

A troubled journey: the South African government and the Taxi Recapitalisation Policy, 1998-2008

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This article outlines the South African government's facilitation of the Taxi Recapitalisation Policymaking (TRP) process which is aimed at regulating the country's volatile minibus taxi industry. By following a policy stages approach, it highlights why government found it difficult to successfully implement the policy, in particular between 1998 and 2008. The minibus taxi industry became prominent in the 1970s as a result of a loophole in the Road Transportation Act of 1977, which neither defined nor mentioned the word "taxi". The taxi industry is an important force to be considered by the government in its formulation and implementation of transport policies. However, the industry is plagued by various problems, including a high rate of minibus taxis involved in accidents, unroadworthy vehicles and violence. It is in this context that the government formulated both the original and revised versions of the recapitalisation policy.

'n Moeisame rit: die Suid-Afrikaanse regering en die Taxi Herkapitaliseringsbeleid, 1998-2008

Die artikel verskaf 'n oorsig van hoe die Suid-Afrikaanse regering die taxi herkapitaliseringsbeleid gefasiliteer het met die oogmerk om die land se minibus taxibedryf te reguleer. Die doel van die artikel is om, tesame met 'n sogenaamde 'beleidstappe' benadering, te beklemtoon hoekom die regering spesifiek tydens 1998 en 2008 dit moeilik gevind het om die beleid te implementeer. Die minibus taxibedryf vervul sedert die sewentigerjare 'n belangrike rol as gevolg van 'n skuiwergat in die Padvervoerwet van 1977 wat versuim het om enigsins na taxi's te verwys. Die taxibedryf word egter deur verskeie probleme in die gesig gestaar. Hierdie probleme sluit onder andere 'n hoë ongeluksyfer, onpadwaardige voertuie en geweld in. In 'n poging om hierdie probleme in die bedryf te hanteer, het die regering sowel die oorspronklike en hersiene weergawes van die herkapitaliseringsbeleid geformuleer.

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The underlying assumption of the policymaking process is the promotion of the general welfare and conditions of society as a whole, or of at least a certain sector within that society.¹ Policy theorists such as Anderson (2006) refer to this process as a definite plan of action which the government of the day enforces in order to ascertain how to allocate scarce resources to improve the circumstances of its constituency. When an issue in society is regarded as a policy problem and attains policy agenda status, the government reacts by formulating and ultimately implementing a policy response in order to attend to the perceived policy problem.² This article aims to establish the nature of the mistakes committed by the government in formulating and ultimately implementing the taxi recapitalisation policy between 1998 and 2008.³ The latter period has been chosen for the following reasons. First, the concept of the recapitalisation of the minibus taxi industry can be traced to the third recommendation of the National Taxi Task Team (NTTT).⁴ It was only by 1998 that the cabinet approved the recommendations of the NTTT. This article therefore covers a ten-year period. Secondly, an important role player in the TRP policy process, namely Sataco (South African Taxi Council), now Santaco (South African National Taxi Council), was established in September 1998, and the government made the final TRP Policy Document available in 2008.

- 1 The government termed the 1999 and 2004 versions of the TRP as the original and revised TRP, respectively. This approach is followed in this article.
- 2 For Anderson (2006: 82) a policy problem is a condition or situation that produces needs and dissatisfaction among people for which relief or redress is sought. The government is, as a rule, responsible for the facilitation of the so-called relief or redress.
- 3 For this reason, this article only focuses on issues and statistics pertaining to the Taxi Recapitalisation Policy (TRP) until the end of 2008.
- 4 The NTTT was established in 1995 by the government to deliberate the violence and regulatory problems in the minibus taxi industry. It held its first meeting in the same year and over the next year it held 36 public hearings. Approximately 10 000 role players involved in the industry took part in these hearings. The most significant recommendation (the third) of the NTTT was that the minibus taxi industry should be re-regulated as a matter of urgency (NTTT 1996: 49, Dugard 2001: 144-5). In response to the NTTT recommendation, the National Department of Transport officially launched the original Taxi Recapitalisation Project (TRP) in 1999 (Croucamp 2003: 19).

This article aims to emphasise that inadequate consultation with relevant role players relating to various aspects of a specific policy could threaten the potential success of such a policy, making the policymaking process a highly contested, and often futile exercise.

The article first draws attention to the stages approach as a useful tool to analyse the policymaking process by providing the theoretical framework. It then briefly summarises the elements of the recapitalisation policy. The final section focuses on specific examples, highlighting some of the government's flaws in the taxi recapitalisation policymaking process. A total of 38 semi-structured qualitative personal interviews, seven telephonic interviews and nine e-mail discussions were held with role players directly or indirectly involved in the South African minibus taxi industry.

1. Public policymaking stages

Public policy studies have been profoundly influenced by the concept of various stages in the policymaking process. This concept categorises the behaviour and actions of various public policy actors involved in the policymaking process (De Leon 1999: 26, Schlager 1999: 239). The concept of "policy stages" also highlights that policymaking is complex and more than merely the straightforward implementation of a specific public policy. For this reason, one could view the concept of policy stages as a typology that describes all the actions that characterise a policy. Authors such as Sabatier (1999: 6) refer to the public policy stages approach as the "stages heuristic", while John (2000) and Anderson (2006) refer to it as the policy cycle.⁵

The advantage of the stages approach is that it can be applied to any type of public policy. As a rule, all policies pass through similar stages before being implemented for the betterment of their intended target population. Public policy is not static and therefore policymaking has no clear start and/or end; it is an ongoing process, thus iterative in nature (Hill 1997: 7). The policymaking process of

5 The majority of policy scholars utilise the "policy stages" terminology and for the purposes of this article the same approach will be followed.

policies such as the recapitalisation policy highlights the fact that in the majority of cases policymaking cannot always be regarded as neatly separated stages to reach goals⁶ and objectives.⁷ Although different authors choose various methods and models to illustrate the various stages in policymaking, the fundamental stages (*cf* Diagram 1) will now be reviewed briefly and individually.

