embracing renewable energy would offer a reliable and local supply, reducing dependence on imported fuels and vulnerability to price fluctuations [3]. Electric vehicles are seen as a solution to decarbonize the transportation industry, which is a significant source of global greenhouse gas emissions. The goal of developing low-carbon urban transportation aligns with the United Nations' Sustainable Development Goals, aiming to combat climate change.

The source of electricity to power electric buses and minibuses varies from region to region, but in many African countries, it primarily comes from a mix of sources. One of the most common sources is hydroelectric power, harnessed from rivers and dams [3]. Countries like Ethiopia, with its vast hydroelectric potential, have invested heavily in this renewable energy source to supply electricity for their growing fleets of electric buses [5]. Solar power is another significant contributor, especially in regions with abundant sunlight. Photovoltaic systems are being deployed to generate clean electricity for charging stations, reducing both emissions and dependence on fossil fuels. Additionally, some African countries are exploring wind power, geothermal energy, and even biomass as sources of electricity for their electric public transportation systems [6]. It is essential to prioritise renewable energy sources to maximize electric buses' environmental benefits.

Regarding the reliability of the electricity network, many African countries still need help with frequent power outages and interruptions. These outages can pose significant issues for electric bus operations, leading to service disruptions and increased operational costs. Inadequate grid infrastructure, underinvestment, and issues related to maintenance and governance contribute to these outages [4]. Addressing these challenges is crucial for successfully deploying electric buses in African cities. Countries are working to upgrade their power grids, improve infrastructure resilience, and enhance overall grid stability to minimize outages. Furthermore, investments in energy storage solutions, such as batteries, are being explored to provide backup power during interruptions, ensuring uninterrupted service for electric public transportation [3].

Despite government efforts to transform public transport with the Bus Rapid Transport system, integrating urban planning and transportation needs to be more [4]. The current approach tends to react to existing demands rather than proactively addressing increased accessibility and convenience for those relying on minibus taxis, especially the working poor who are not subsidized. Given the importance of the taxi industry in South Africa's public transportation market, any formalization process should consider its evolution and impact [7]. This should involve addressing technical issues, labour concerns, and industry subsidization. Critical thinking and debate are needed to address the taxi industry's formalization challenges.

The minibus taxi industry is dynamic and comprises various stakeholders, such as owners, drivers, marshals, and associations, making it complex. Viewing it as one singular part in the formalization process is a mistake. To understand the industry better, the formalization process should consider it as a complex system with underlying mechanisms sustaining its operations. Rethinking the formalization process involves examining how the taxi industry is created, sustained, and its role in the South African economy. By understanding the industry as a whole in constant development and transition, a new model for a transformed minibus taxi industry can be developed.

## 3 TOWARDS A NEW MODEL OF TRANSFORMED MINIBUS TAXI INDUSTRY

After 26 years since the recommendations of National Taxi Task Team (NTTT), the government organized the National Taxi Lekgotla, focusing on essential topics: enhancing unity and leadership within the taxi industry, implementing an empowerment model, refining industry regulations, and elevating professionalism and customer care. However, achieving harmony in the sector still requires further efforts. It would have benefited the NTA to actively participate in the Lekgotla, bringing their concerns to the table for discussion. The involvement of two mother-bodies claiming to represent and act on behalf of the taxi industry has complicated the government's consultation efforts and hindered the establishment of binding agreements. Thus, both the government and the industry must collaborate to find ways to work together effectively. Notably, any economic empowerment plans for the industry should include workers such as taxi drivers and rank marshals to ensure their participation and benefits.

To address the problems facing the minibus taxi industry, it is here proposed a new model for the transformation process to be successful. This is a model where there is unity between the industry and government. This is where government shows the political will to transform the minibus taxi industry into the sustainable public transport sector. Electric vehicles (EVs) have gained popularity worldwide due to their potential to lower emissions and operating costs. Governments and private entities can collaborate to offer incentives for minibus taxi operators to switch to electric models. Charging infrastructure must be strategically deployed throughout urban areas to support the transition effectively. A taxi owner from Wanderers taxi rank states that there should be political will on the part of government to engage with the industry:

> We need to have a political will to drive the whole regime of public transport, particularly in the taxi industry, where you deliberately come up with standardised procedures, in terms of how the business should be run. And of course, you cannot do it without them, you have to do it in full consultation with them. And you from time to time, when you talk with these people in meetings, you can see that these are sound people and once you fully engage them as government, you can have a good return on investment. But I think,

