CONTRADICTIONS AROUND THE FORMALISATION OF SOUTH AFRICA'S MINIBUS TAXI INDUSTRY

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ABSTRACT

This paper explores the contradictions within South Africa's minibus taxi industry. Stemming from the intricacies of the country's socio-political terrain, the sector arose as a crucial means of conveyance in the apartheid era, offering indispensable mobility to disadvantaged populations. The first thesis, which advocates for empowerment through informal transport, stands in stark contrast to the second, marked by a lack of regulations, safety issues, and socioeconomic precarity for drivers and operators. Many workers in the industry face precarious working conditions, low salaries, and restricted social safeguards, as evidenced by empirical data collected from East London and Johannesburg. These findings highlight the critical need for formalisation initiatives to alleviate the acute socioeconomic gaps present in the sector. However, formalisation attempts are greeted with opposition and further inconsistencies. It is still difficult to balance adhering to regulations and maintaining the sector's crucial role in urban transport. It is necessary to find a synthesis that gives equal weight to fair work practices, sustainable economic models, and safety requirements while acknowledging the historical value of the sector. Reaching this delicate balance calls for a sophisticated strategy that includes targeted interventions, legislative changes, and multi-stakeholder collaboration to elevate the minibus taxi sector toward a more sustainable and inclusive future. As a result, this paper clarifies the complex character of formalisation initiatives and highlights the necessity of a comprehensive and contextually aware strategy to resolve the conflicts present in this important area of South Africa's transport system.
Keywords: antithesis, dialectics, formalisation, synthesis, thesis, transformation.

1 INTRODUCTION

South Africa's minibus taxi industry presents a complex interplay of thesis, antithesis, and potential synthesis, reflecting the country's socio-economic landscape. The thesis embodies the necessity and vitality of informal transportation services in bridging gaps left by inadequate formal infrastructure, particularly in underserved communities. Arising from historical disparities and economic exigencies, this industry emerged as a grassroots response, providing mobility solutions where none existed. However, this thesis clashes with the antithesis of regulatory challenges, safety concerns, and infrastructural limitations. The industry's informality breeds issues like unregulated competition, safety hazards, and legal ambiguities, fuelling contention between stakeholders, including operators, commuters, and government entities. These conflicts underscore the need for effective regulation, infrastructure development, and safety standards to reconcile divergent interests and ensure the industry's sustainable evolution. The synthesis lies in recognising the industry's indispensable role while addressing its shortcomings through comprehensive policies and collaborative efforts. This entails formalising aspects of the industry without stifling its entrepreneurial spirit, fostering dialogue among stakeholders to streamline operations, enhance safety measures, and integrate minibus taxis into broader transportation frameworks. By leveraging technology, improving infrastructure, and promoting cooperative governance, South Africa can forge a synthesis where the minibus taxi industry thrives as a vital component of the transportation ecosystem, serving both economic and social imperatives.

The industry stands as a testament to the intricate interplay of historical injustices, socioeconomic dynamics, and regulatory ambiguities. Born amidst the tumult of apartheid,

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this industry served as a lifeline for marginalised communities, offering mobility in the face of systemic oppression [1]. However, its journey from its roots to the contemporary landscape reveals a tapestry woven with contradictions and complexities. Emerging from the shadows of apartheid, the industry was a beacon of empowerment for many. It provided economic sustenance for operators and drivers, often hailing from the very communities it served [2]. Yet, this empowerment existed within the confines of informality, operating in a regulatory grey area that left passengers and operators vulnerable. The transition from apartheid to democracy brought with it hopes of formalisation and regulation to address safety concerns and socioeconomic precarity [3]. However, this transition has been fraught with challenges as the industry resists attempts at formalisation. The push and pull between the desire for empowerment through informal transport and the need for formalisation underscores the complexities at play. At its core, the debate surrounding the formalisation of South Africa's minibus taxi industry delves into the dialectics of history, regulation, and everyday realities. Historical legacies, deeply rooted in apartheid-era policies, continue to shape the contours of the industry, influencing its resistance to formalisation [4].