Any discussion of the policymaking process should consider the policy environment.⁸ A policy such as the recapitalisation policy does not emerge within a vacuum, but within a specific, often highly dynamic, policy environment. Therefore, the government and its policymakers are to a large extent influenced by this environment since it generates the actions which they can take (*cf* Hill 1980: 103, Palumbo & Calista 1990: 5, Anderson 2006: 39). Policymakers should consider important environmental factors such as the socio-economic conditions of the target population of a particular policy. In an attempt to understand the features of the policy environment, the government must take into account the input from various policy entrepreneurs in society.⁹ In other words, all role players, including the target population, must bargain during the process.

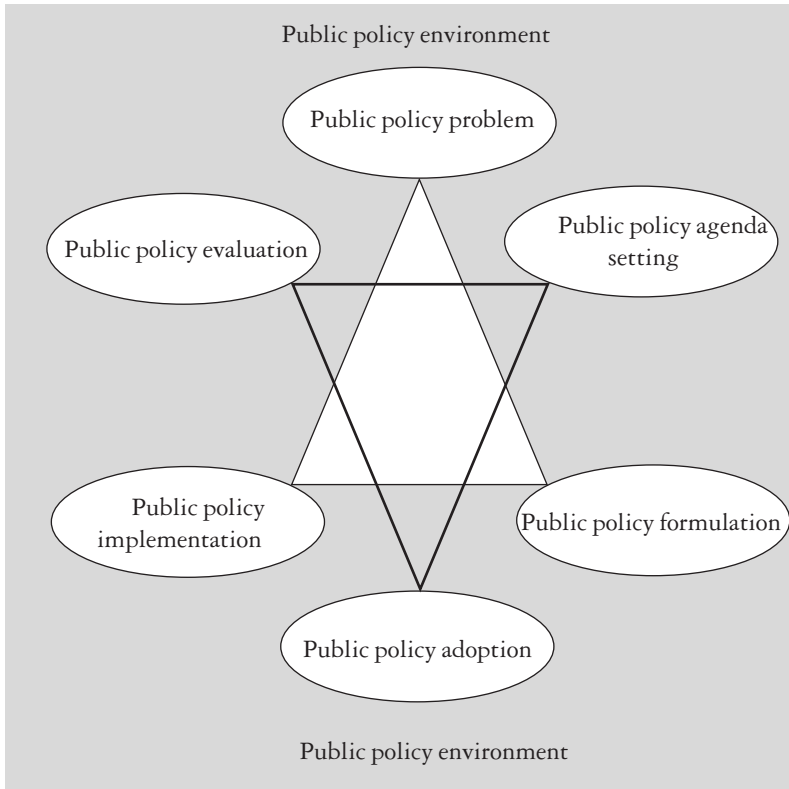
6 According to Roux (2006: 128) a goal is “an unrealised state not yet achieved by the members of an organisation but which they regard as desirable”.

7 An objective is described by Roux (2006: 128) as “a short term goal that can be deducted from an organisation’s mission and that could be stated by means of a process of negotiation”.

8 Anderson (2006: 39) refers to the policy environment in its broadest sense as factors that include natural resources; demographic variables such as population size, age distribution, racial composition, and spatial location; political culture; social structure, and the economic system.

9 Citizens, government agency officials, representatives of interest groups and so on, who through effort, persistence, and/or expenditure of resources promote action on public policy issues, are often referred to as policy entrepreneurs (*cf* John 2000: 204, Theodoulo & Kofinis 2004: 137, Anderson 2006: 92, 316). These entrepreneurs often identify policy problems, determine what should be discussed during policy debates, and gather support for specific policy proposals.

Diagram 1: Public policymaking stages



1.1 Identification of the policy problem

Ideally, the public policymaking process should start with the identification of a policy problem.¹⁰ By identifying the existence of a policy problem, policymakers determine the need for the development of a particular policy which, in turn, aims to address the existing public problem. Parsons (1997: 87) observes that the identification of the problem should entail the mutual recognition of a problem as a policy problem. One of the problems with identifying the policy problem is that what one person perceives as a problem might not be a problem for another person. Policy problems are frequently defined or perceived differently by various groups and persons (Fox 2006: 97, Anderson 2006: 83). Therefore, deciding what the policy problem will be is even more crucial than deciding what the solution(s) will be. Identifying the policy problem is thus contingent on who perceives an issue as a problem, when do they decide this, and consequently how the problem is defined.

This discussion of identifying the policy problem as the start of the policymaking process indicates that certain issues are regarded as public policy problems that necessitate action from the government while others are not.

1.2 Setting the public policy agenda

Not all policy problems are placed on the public policy agenda. To be placed on the policy agenda, a problem must be converted into an issue to which the government actually responds (*cf* Starling 1988: 13, Dunn 2004: 45, Fourie 2004: 12). Bearing this in mind, policy agenda setting can be defined as the different

10 It should be noted that the majority of public policy theorists (*cf* Anderson, Dunn, Theodoulou, Kofinis) incorporate the identification of policy problem with the policy agenda setting stage and ignore it as a separate stage in the policymaking process. Therefore, researchers such as Fourie (2005: 24) argue that “problem identification is most probably the most under-valued stage in the policy making process.” However, as indicated in Annexure 1, this article acknowledges the identification of a policy problem as a crucial, separate stage in the policymaking process.

ways in which policy problems can be placed on the public policy agenda, thus receiving the necessary and adequate attention of the policymakers. Sharskansky (2002: 19-20) and Fox & Bayat (2006: 53) simply refer to policy agenda setting as the activity that forwards public policy problems on the public policy-making agenda.