> government is just not much willing to engage with these people. There is so much of a us and them. And I think if we can start engaging them, engaging them and make them feel like they are part of the business that we are doing. And we are not actually doing them a favour. And make them feel like they are actually our public transport partners. We are going to win, because whatever we propose we are most likely going to get their support in terms of standardising and regulating the entire public transport or taxi industry space.
>
> (Taxi Owner 2, Wanderers Taxi Rank, Interview, 1 November 2018)

Hence, the government must demonstrate a readiness to engage with the minibus taxi industry, thereby enhancing the effectiveness of the Taxi Recapitalisation Programme (TRP). This political determination is vital in achieving a progressive state in the 21st century [8]. Therefore, to materialize the advantages of a cooperative minibus taxi industry and the operating models proposed by Dr Blade Nzimande during the announcement of the Revised Taxi Recapitalisation Programme (RTRP) on 26 April 2019 [9], the Department of Transport must display a willingness to cooperate. With the active involvement of the Department of Transport and a positive response from the taxi operators, the TRP can provide stable and secure employment opportunities for taxi drivers and marshals, effectively addressing their precarious working conditions.

Increased political determination is necessary to improve the South African public transport system. Expanding public transport to include the minibus taxi industry may be time-consuming, especially in the absence of a competent and efficient public bureaucracy. South Africa must acquire new capabilities to successfully establish a developmental state in the 21st century [10]. However, it is equally crucial for the government to demonstrate the political will to transform the minibus taxi industry. This transformation should consider the industry's resistance to adhering to regulatory changes and labour regulations enforced by the Department of Labor (DoL). Instances of insufficient political will to address industry issues reflect a deferred vision of achieving a sustainable state within the industry. Jonas writes that the 'developmental state remains elusive' [11]. In the context of South Africa, issues of corruption that have plagued the ANC government have compounded it. Taxi cooperatives could bolster the minibus taxi industry. Shifting to renewable energy sources will significantly reduce the industry's carbon emissions and air pollution, leading to better public health outcomes and a cleaner urban environment. For some minibus taxi operators, the initial expenditure to buy electric cars and install renewable energy infrastructure may be too expensive. Governments and financial organisations can provide incentives, subsidies, or low-interest loans to encourage using renewable energy sources.

African countries can draw valuable lessons from each other's experiences in electrifying their transportation systems. For instance, South Africa has made strides in introducing electric buses in cities like Cape Town and Johannesburg [12]. These initiatives have highlighted the importance of strong government commitment, public–private partnerships, and robust charging infrastructure development. On the other hand, countries like Kenya have gained insights into using innovative financing models and incentives to promote the adoption of electric vehicles, including buses. Collaboration with international organisations and leveraging international funding sources can also facilitate the transition to electric buses. Furthermore, neighbouring countries can learn from each other's grid resilience strategies. For example, Ghana has been investing in improving its grid infrastructure reducing power outages [13]. These lessons in grid resilience can be valuable for other nations looking to minimize disruptions to their electric public transportation systems. African countries are gradually embracing electric buses and minibuses as a sustainable and environmentally

friendly mode of transport. While challenges like power outages persist, these nations are learning from one another and taking steps to overcome these obstacles and pave the way for a cleaner and more efficient public transportation system 714].

## 4 CONCLUSION

Since the 1990s, the government has been making efforts to bring about changes in the industry. In 1995, NTTT significantly transformed the industry. This transformation relied on the implementation of recommendations adopted in 1996, which included formalizing the minibus taxi industry, regulating and controlling its operations, providing capacity building and training, and establishing conditions to ensure the industry's economic survival, manageability, and growth. Despite these efforts, the industry remains part of the informal sector. However, the government's plans to transform the minibus taxi industry have faced obstacles, primarily due to a lack of political will. Some political leaders, who are themselves taxi owners, have been accused of hindering progress. Additionally, various taxi operators with different interests have further complicated the transformation process. To achieve successful industry transformation, it is essential to have cooperation and willingness from both the industry and strategic state intervention. South Africa recognizes the importance of a well-developed public transport system. Integrating renewable energy into the minibus taxi sector is crucial to sustainability and environmental responsibility. By adopting measures such as implementing electric vehicles, setting up solar-powered charging stations, and exploring other renewable energy options, the industry can significantly reduce its carbon footprint and contribute to cleaner, greener cities. This transformation will require collaboration between governments, businesses, and minibus taxi operators to overcome challenges and fully realize the potential of renewable energy integration in this critical sector.

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