Regulatory frameworks, while well-intentioned, often struggle to accommodate the nuanced dynamics of the industry, further complicating the path to formalisation. Moreover, the realities of everyday operations add another layer of complexity. For many operators and drivers, formalisation represents not only a bureaucratic hurdle but also a potential loss of autonomy and livelihood [5]. Balancing the imperative for safety and regulation with the need to preserve the economic agency of those involved is a delicate dance that policymakers must navigate. In navigating these complexities, it becomes evident that there are no easy solutions. Addressing the challenges facing South Africa's minibus taxi industry requires a nuanced understanding of its historical, socioeconomic, and regulatory context. It demands a collaborative approach that engages stakeholders at all levels, acknowledging the complexities inherent in the quest for formalisation while striving to ensure the safety and well-being of all involved. Only through such an approach can the industry truly evolve into a safer, more sustainable mode of transportation that honours its legacy while embracing its future.

The aim of the paper is to examine the complex and often contradictory dynamics within the minibus taxi sector in South Africa. The paper highlights the industry's role in providing crucial transport to disadvantaged communities during apartheid, while also addressing the contemporary challenges of safety, regulation, and socioeconomic precarity faced by workers. It calls for a balanced approach to formalisation that considers historical significance, fair work practices, and sustainable economic models through collaborative efforts, legislative changes, and targeted interventions.

2 THESIS: EVOLUTION AND REGULATION OF SOUTH AFRICA'S MINIBUS TAXI INDUSTRY

Black business owners founded the minibus taxi sector in South Africa, and it has primarily served the Black community until this day. Before the late 1970s, official restrictions in South Africa prevented Black South Africans from working in the taxi industry. Partially deregulated markets and the taxi industry's fight for acceptance as a viable public transportation provider defined the years 1977–1987. Beginning in 1987, there was a phase of more extensive deregulation of the taxi industry, which was accompanied by cab violence as a daily aspect of the sector in the face of fierce competition. The attempts to re-establish and tighten control and regulation over the business have shaped the post-apartheid era. As a result, the Taxi Recapitalization Programme was introduced in 1999 with the goal of formalising the taxi sector. However, the taxi business has existed since the early 1930s,

when it was allowed for cabs to carry a maximum of four people in Natalspruit (now Katlehong) [6], [7]. Taxis were primarily utilised for travel inside Black communities during this time. Due to segregationist legislation and inadequate financial means, a large number of urban Black people were kept out of the cab sector. In a similar vein, Barrett observes that 'one feature of apartheid and the institutionalised racism it introduced in the early 1960s was that Black, and particularly African people had very limited legal access to business opportunities', referring to the post-segregation era (starting in 1948) [8, p. 6]. It was nearly impossible for an African person to operate a taxi in the taxi industry. This was a result of the application of the so-called 'One-Bantu-One-Business' policy, which had very serious consequences for participation in the taxi industry.

Black people were only permitted to work in one industry prior to 1977. Companies, partnerships, African financial institutions, industries, and wholesale concerns were all forbidden at the same time. This was altered by deregulation in the late 1970s. Prior to then, only Black individuals who met the requirements for urban privileges under the 1945 Urban Areas Act were permitted to trade. Accordingly, an applicant needed to be lawfully present in the metropolitan area, a registered renter, in possession of at least a Daily Laborer's Permit, and have a clean employment history in order to be granted a trade permit, which included a taxi permit [9]. Being in urban areas legally was extremely difficult because of the pass law and influx control systems introduced under apartheid in 1952, as these systems controlled the influx of rural migrants into urban areas [10]. Overall, discriminatory state interventions blocked black participation in the taxi industry. Thus, before to 1977, the black taxi sector did not play a significant role in the public transportation sector. Sedan cars, such as Chevrolets and Valiants, were exclusively utilised as taxis for travel inside African American communities. Since obtaining public carrier permits was challenging, many kombi taxis operated illegally at first and continue to do so. Inefficient but regulated transport options were the bus and rail systems. All of this changed in the late 1970s when the state started focusing on small businesses as a means of creating a Black middle class. This included the liberalisation of the taxi sector, which resulted in the sector's nearly revolutionary expansion in the 1980s. In this light, McCaul argues that 'it was from about 1977, however, that taxi operators – new entrants as well as those formerly operating sedan vehicles – began introducing ten-seater minibuses (kombi taxis) on to feeder and commuter routes' [7, p. 35] beyond townships. In 1977, the government had established the Breda Commission of Inquiry into transport deregulation [11]. The commission established that South Africa 'had reached a stage of economic and industrial development which enabled it to move towards a freer competition in transportation' [7].