In order to be acted upon, a problem should be moved to the institutional policy agenda where policy problems receive the government's formal attention (Anderson 2006: 87-8). This refers to government action in the form of resources, legislation and time frames. In addition, various role players are involved in the process of forwarding a policy problem to the policy agenda. Parsons (1997: 128-29, Theodoulou & Kofinis 2004: 69-73, Booysen 2006: 737-39) observe that policy agenda setting is facilitated by large sections of society, including the mass media, individual members of parliament, and citizens who forward policy problems to the policy agenda and act as so-called policy entrepreneurs in the policy agenda-setting process (Dye 2005: 40). However, it should be noted that individuals or groups within society who prevent certain policy problems from attaining agenda status could also influence the policy agenda. These so-called anti-agenda setters may utilise a range of strategies to prevent a problem from reaching the policy agenda. These strategies may include a denial by anti-agenda setters that a problem exists and they might reason that the perceived policy problem is inappropriate for government action and could be adequately dealt with by non-governmental means (Anderson 2006: 95-6). The policy problems that are placed on the policy agenda require a suitable policy response – and this is where public policy formulation comes into play.

1.3 Formulation of the public policy

Once an issue has been identified as a public policy problem and been placed on the policy agenda, a suitable policy response needs to be drafted. This policy response needs to be formulated in such a way that it will ultimately meet the needs of society (the target population). Besides the government, the public also has the

opportunity to be part of the policy formulation process, and this is normally facilitated in the case of South Africa by means of public hearings. In addition, according to Hajer & Wagenaar (2003: 11), Stone (2005: 244) and Colebatch (2005: 20-1), a feature of public policymaking is the increased awareness of interdependence. If groups involved in the policymaking process recognise that they are interdependent, they will recognise that they cannot solve key public policy problems without collaboration and/or negotiation.

During the actual process of policy formulation, the formulators need to consider the policy environment and to have excellent knowledge of the specific public problem. Such knowledge will allow them to describe the overall goals and objectives of the policy that is being formulated and ultimately those of the formulated policy. In this regard Dunn (2004: 45) and Bayat (2006: 108, 110) argue that as part of policy formulation the government needs to decide which policy alternative(s) will have the most fortuitous outcome and outputs, and should bear the needs of the target population (the taxi owners) in mind.

1.4 Adoption of public policy

Following the identification of a problem, and the formulation of policy solutions, a governmental decision is needed. This decision is the adoption of policy stage, as only an adopted policy can have an effect on a specific target population. Brynard (2006: 167) lists the steps in the adoption process as the identification of the problem, followed by the development of policy alternatives and an analysis of these alternatives, which ultimately leads to the choice of the best alternative.

1.5 Implementation of public policy

The implementation of policy is the conversion of public policy decisions into action.¹¹ Anderson (2006: 200) argues that the

11 Saetren (2005: 10-1) notes: "Implementation studies have a pronounced failure bias. The failure notion associated with implementation research earned it the nickname misery research". This observation is closely connected to

implementation of public policy is “what happens after a bill becomes a law”. For him, the implementation of policy includes all activities to enact a law, to apply it to the target population, and to reach its goals and objectives. He argues that “implementation is concerned with the agencies and officials involved, the procedures they follow, the techniques (or tools) they employ, and the political support and opposition that they encounter”. Parsons (1997: 469) views the implementation of policy as a bargaining process between those who are accountable for enacting policy and those who have control of resources. The implementation of policy is thus an evolving and unfolding process that emphasises issues of power and dependence, interests, motivations, and behaviour of all role players involved. Rival theories among various role players concerning the goals and objectives may lead to inconsistencies, contrasts, and tensions in the policy implementation process.

Successful implementation also depends on the variables which the government needs to consider. These variables will now be reviewed briefly.

1.5.1 Variables for the implementation of policy

The implementation of policy is unique for every policy. Nevertheless, Brynard & de Coning (2006: 196-203) identified a set of five variables accepted by the majority of researchers on the implementation of public policy.¹² These variables, referred to as the “5-C protocol”, namely content, context, commitment, capacity, as well as clients and coalitions, add to shaping the direction (whether successful or unsuccessful), which the implementation of policy might follow.

First, the content of a policy depends on whether it is a distributive, redistributive, or regulatory policy (Anderson 2006: 229,

this article as it attempts to identify the failures in the recapitalisation policy process and its implementation.

- 12 Brynard & de Coning compiled these variables from the different variables identified as crucial for the implementation of policy by a number of policy implementation scholars. However, such scholars' opinions differ on the most critical variable in the policy implementation process. Brynard & de Coning (2006: 197) therefore provide a detailed list of their preferences.

Brynard & de Coning 2006: 196). The recapitalisation policy is an example of a regulatory policy as it has specific regulations of conduct with penalties for those not abiding by these regulations. To obtain voluntary compliance with its policy the government should ideally involve the relevant role players at specifically the formulation stage of its policies in an attempt to ensure that these role players are satisfied with the content. The context variable focuses on the institutional context in which the implementation of public policy occurs. The policy environment often influences this context of a policy (as with the other variables and the public policymaking process in its entirety) (Brynard & de Coning 2006: 198).

