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Lessons from building paratransit operators' capacity to be partners in Cape Town's public transport reform process

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ABSTRACT

In 2013 the Cape Town municipality initiated planning for the second phase of its MyCiTi bus system. The first phase, on which preparations commenced in 2007, relied on incorporating existing road-based operators in a bus rapid transit (BRT) system. The municipality underestimated the cost and level of effort involved in the wholesale corporatisation of paratransit operators while concurrently equipping them to become BRT operators. Learning from this experience, it developed a more incremental transition approach in the second phase, the first fruit of which was a pilot express bus service launched in mid-2014. The pilot service contract also provided for a training programme for paratransit operators in the affected parts of the city to build their managerial and technical capacity. It was envisaged that programme participants would ultimately manage and run the long-term operating companies and contracts that would be established by the end of the three-year interim period. This article provides a critical review of the programme's context, content and participant experiences after the conclusion of its first year. In broad terms the programme has made a positive contribution to paratransit participants' understanding of the shortcomings of their current operations and why reform might be necessary, but much still remains to be done to enable them to fill their envisaged roles in future public transport operations. In view of growing interest in BRT installation in Sub-Saharan Africa lessons from Cape Town's reform process offer both cautionary evidence and a potential mechanism for drawing existing operators in as partners in reform.

1. Introduction

Across cities in Sub-Saharan Africa large fleets of privately owned buses, minibuses and smaller vehicles provide mass public transport to urban populations. These typically unscheduled services – variously referred to in the scholarly literature as paratransit, informal or artisanal public transport, or shared taxis – have over many decades come to fill the niche left by the collapse of colonial-era scheduled bus and rail services (Cervero, 2000; Gwilliam, 2008; Kumar and Barrett, 2008; International Association of Public Transport [UITP], 2008). Indeed, in the context of weak public sector capacity to regulate supply and enforce licensing regimes, barriers to market entry are low and the paratransit industry has grown to dominate the urban public transport offering (Kumar and Barrett, 2008; UITP, 2008, 2010).

Despite their resulting critical role in the lives of multitudes of city dwellers, Behrens et al. (2016), Cervero (2000), Joubert (2013) and others point to the many shortcomings of paratransit operations. Though total paratransit vehicle fleets might number in the thousands in a given city and owners may belong to representative organisations at area or region level, ownership is atomised and financial capital thus dispersed. It is indeed not uncommon for an individual business to comprise only a handful of vehicles.

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Unless the owner is also the driver, owners furthermore tend not to be directly involved in revenue generation. Drivers agree on a daily rental fee payable to the owner and take the risk of collecting sufficient fares to cover this fee.[1] Any resulting surplus is the driver's income. Alternatively the owner and driver might agree on a commission payable to the driver if a minimum number of fares are collected. In effect drivers manage the business at a day-to-day level, while owners provide the capital.

The core mediator between individual businesses is the route associations or similar collectives. Associations' main income derives from owners' membership fees for the mediation, support and general administrative roles that associations provide. This relationship incentivises market saturation as it is in the association's interest to have as many members as possible. In the context of weak public sector regulation and institutional capacity market entry is thus essentially controlled by route associations. The paratransit industry often constitutes one of the few employment and income sources in communities and a country where unemployment is commonplace, and where poor education effectively excludes many from formal employment and tertiary learning. This compounds atomisation and market saturation: in effect there is a continuous stream of individuals willing to become drivers or owners without insight into the diluting effect their entry to the market will have on a finite fare income pool.

Overall the paratransit operational model makes for a high level of responsiveness to demand, but it also results in strong (often destructive) competition on the road, little incentive for comprehensive record-keeping, and limited financial reserves to use towards vehicle maintenance and replacement. In turn, road and passenger safety suffer, environmental impacts are low priorities, and the business perspective is focussed largely on individual near-term concerns.

Ultimately the aforementioned issues with the paratransit operational model frustrate efforts at effecting systemic change from within the industry. It is thus not surprising that public authorities and international agencies have led programmes aimed at addressing the negative aspects of paratransit operations. Documented examples of in situ upgrade efforts in Africa include the vehicle renewal schemes instituted in Accra (Finn, 2012), Dakar (Kumar and Diou, 2010), and nationally in South Africa (Van Schalkwyk, 2009). In the cases of Dakar and Accra these schemes included ownership reorganisation.