Following the commission's recommendations, the Road Transportation Act was enacted the same year, allowing previously excluded people to use the public transportation system. The Road Transportation Act of 1977 made it easier for black operators to enter the taxi industry. In this sense, it defined a minibus as a motor vehicle meant to transport no more than nine passengers (including the driver). This permitted the introduction of legal minibus taxis capable of carrying up to eight passengers. However, demand for minibus taxis was increasing quickly, and due to delays in awarding taxi permits, taxi drivers were mostly operating without authorisation (illegally). As a result, 'they were subjected to fines, and often to forfeiture of their vehicles, with enforcement coming largely from South African Railways Police Force' [8]. In 1983, the Welgemoed Commission was established to study the increasing complexities in the industry, and it recommended that minibus taxis be made illegal by closing the one loophole that existed in the Road Transportation Act and that no more permits should be granted [12]. The idea though was floated to issue a restricted number of permits and this was finally implemented in 1989, for three years. In spite of this, however,

the industry continued to grow at a rapid rate. As a result, in 1986, a 16-seater bus was legalised for taxi use. Barrett argues that 'by 1989, around 50,000 minibus taxis were operating nationally and held the largest share of the commuter market' [8, p. 7].

Further deregulation began in 1987. This was accomplished by legislation, specifically the Transport Deregulation Act of 1988, in combination with the White Paper on Transport Policy, which was introduced in January 1987. This enabled the government to create a framework through which market forces would determine admission into the minibus industry, effectively incentivising applicants with capital to be granted a permit to operate a minibus cab [9]. This resulted in another substantial expansion of minibus taxis (until apartheid ended in 1994). One advantage of the taxi industry in establishing itself as a key component in the public transportation system was the notion among Black commuters that it was a community-based industry that had flourished despite harsh apartheid rules and without official subsidies [13]. On this basis, the minibus taxi sector emerged as a significant source of black capital accumulation, with many taxi operations reinvesting profits and purchasing additional taxi fleets, increasing the total amount of capital. However, the sector continued to experience fierce competition over routes, resulting in taxi wars and violence in areas such as Soweto, Alexandra, and Katlehong in the late 1980s and early 1990s. This continued on into the new South Africa (from 1994). As Fourie notes, 'following the general election in 1994, taxi violence continued and in fact, escalated'. In the post-apartheid period, violence has become more widespread, de-centralised and criminal in character. Some of the major problems experienced by the minibus taxi industry in South Africa in the 1990s, besides conflict and violence, included the following: poorly maintained and aged vehicle fleets; overtraded routes; low profit margins for many taxi owners and operators; high cost of vehicle purchase and maintenance; lack of skills and appropriate training; meagre road safety including a significant number of deaths of commuters; bad working conditions for taxi drivers; and high cost of finance and insurance premiums [9, p. 37].

Recognising and attempting to overcome these issues, the state moved to interfere more firmly in the industry. Given this, in 1995, 'the government, through the establishment of the National Taxi Task Team (NTTT), took a critical step to deliberate the problems of the industry' [9, p. 37]. The NTTT was thus established to improve the performance of the taxi sector while also investigating ways to improve road safety, increase financial margins, and resolve disagreements. The most crucial proposal given by the NTTT was to regulate and formalise the taxi sector. For example, proposals for regulation included: a ban on permit issuing; the registration of operational taxis and where they operate; and the special licensing of unlawful businesses without permits. Since 1999, the government has moved its focus to reorganising the taxi business as part of an ambitious recapitalisation initiative, in an attempt to address any shortcomings in regulatory procedures. This was intended to legalise the taxi industry by establishing a new type of taxi industry consisting of larger 18- and 35-seater diesel-powered cars that would be controlled from the start. According to Fourie, 'under the recapitalization plan, jointly developed by the Department of Transport, Trade and Industry, Minerals and Energy, and Finance, the government will subsidise owners to help them buy the new 18 to 35 seat taxis' [9, p. 40]. Also central to the recapitalisation programme has been the regulatory management of the taxi industry with a view to improving road safety and decreasing taxi violence within the informal taxi industry. Since the taxi industry emerged and developed, the primary relationship in the industry has been between the owners and workers. The secondary relationship, that is, the government's involvement, has been significant, but not necessarily effective. Mahlangu argues that 'until recently, the state has had little intervention in the minibus taxi industry' [6, p. 15]. The intervention has often involved technical assistance, such as issuing permits and allocating space for taxi ranks,