In addition, the successful implementation of a policy also depends on the extent to which those responsible for the process are willing and able to do it. Implementing policy can thus only succeed if the implementers are committed to it. Accordingly, a lack of commitment could lead to a policy's failure. Similarly, Elmore (1997: 257) argues that a lack of commitment among policy implementers is, among others, one of the largest contributors to the failure of implementing a policy. In addition, capacity as a variable is crucial to successful implementation. With respect to the effective implementation of a policy (the recapitalisation policy, for instance), capacity refers to the availability of, and access to, concrete or tangible resources. Examples of these include human, financial, technological and logistical resources. Capacity also comprises prerequisites such as leadership, motivation, commitment, willingness, endurance and the courage of those responsible for the implementation of policy.

A policy's content and context as well as the commitment and capacity of policy implementers all require the government and its policy implementers to join in coalitions with a range of actors (clients) in civil society. Therefore, the government should determine at an early stage who these clients will be and with whom it is prepared to form a coalition in the implementation process of a specific policy (Brynard & de Coning 2006: 203). In the case of the recapitalisation policy, an impediment that might arise in identifying clients and coalitions is that the government may exclude, knowingly and/or

unknowingly, some role players who might argue that they should be part of the process.

1.6 Evaluation of public policy

The public policymaking process culminates with the evaluation of the policy. However, the latter does not imply that the policymaking process comes to an abrupt end at this stage. Putt & Springer (1989: 48-9), Schlemmer (2003: 20) and Dye (2005: 332) note that, at its most basic level, the evaluation of public policy is learning about the positive and/or negative consequences of public policy. The evaluation of policy encompasses what went wrong, as well as why, when, and how it went wrong. The contrary could of course also be true (for example, why things went right).

2. Elements of the taxi recapitalisation policy

In an attempt to attend to the abovementioned problems – a high rate of minibus taxis involved in accidents, non-roadworthy vehicles and violence – in the South African minibus taxi industry, which comprises approximately 174 627 old taxis, the government accepted the proposed policy of recapitalisation in 1998 (DoT 2008: 8-9). In September 1999 it announced the original recapitalisation policy (with a R4.4 billion budget), but after some financial and operational concerns, it announced the revised recapitalisation policy (with a R7.7 billion budget) in November 2004. The most significant legislation concerning the recapitalisation policy includes the National Land Transport Transition Act of 2000, the National Land Transport Transition Amendment Act of 2006 and the National Land Transport Bill of 2008, which describe the recapitalisation policy as an attempt to formalise, regulate, and economically empower the South African minibus taxi industry by replacing the country's current minibus taxi fleet with newer, bigger and safer vehicles and by establishing minibus co-operatives. In addition, owners will receive a scrapping allowance (R50 000) as a refund when they submit their old minibus taxis, which they can utilise to purchase

a new minibus taxi or to exit the industry (RSA 2000: 44, 2006: 16 & 2008: 44, DoT 2008: 5 & 15).

The government set various goals in its formulation of the recapitalisation policy. According to its Taxi Recapitalisation Policy Document, the Department of Transport (2008: 5) lists these goals as: the minibus taxi industry will move into the formal political economy by paying taxes on their income; the establishment of minibus taxi co-operatives will assist operators to purchase both vehicle parts and diesel at lower prices; the working conditions of everyone involved in the minibus taxi industry will improve; the proposed vehicles will be safer, more reliable and comfortable for both drivers and commuters; the operating patterns of the New Taxi Vehicle (NTV) will be more easily accessible and controllable; black economic empowerment will be encouraged; taxi wars, in particular for the right to use lucrative routes and minibus taxi ranks, will be halted, and the largest part of South Africa's urban transport system will be revitalised.

In addition, the following are, according to the Taxi Recapitalisation Policy Document of the Department of Transport (2008: 5), the objectives of the recapitalisation policy: effective black economic empowerment of the minibus taxi industry by establishing minibus taxi co-operatives; the introduction of a once-off scrapping allowance of R50 000 per scrapped vehicle to legal operators with registered minibus taxi vehicles; effective law enforcement in the minibus taxi industry; the introduction of new vehicles with specific safety specifications, and sustainable formalisation, regulation and registration of the minibus taxi industry in order to prepare the industry adequately for the implementation of the policy.

According to the Department of Transport, the target population of the recapitalisation policy is the taxi owners, while the official role players are the following: the national government departments coupled with their provincial counterparts, including the Departments of Transport, Trade and Industry, Minerals and Energy, Environmental Affairs and Tourism, Labour, and Finance; the South

African Bureau for Standards (SABS); the motor industry, and the South African National Taxi Council (Santaco)¹³ (DoT 2008: 22-5).

3. The taxi recapitalisation policymaking process

This section aims to highlight all the flaws at every stage of the taxi recapitalisation policy process.

3.1 Identifying the target population and problem in the minibus taxi industry

As mentioned earlier, the government identified the taxi owners as the official target population of the recapitalisation policy without consulting the industry, making the process a flawed one. Identifying only the taxi owners as the official target population of the recapitalisation policy is testament to the short-sightedness of the government in the formulation of the recapitalisation policy. This article argues that other relevant role players in the South African minibus taxi industry – taxi drivers, vehicle washers, fare collectors, rank marshals – should all be included in the official target population of the recapitalisation policy, since the policy can potentially influence the socio-economic circumstances of all these role players, not only the official target group (taxi owners).