Bus rapid transit (BRT) as a mechanism to revitalise public transport and displace or incorporate paratransit, as popularised in Bogota, has arguably received greater attention in the reform discourse. For instance, BRT or BRT-type systems are in operation in Cape Town (MyCiTi, 2016), Dar es Salaam (Mtulya and Matiko, 2016), Lagos (Mobereola, 2009), Johannesburg (McCaul and Ntuli, 2011) and Pretoria (City of Tshwane, 2016). BRT corridors or systems are furthermore at various stages of planning or completion, including in Accra (Jones et al., 2015), Addis Ababa (Embarq, 2013), Kampala (Hirsch, 2012), Nairobi (Institute for Transportation and Development Policy [ITDP], 2015), and in a number of cities in South Africa (Government of South Africa, 2016).

There is a well-developed international pool of resources to support BRT implementation. This includes: technical guidelines (e.g. ITDP and German International Cooperation Agency [GIZ], 2012 and subsequent revisions, GIZ and Embarq, 2013); scholarly analyses of systems and operations (for example: Hidalgo and Gutierrez, 2013; Mejía-Dugand et al., 2013; Pedro and Macario, 2017); and the outputs of the collaborative research centre, *Across Latitudes and Cultures – Bus Rapid Transit*, based in Santiago. Less well documented are processes of engaging with paratransit operators around their inclusion in or displacement by BRT systems, and the accompanying political and planning challenges. Such processes have been demonstrated to be complex, arduous and highly context-specific. In Latin America, where the BRT concept was refined, in-depth studies on these topics have centred on Bogota and Curitiba (Ardila-Gomez, 2004), and Mexico City and Santiago (Flores, 2013), while in Africa research has focussed on Cape Town (McLachlan, 2010; Schalekamp, 2015) and Johannesburg (Venter, 2013; Woolf and Joubert, 2013).

Within the public transport reform discourse in Africa the Cape Town case is particularly instructive. A review undertaken for the South African National Treasury in 2015 projected that revenue in Cape Town's completed first-phase BRT system, called *MyCiTi*, will cover only 25% of the full cost of running the system in the current financial year (Van Ryneveld, 2015).[2] This has been a sobering realisation; by comparison, paratransit operations receive no operational funding support from the state. Clearly there is a case for investigating alternative pathways to reform in the African context, since even in relatively well-resourced South Africa the BRT-led reform model is proving unaffordable. These pathways include in situ improvement and ownership reorganisation approaches as referred to above, as well as building operators' capacity to be better equipped to drive change from within their own industry. A shift away from the BRT model and towards a multi-pronged approach is emerging in Cape Town in the second phase of its public transport reform programme. The context and substance of this shift are the subjects of this article.

The next section of this article provides an overview of the first phase of the public transport reform process in Cape Town. Thereafter, Section 3 describes the development of the express bus services that are spearheading the second phase of MyCiTi project, as well as the origins of the capacity building programme for paratransit operators that forms part of this project phase. Section 4 highlights the aims and structure of the programme as it stood when the N2 Express agreement was finalised in 2014, while Sections 5 and 6 respectively discuss the content and participant experiences during the first year of the programme. In conclusion, Section 7 reflects on the future direction of the programme and concerns that will have to be addressed in the process.

The article draws on 11 semi-structured qualitative interviews that the author conducted with participants in the programme as well as with key individuals from agencies involved in planning and setting up the programme and in the express bus operations. These agencies were Transport for Cape Town (TCT, the municipal transport authority), ODA (a consulting agency), and the N2 Express operating entity. In addition to the interviews the author was party to meetings and exchanges with the lead reform process

[1] Fares are typically paid in cash on a per-trip basis. Depending on city and route the fares are charged either at a flat rate or have some correlation to distance, though empirical research on this topic is rare.

[2] Revenue sources comprise fares and some additional advertising income, while costs include operating the vehicles, stations and ancillary systems such as fare management.