with a broader initiative of this kind now under the recapitalisation programme. The second form of intervention has been with regard to labour relations (to govern the primary relation) as part of general labour relations restructuring at a national level. Before discussing changes on the labour front and its impact on the labour process, I first turn to the taxi recapitalisation programme.

3 ANTITHESIS: RECURRENT PRECARIOUSNESS WITHIN THE MINIBUS TAXI INDUSTRY

Within South Africa's minibus taxi industry, a pervasive sense of uncertainty perpetuates an environment of recurrent precariousness for its workers. Taxi drivers and marshals find themselves navigating through unstable conditions without the buffer of formal employment contracts, contributing to a cycle of vulnerability and insecurity. Despite their indispensable role within the industry, these workers contend with meagre earnings, a dearth of social protections, and hazardous work settings. Empirical observations from East London and Johannesburg underscore the absence of formal employment arrangements, with none of the interviewed participants possessing a contract of employment. This glaring omission exacerbates the precarious nature of their employment, leaving them susceptible to exploitation and arbitrary dismissals. Furthermore, the empirical evidence paints a stark picture of the challenges faced by these workers, with many struggling to earn above R5000 per month and lacking representation through trade unions. The sentiment expressed by one taxi driver encapsulates the systemic issues plaguing the industry: 'You don't have a contract; you have no payslip.' This poignant statement highlights the pervasive lack of security and acknowledgment for workers, amplifying their vulnerability within the industry's framework. In essence, the minibus taxi industry in South Africa operates within a paradigm of perpetual instability, where workers are deprived of fundamental safeguards and recognition. The absence of formal employment contracts not only exposes them to exploitation but also denies them the basic dignity of economic security and acknowledgment of their contributions. As such, addressing the systemic issues within the industry is imperative to safeguarding the rights and well-being of its workforce.

3.1 Challenges and resistance to formalisation

Efforts aimed at formalising certain industries often face significant resistance and internal inconsistencies. Despite the overarching goal of enhancing safety standards and socioeconomic conditions, these initiatives frequently collide with the deeply ingrained informality that defines these sectors. Striking a balance between regulatory compliance and the sector's historical informality presents a formidable obstacle, demanding a nuanced approach that recognises the intricacies of the minibus taxi ecosystem. As observed in empirical evidence, achieving this equilibrium remains a persistent challenge: 'It is still difficult to reconcile regulatory adherence with the sector's vital role in urban transit' (interview with a taxi owner, Wanderers Taxi Rank, October 2018), illustrating the inherent tensions between formalisation efforts and the industry's entrenched historical context. Addressing these contradictions necessitates a multifaceted strategy that encompasses legislative reforms, stakeholder engagement, and targeted interventions. Legislative adjustments must be accompanied by robust enforcement mechanisms and capacity-building initiatives to ensure both compliance and accountability. Furthermore, collaborative endeavours involving governmental bodies, industry stakeholders, and civil society are imperative for fostering dialogue, nurturing trust, and co-creating sustainable solutions. Additionally, catering to the socioeconomic needs of workers through endeavours like skills

enhancement, social protection, and financial inclusivity can help alleviate the vulnerabilities inherent in the industry. As emphasised in empirical studies, 'The precarious circumstances prevalent in taxi ranks render employment therein risky and uncertain' (interview with a taxi driver, Faraday Taxi Rank, October 2018), underscoring the pressing need for comprehensive interventions to ameliorate working conditions and livelihoods within the minibus taxi sector.