In order for the recapitalisation policy to succeed, it is important that mutual recognition exists at the problem identification stage of

13 The government has always only acknowledged one national minibus taxi association (Santaco) as an official role player in the recapitalisation policy. Relating to the original version of the policy, the government commented, “Government continues to recognise only, Santaco as the only [role] player in the [minibus taxi] industry” (as quoted in Mabuza 2003: 2). As regards the revised recapitalisation policy, in the words of the then deputy director for transport at the department of transport, Montana 2005: personal interview (on 17 March), “We talk to everyone [in the minibus taxi industry]. The provincial ministers of transport consulted with everyone in all the provinces. However, Santaco is the ultimate and legitimate voice of the [South African minibus] taxi industry”. In this way the government has constantly refused to acknowledge Top Six, Santaco’s rival, as an official mouthpiece in the industry and excluded the organisation from almost all matters related to the recapitalisation policy.

the policymaking process. However, this was not the case in terms of the recapitalisation policy. From the start there was an ambivalent recognition of the policy problem between the government and the minibus taxi industry. Unlike the industry's role players, the government interprets certain issues relating to the industry in noticeably different ways.

The industry never regarded the accident rate and un-roadworthy vehicles as a problem and consequently did not demand a policy response from the government. Therefore, there was a difference in the identification of the problem as well as an absence of mutual recognition. For example, in a document presented to the government to raise their concerns with the original recapitalisation policy, Top Six (2000: 4) and its members argued that "... the country's current fleet of minibus taxis are safe and not un-roadworthy as government suggests and it therefore cannot be blamed for accidents on the country's roads". In addition, three years later, Top Six persisted with this view: "We are happy with the present fleet of vehicles" (Khangale 2003: 2). A month prior to the official launch of the implementation of the revised recapitalisation policy in October 2006, Santaco, the KwaZulu-Natal Transport Alliance, and the Western Cape Taxi Association "pointed out that government's claim that the taxi fleets were all either ageing or un-roadworthy was misleading" (Parliamentary Monitoring Group 2006: Internet source).

However, on the other hand, the industry also recognises the prevalence of violence as a problem in the South African minibus taxi industry. For instance, and as mentioned earlier, minibus taxi violence was one of the reasons why the industry and the government established the National Taxi Task Team in 1995 as they acknowledged that violence is a problem requiring investigation and a solution (NTTT 1996: 12, Molelekwa¹⁴).

Despite the above lack of mutual recognition at the identification of the policy problem stage, the government proceeded with the taxi recapitalisation policy process.

14 A personal interview was conducted with Molelekwa, the head of communications at Santaco on 15 September 2008.

4.2 Forwarding the minibus taxi problems on the policy agenda

Following the identification of the policy problem in the minibus taxi industry, the government proceeded to forward this perceived problem on the policy agenda. As mentioned earlier, policies such as the recapitalisation policy must be moved to the institutional policy agenda to receive formal interest from the government in the form of resources. The recapitalisation policy fits into institutional policy agenda setting as it requires resources (financial, human, and logistical), legislation (*cf* above) and the constant attention of the government. It also has specific time-frames (2005-2012) for its ultimate implementation, as pre-determined by the government.

Ideally a range of so-called policy entrepreneurs (role players in the minibus taxi industry) should participate in forwarding the policy problem on the policy agenda. However, as noted earlier, the relevant role players in the industry never officially acknowledged that a problem exists in terms of accidents and un-roadworthy vehicles. Accordingly, their demands did not play a significant role in forwarding these problems on the policy agenda. The former thus contradicts the requirement that so-called policy entrepreneurs should be involved in forwarding policy problems on the public policy agenda. Therefore, it is clear that when the government identified the problem and proceeded with the recapitalisation policy process, it was, in line with its unilateral approach, a foregone conclusion that this problem would reach the government's policy agenda.

In response, role players (taxi associations, owners, and drivers) attempted in various ways to prevent the problem identified by the government from reaching the policy agenda. For instance, bearing in mind the issue of un-roadworthy vehicles and accidents as policy problems, the role players in the minibus taxi industry protested that there was no problem with their vehicles. Therefore, they argued that they do not need, want or require the government's intervention - the recapitalisation policy (*cf* Raboroko 1999: 3, Headbush 1999: 7, Sebolao 1999: 1).

These role players also argued that it was improper for the government to respond to the perceived policy problem. They believed that these problems could be addressed successfully by non-governmental entities (in other words, themselves). They are convinced that if a (policy) problem does exist, only they are competent to address such a problem, as they presumably understand the industry best and consequently know best what the industry needs. Employing the above tactics, the role players in the South African minibus taxi industry aimed to ensure that the problem identified by the government lost its agenda status and consequently left the policy arena. However, despite all these attempts the government proceeded with the recapitalisation policy. The problem therefore did not lose its agenda status. This exemplifies the government's one-sided approach in the recapitalisation policy process since the preservation of the agenda status of the policy problem was unilateral.

This article has identified three shortcomings in the recapitalisation policy process: a flawed identification of the official target population of the policy; a lack of mutual recognition of the policy problem, and the government's unilateral approach in preserving the agenda status of the perceived policy problem without the actual support of the public.

4.3 Formulation of the taxi recapitalisation policy

As observed earlier, the government first formulated the original version of the recapitalisation policy in 1999, followed by the revised version in 2004. Section 195(1e) of the South African Constitution stipulates: "the public must be encouraged to participate in policy-making". The general principle is that this is facilitated by means of public hearings. However, in the formulation of both the original and revised recapitalisation policy no public hearings have been held to ensure public participation. This was confirmed by Steeneveldt¹⁵:

There were no official public hearings specifically for the recapitalisation policy. One should admit that the government should

15 A personal interview was conducted with Steeneveldt, the Gauteng Deputy Director for Special Projects. In addition, interactions with four other

have approached this differently because this is the reason why the taxi owners, drivers, taxi washers and taxi rank marshals are still ill-informed about the recapitalisation policy.

The government thus failed to provide a platform (public hearings, for instance) for the industry's concerns during the policy formulation process of the recapitalisation policy. To quote Josephine¹⁶:

I still feel that it was wrong of the government to skip the public hearings relating to the TRP. With public hearings there would have been an opportunity for us to tell the government about our problems and fears. If they have listened to us maybe the process would have been more transparent as they would have maybe gone back to the drawing board in putting the policy together so that it can suit our problems and needs".

This exclusion of the so-called "ground level" role players arguably did not meet the needs of both the official and unofficial target population. The formulation of the recapitalisation policy could have been more effective if role players in the minibus taxi industry had been involved, since they are directly affected by the policy.

As mentioned earlier, in formulating a policy the government must choose between various policy alternatives in its attempt to identify and formulate the most cost-effective policy response. Alternative policies need to be drawn up that directly reflect the needs

respondents supported this observation, including the Director for Policy and Research at the Gauteng Department of Transport, Modise (2008: e-mail discussion on 8 September) who noted: "I am not aware of any public hearings [for the recapitalisation policy]", and the head of communications at Santaco, Molelekwa (2008: personal interview on 15 September). The other two respondents are high-ranking officials at the national Department of Transport in Pretoria and requested that their identity and work designation remain anonymous, while refusing the usage of pseudonyms. For this reason, they are referred to in this article as Donna (2008: telephonic interview on 16 July) and Ethel (2008: telephonic interview on 10 July). The former suggests that these officials are aware that the government did not follow the proper channels in its formulation of the recapitalisation policy.

- 16 A personal interview was conducted with Josephine, a female taxi owner of Gauteng on 23 September 2008.

and interests of the target population in terms of their socio-economic needs. These policy alternatives should also take into account the broader economic realities of the government, thus the government's ability to fund the policy (the recapitalisation policy). However, no evidence could be found in the literature nor could it be confirmed through interviews that the government had an alternative to the recapitalisation policy. The government was therefore adamant in formulating and ultimately implementing the policy notwithstanding any objections by role players. In addition, the 2004 revised version of the recapitalisation policy is not what could be considered a cost-effective alternative since the government increased the costs of the policy over time. As mentioned earlier, the estimated cost of the revised recapitalisation policy has been calculated at R7.7 billion – R3.3 billion more than the R4.4 billion that the government budgeted for the original version of the policy (DoT 2005).

Policy formulators should at all times consider the policy environment of a specific policy because policies such as the recapitalisation policy do not emerge within a vacuum. However, the government did not always consider the socio-economic environment in its formulation of, in particular, the original recapitalisation policy. For instance, as far as the specifications for the door of the original recapitalised new taxis are concerned, the government specified that the door should be an electronic one.¹⁷ Insisting that these vehicles should have an electronic door indicates that the government had lost sight of the fact that having an electronic door would increase the retail prices of the new taxis, making it difficult for taxi owners to afford the vehicles.

4.4 Adopting the taxi recapitalisation policy

Thus far, the first three steps in the public policymaking process (identification of the problem, agenda setting and formulation) have been mentioned. This section addresses the fourth step – policy adoption – where the government pursued the recapitalisation policy by making a governmental decision. As

17 A personal interview was conducted with Mabaso, former chairperson of Top Six on 16 March 2005.

indicated earlier, the cabinet adopted the original recapitalisation policy in September 1999 and the revised recapitalisation policy in November 2004.

Financial and operational concerns led to the government subsequently abolishing the original recapitalisation policy. Consequently the revised version of the policy was formulated. It was also pointed out earlier that the government did not have to choose between various policy alternatives in its formulation of both the original and revised recapitalisation policies since it was adamant in pursuing the policy, thus making its adoption inevitable. Therefore, alternatives in the adoption process were never available to the role players in the minibus taxi industry and they were never consulted. Consequently, as with the formulation of the policy, the government followed a unilateral approach in its adoption of the policy.

4.5 Implementing the taxi recapitalisation policy

It is only with the implementation of policies such as the recapitalisation policy that it is possible to assess whether a policy is meeting its predetermined goals and objectives. As noted earlier, the recapitalisation policy comprises various elements, for example, the new taxi vehicles, the scrapping allowance and the establishment of minibus taxi co-operatives. This section highlights some examples to illustrate how the government has struggled to implement these elements efficiently.

4.5.1 The new taxi vehicles

The introduction of the new taxis with a set of safety specifications is the core of the recapitalisation policy. The government envisaged that the first new taxis would be delivered by October 2000, but after numerous delays, this only materialised in October 2006.

4.5.2 The scrapping allowance and scrapping process

The scrapping of the old taxi vehicles on the country's roads in exchange for a scrapping allowance of R50 000 has been identified as an objective of the recapitalisation policy. However, since the inception of the policy, role players in the minibus taxi industry have always maintained that the scrapping allowance is not

adequate, leading to the new taxi vehicles being unaffordable for taxi owners, culminating in job losses. Reviewing the literature and responses in interviews, it is clear that the scrapping process is characterised by a range of problems. For the purposes of this article, these problems can be categorised into a scrapping incapacity; the 2010 target; insufficient funds; delays in the scrapping process; the dissatisfaction of role players in the minibus taxi industry, and the so-called “permanent” nature of the scrapping allowance.