4 CONTINUOUS SEARCH FOR SYNTHESIS

One avenue for synthesis lies in leveraging technology to modernise operations while enhancing safety and efficiency. Mobile applications can facilitate real-time tracking of vehicles, enabling commuters to access reliable information on routes and schedules. Moreover, digital payment systems reduce the reliance on cash, mitigating the risk of theft and promoting financial transparency. By integrating these technological solutions into the existing infrastructure, stakeholders can streamline processes and improve the commuter experience. Furthermore, fostering stakeholder collaboration is essential for driving meaningful change within the industry. Government agencies, transport associations, and community leaders must work in tandem to establish clear guidelines and standards. This collaborative approach ensures that regulations are pragmatic and enforceable, striking a delicate balance between formal oversight and the autonomy of operators. Moreover, engaging with local communities fosters a sense of ownership and accountability, laying the groundwork for sustainable development. In addition to regulatory measures, investing in human capital is paramount for the long-term viability of the minibus taxi industry. Providing training programs on defensive driving techniques, customer service, and financial management empowers operators to operate safely and efficiently. Moreover, initiatives promoting entrepreneurship and fostering a culture of innovation enable operators to diversify their revenue streams and adapt to changing market dynamics. However, achieving synthesis in the minibus taxi industry is an ongoing process that requires continuous dialogue and adaptation. As South Africa continues to evolve, so must its transportation approach. Embracing diversity, fostering collaboration, and harnessing innovation are essential to this journey toward a more inclusive and sustainable future. By embracing these principles, the minibus taxi industry can transcend its challenges and emerge as a catalyst for positive change in the socio-economic landscape of South Africa.

5 CONCLUSION

Therefore, the evolution and regulation of South Africa's minibus taxi industry reflect a complex interplay of historical legacies, socioeconomic dynamics, and regulatory interventions. From its inception amidst the tumult of apartheid to its contemporary landscape marked by persistent challenges and resistance to formalisation, the industry embodies a multifaceted narrative of empowerment, struggle, and resilience. The historical context, deeply entrenched in apartheid-era policies that systematically marginalised black participation in the formal economy, lays the foundation for understanding the industry's journey. Discriminatory regulations and limited access to business opportunities stifled black entrepreneurship, constraining the growth of the taxi industry until partial deregulation in the late 1970s provided a pathway for its expansion. The subsequent period of fuller deregulation in the 1980s fuelled exponential growth but also ushered in challenges such as competition, violence, and regulatory ambiguities. Efforts to formalise the industry post-apartheid have been met with resistance, as the legacy of informality persists alongside aspirations for regulatory clarity and safety improvements. The Taxi Recapitalization Programme of 1999 aimed to modernise and regulate the industry but encountered hurdles related to implementation, financing, and addressing the diverse needs of stakeholders. Despite these

challenges, the industry remains a vital component of South Africa's public transport system, embodying community resilience and economic agency.

Within the minibus taxi industry, recurrent precariousness pervades the working conditions of drivers and marshals, characterised by a lack of formal employment contracts, low wages, and hazardous environments. The absence of basic protections exacerbates vulnerability and perpetuates a cycle of insecurity for workers who play indispensable roles within the industry. Addressing the challenges and resistance to formalisation demands a nuanced approach that reconciles regulatory imperatives with the industry's historical context and socioeconomic realities. Legislative reforms, robust enforcement mechanisms, and stakeholder engagement are crucial for fostering compliance, accountability, and trust. Furthermore, initiatives aimed at improving working conditions, enhancing skills, and providing social protections can mitigate the vulnerabilities inherent in the industry, promoting sustainable livelihoods for workers. In conclusion, the minibus taxi industry in South Africa embodies a complex tapestry of historical legacies, socioeconomic dynamics, and regulatory challenges. Its evolution reflects a narrative of empowerment, struggle, and resilience, underscored by the imperative for formalisation amidst persistent informality. By addressing the systemic issues and embracing comprehensive interventions, stakeholders can pave the way for a safer, more sustainable future that honours the industry's legacy while embracing its potential for positive transformation.

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