First, with respect to the scrapping incapacity, the government only appointed the Taxi Scrapping Agency (with a scrapping capacity of 24 000 old taxis per annum) to scrap the old taxis in June 2006 contrary to the original envisaged date of December 2004 (DoT 2006: Internet source). Between October 2006 and August 2008, the Agency only managed to scrap 18 166 old taxis, thus failing to reach its annual target (Taxi Scrapping Agency 2008: Internet source). Secondly, it is the goal of the government to scrap 80% (80 000) of the initially identified 100 000 old taxis by the start of the Soccer World Cup in 2010 to be hosted in South Africa (DoT 2008: 14).¹⁸ Based on the latest available figures only 18 166 old taxis have been scrapped. There is a balance of 61 834 old taxis if the government intends to honour its 80% target. With the capacity of the Taxi Scrapping Agency calculated at 24 000 old taxis per annum, it is evident that at the start of the World Cup, the Taxi Scrapping Agency would have scrapped only 66 166 old taxis (a deficit of 13 834) and only if the Taxi Scrapping Agency keeps to its capacity of 24 000, which it is not.

The abovementioned scrapping incapacity could be attributed to the third problem of the scrapping process, namely the insufficient government funding for the process. Bearing in mind the original estimate of 100 000 old taxis, the government made R5.5 billion available for the scrapping process. However, the new estimate of

18 In its Taxi Recapitalisation Funding Strategy Document of 2008 the government does not offer an explanation as to why it decided to commit itself to a target of 100 000 old taxis, while the industry at the time comprised approximately 174 627 vehicles.

174 627 old taxis requires approximately R9.4 billion – thus a deficit of R3.9 billion (DoT 2008: 9-10). This gives rise to the fourth problem hampering the scrapping process, namely the delays in the process. The scrapping process was supposed to start in December 2004, but as noted earlier, it only started in October 2006. A related issue is the delays in the payment of the scrapping allowance to the taxi owners. Both the head of communications at Santaco, Molelekwa¹⁹ and a female taxi owner, Josephine²⁰ noted that owners are experiencing problems with the scrapping process, especially in terms of the waiting period prior to receiving the scrapping allowance. A government official, Steeneveldt,²¹ assented to this and added: “The problem with the scrapping process is the bureaucratic red tape Bureaucracy in the scrapping process stifles the process because in most cases you find operators waiting three months for his/her money”.

These problems with the scrapping process have led to dissatisfaction among the various role players in the taxi industry. From the interviews with taxi drivers, taxi owners, association officials, rank marshals, vehicle cleaners, and fare collectors it was clear that a R50 000 scrapping allowance was totally inadequate (Paulus,²² Ace,²³ Jones,²⁴ Mabaso.²⁵ Even a government official, Steeneveldt (2008: personal interview) admitted that the scrapping allowance is not adequate: “The new taxi vehicle is expensive and therefore, it is difficult for owners to survive and sustain their business”. It is thus clear that the government did not take into account the socio-economic environment of the policy. In addition, since the inception of the original recapitalisation policy in 1999, role players in the industry

19 See footnote 15.

20 See footnote 17.

21 See footnote 16.

22 A personal interview was conducted with Paulus, a taxi driver from Johannesburg on 9 March 2005.

23 A personal interview was conducted with Ace, a taxi rank marshal in Potchefstroom on 4 June 2008.

24 A personal interview was conducted with Jones, a taxi owner in Potchefstroom on 6 June 2008.

25 A telephonic interview was conducted with Mabaso, the Public Relations Officer for Top Six on 23 September 2008.

have on numerous occasions made their reservations concerning the scrapping allowance known in the media. For instance, over the years Santaco has repeatedly demanded that the amount be increased, while Top Six is adamant that it should be R100 000.²⁶

Lastly, an alarming aspect of the scrapping allowance is its “permanent” nature. It shows little consideration of the socio-economic environment in which the minibus taxi industry operates. Nowhere in government documents, announcements or interviews with government officials has any reference been made to adapting the scrapping allowance.²⁷ This article argues that this makes no economic sense, since the set allowance does not take into account unavoidable increases such as increase in inflation and the diesel price. It is obvious that the allowance of R50 000 of say 2004 does not have the same value in 2008 or in 2012, when the implementation of the recapitalisation policy is supposed to be concluded.

4.5.3 The establishment of minibus taxi co-operatives

In an attempt to economically empower the minibus taxi industry, the government identified the establishment of minibus taxi co-operatives as a further objective of the recapitalisation policy. However, in 2008, it was clear from interviews that this element of the policy has been a failure. Both Steeneveldt,²⁸ a government official and the head of communications at Santaco, Molelekwa²⁹ assented to this and observed that the North-West provincial minibus taxi co-operative, which was established by the government, is currently the only minibus taxi co-operative functioning and receiving funds from the government. Steeneveldt notes that at the time (August 2008) no other province except for the North-West has a minibus taxi co-operative. The government

26 *Cf* Anon 1999: 9, Misbach 1999: 2, Cokayne 2004: 1, Hlengani 2005: 44, Nzapheza 2005: 2.

27 These government officials included four officials at the National Department of Transport; one at the National Departments of Finance, Trade and Industry, and Labour, respectively, and seven at provincial departments of transport, including Gauteng (five) and the Western Cape (two).

28 Interview: 20 August 2008.

29 Interview: 15 September 2008.

is thus failing to economically empower the minibus taxi industry in terms of establishing co-operatives.

The above section focused on how the government is implementing the various elements of the recapitalisation policy. Additional failures in the government's implementation of the policy will be highlighted in the next section, where the implementation of the policy will be evaluated in terms of the 5-C protocol.

4.6 Failures in the implementation of the recapitalisation policy

Whereas the previous section focused only on the implementation of the various elements of the recapitalisation policy, this section summarises the variables that play a role in the successful implementation of a policy. The roots for the failure in implementing the recapitalisation policy lie much deeper. These underlying problems will become evident in the overview of these variables.

First, the content of the recapitalisation policy makes it clear that it is an example of a regulatory policy since it has specific regulations of conduct with penalties for those not abiding by these regulations. For instance, taxi owners are obliged to have an operating licence to run their business; they must have a valid tax certificate to qualify for the scrapping allowance, and their new taxi must conform to a set of safety specifications. Failure to comply with any of these regulations could amount into taxi owners losing their business. As pointed out earlier, the recapitalisation policy was formulated without much input from the relevant role players and the government is achieving compliance with the policy by means of law enforcement and not a so-called voluntary "buy-in" from the minibus taxi industry. In addition, the operating licence requirement is a typical top-down technique of control by the government. Secondly, the context, of the recapitalisation policy is also important. As noted earlier, no policy can be successfully implemented without considering, for example, the socio-economic context in which the policy is applied. The government with its scrapping allowance of R50 000 is not taking the straitened economic circumstances of the minibus taxi industry into account.

The government's commitment also operates in the successful implementation of a policy. The implementation of the recapitalisation policy will only succeed if the policy implementers are committed to the process, which depends on their willingness and ability to do so. The government has clearly shown a lack of commitment to successfully implementing the recapitalisation policy since it has on several occasions failed to honour its own deadlines. For example, the roll-out of the new taxis was late; the scrapping process started late; the appointment of the scrapping agency was delayed; the government is not paying the scrapping allowance to taxi owners within its own proposed timeframe, and the government is failing to establish minibus taxi co-operatives.

The government's lack of commitment to the implementation of the recapitalisation policy is closely related to its lack of capacity in the process. This capacity depends heavily on its access to sufficient resources; in particular financial funds. As mentioned earlier, an important aspect of the recapitalisation policy is the proposed payment of R50 000 to taxi owners for the scrapping of their old taxis. However, the government is experiencing a shortage of funds to honour this stipulation of the policy. For example, the government estimated in 2008 that it has a deficit of R3.9 billion for the implementation of the recapitalisation policy, and specifically for the payment of scrapping allowances; thus a lack of both commitment and capacity. This has aggravated tensions between the government and the minibus taxi industry and hampered the implementation of the policy. In this regard, government official Steeneveldt³⁰ noted: "The government cannot honour its commitment in terms of the scrapping process". In addition, Molelekwa³¹ stated: "Santaco withdrawn [*sic*] from the recapitalisation process [in 2008] because of the delays in the scrapping process because of insufficient government funds". In addition, taxi owner Josephine³² added with regard to the implementation of the policy: "The process is slow because government keep on saying they are out of funds".

30 See footnote 16.

31 See footnote 15.

32 See footnote 17.

When implementing its policies the government must decide who the clients will be and with whom it will form an alliance in the implementation process. With regard to clients and alliances, the main problem with the recapitalisation policy is that the government has included only its institutions as well as Santaco, established by the government, as the official role players of the policy. These do not include Top Six, as the second largest national taxi association, as well as taxi drivers, rank marshals, vehicle cleaners and fare collectors. This implies a top-down tendency to select the clients and alliances for the recapitalisation policy, as it could be argued that the government included only those it knows (or at least thought) would support its methods of implementing the recapitalisation policy, thus excluding other relevant role players.

5. Conclusion

The formulation and ultimate implementation of the Taxi Recapitalisation Policy has been marred by various problems. By the end of 2008, the policy was still not efficiently implemented and the final implementation date was shifted to 2012.

In terms of the policy stages approach, the first key insight is the fact that the government targeted only the taxi owners in its policy without considering its effect on other role players in the industry. Another key finding of this article is that there was no consensus in the identification of the problem with the minibus taxi industry. Whereas the government identified accidents, un-roadworthy vehicles, and minibus taxi violence, the industry only agreed on violence as a problem. Without mutual recognition of the policy problem, the TRP policy was bound to face problems from its inception. This lack of mutual agreement in identifying the problem implies that it is unlikely that the measures the government takes to address the problem (from its perspective) will be supported by the minibus taxi industry and, consequently, the government is experiencing problems in implementing the policy. In addition, the agenda setting, formulation and adoption stages of the recapitalisation policy have also been characterised by the government's unilateral approach.

There has been inadequate consultation between the government and the minibus taxi industry. For example, the formulation of the policy has been problematic since no public hearings, as prescribed by law, have been conducted.

The implementation of the recapitalisation policy started towards the end of 2006. In similar vein to the formulation of the policy, the government uses the same unilateral approach in implementing the recapitalisation policy. The implementation of the policy has, among others, been characterised by numerous delays, and the minibus taxi industry has on regular occasions and by means of protests announced and demonstrated its dissatisfaction with its implementation. This has specifically been the case regarding the roll-out of the new taxis and the scrapping of the old ones, which has been slow and inadequate. In addition, the successful implementation of a policy such as the recapitalisation policy depends not only on the manner in which it is implemented: the content, context, commitment, capacity and clients and alliances all play a role. In this regard, the government has also made numerous mistakes.

From this policy analysis, it is evident that governments should recognise that the process should not be unilateral, but rather inclusive. This inclusiveness should be apparent at every step of the policymaking process since a unilateral policy process is bound to alienate the intended target population, leading to ultimate failure, or at least major obstacles. Finally, in preventing its policies from remaining mere symbolic policies, in other words policies that express desired values but have little or no material impact on people (*cf* Anderson 2006: 15-6), policymakers should consider both the financial implications and their capacity to implement these policies. A policy may look good on paper, but if the government struggles to meet its financial commitments in terms of a policy, if it does not have the capacity to properly execute the policy and if the public cannot afford the financial consequences of a policy, the entire process is bound to be futile.

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