



How do we imagine hybrid modes
of public transportation systems?

David Schmidt

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Case No 1-0021

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Reframing Urban Inclusion

The opening set of cases produced by IIHS represents a focus central to our institutional mission, its teaching and its practice: urban inclusion. Through an on-going collaborative, multi-year research project titled 'Reframing Urban Inclusion', the 30 cases available on the website, www.cases.iihs.co.in include original teaching and learning cases commissioned and produced at IIHS through support from the Ford Foundation.

The cases were curated to address a particular set of challenges. The first is pedagogical. IIHS' stated aim is to be part of a global moment to re-think urban theory and practice from India, South Asia and the Global South. These cases are a key curricular and pedagogical intervention within that effort. Distributed through open access modes to encourage widespread, public and diverse forms of use, the cases seek to give scholars and educators in the Global South a new canon to teach with, that begins from and is responsive to place.

The second is more outward facing. India is at a critical moment in its urbanisation. The urban agenda has begun to emerge strongly on the national political register, and questions of how to shape policy agendas from housing to employment, planning to service delivery, are more pressing than ever before. It is our hope that these cases will therefore equally be used by and inform an evidence-based, empirically rich, conceptually grounded and reflexive practice and interface with policy.

Since 2013, the project has brought together leading academics and practitioners from different disciplines to identify and contextualise social and economic realities of Indian cities through the case method. We hope that they will provide new evidence of the possible opportunities and mechanisms for urban integration as well as build a conceptual and empirical foundation for politically, socially, and economically inclusive cities.

The project has three thematic foci:

1. Conceptualising Pro-Poor Planning

Urban planning processes determine access to basic resources such as land, shelter and housing, livelihoods, mobility, and security. Inclusive urban planning is aimed at serving all the citizens of the city, reducing vulnerability and addressing exclusion from access to these basic resources.

Cases in this theme (1) untangle the current state of urban planning and its effects on vulnerability and exclusion, (2) explore how meaningful participation can be more effective in pro-poor planning, and (3) highlight opportunities for, and instances of successful integration across agencies and organisations involved in urban planning.

2. Re-visiting Settlement Upgrading

This theme seeks to expand and re-articulate debates on slums in India. The 'slum' is a form of an urban settlement that is situated at the intersection of land markets, new urban political economies, the efficacy of the state as a provider of housing to the poor, differentiated state-citizen relations, splintered urban infrastructure, questions of law, legality and planning, as well as conceptions of urban citizenship.

Cases in this theme (1) explore the processes of settlement and resettlement, paying attention to the market and political forces that shape the outcomes, (2) broaden the scope of settlement transformation from spatial upgradation to impacts on other sites of transformation such as livelihoods and employment, and (3) explore alternative imaginations of 'property rights' and tenure regimes.

3. Re-drawing the Picture: Metrics of Urban Inclusion

The dynamics of urban poverty and vulnerability are poorly understood. We know that the security of tenure, spatial coherence of urban infrastructure and service delivery, transit distances between livelihoods and living spaces, socio- cultural identities and social networks play important roles in inclusive cities. However, we have limited statistical data and information on the locational and distribution patterns of urban India.

Cases in this theme (1) examine the use of data in urban decision making and identify potential sites for intervention, (2) provide a more contextual and holistic analysis of urban dynamics, moving beyond sector-wise administrative data collection methods, and (3) emphasise improvements in information and learning from experience for local decision making.

IIHS Case Method

The IIHS case is a work-in-progress that represents experiments in different forms of creating interdisciplinary and inter-sectoral cases, as well as a diversity of pedagogical environments to learn and teach with these cases. The opening set of cases is, thus, also in a sense, an experiment in form and teaching modes. Given this, we do not claim a singular 'IIHS Case Method' or any one form or definition of a case. Indeed, one of the explicit aims of case development at IIHS is to challenge conventional ideas of what case-based learning is.

How then does a user know how to use cases? Pedagogical transactions will differ from case to case and indeed multiple options will be open within each case. Therefore, in order to aid users, all IIHS cases come with a set of consistent elements that help users navigate through the diversity of form and content. These are:

- **Preface:** Every case begins with an introduction by the case writer that describes their own approach to the case. How did the case writer frame the case? Why did they choose to structure it as they have? What were their intentions in writing the case?
- **Teaching Note:** The second shared case element is the Teaching Note. Here, the case writer lays out their imagination of how they would teach with the case in its current form. They suggest learning outcomes, pedagogical modes, learning environments and assessment frames. True to the diversity of the cases, each of these is particular to the case.
- **The Main Case:** This is the main body of the case—its core empirics, arguments, discourse and data. Across the cases, these come in different forms: PowerPoint presentations, audio-visual material, web interfaces, written text, and data visualisations.
- **Pedagogical Possibilities:** The next element lays out the case writer's suggestions on other ways in which the case could be taught, including in other disciplines or learning environments. These are not as detailed as the Teaching Note but offer a set of possibilities to the user to imagine other uses of the case than those laid out.
- **Case Archive:** The final element of the case is a library of documents—reports to interview transcripts, unedited footage to visual photo libraries—that act as an archive for the case. This repository allows users to also access a host of background and additional information necessary to navigate the larger contexts in which the case is situated.

Each IIHS case—regardless of the diversity of its form—comes structured with these elements. It is our hope that this recognisable framework will enable users to navigate easily across cases with very diverse elements and forms.

Case Note

How can confidence and collaborative capacity be built within and between 'informal' paratransit associations to enable them to adopt more productive modes of functioning?

Cape Town Minibus Taxi Industry Case Study

This case uses Thabang Molefe's story to approach and explore how the minibus taxi industry emerged in South Africa. The reason Molefe's story is used as a point of entry and access to this narrative is because his journey mirrors many of the changes in the transport industry in Cape Town as well as the critical role the informal paratransit sector played in effecting those changes.

Context

Thabang Molefe's family members were early pioneers of the minibus taxi industry—the primary form of informal paratransit that emerged in Cape Town in the late 1970s. Due to his vantage point, Molefe also experienced at first hand the violent conflict that was endemic in the industry in the 1980s and 1990s as the industry consolidated itself.

Molefe's story is also about leadership in an industry where most leaders secure and exercise leadership roles through their ability to use coercion. Thabang, possibly because he was an ethnic outsider and familiar with associations where kinship ties are a very important source of social capital, instead developed a style of leadership that was conducive to building trust.

The early 1990s was an exciting time to be involved in the minibus taxi industry. Cape Town's black population was growing rapidly as the wall of apartheid crumbled and informal settlements mushroomed on the outskirts of the city. The existing public transport infrastructure was unable to cope with this rapid urbanisation. With little new investment in bus and rail services to meet the growing mobility needs, the minibus taxi industry stepped into the breach and began to provide a viable service.

The taxi industry had relatively low barriers to entry for black entrepreneurs with little capital or education. Drawing on modest means and enterprise, they were able to build profitable businesses by providing a relatively cheap, flexible and convenient service, particularly to poor communities. Within a few years the minibus taxi was the single-largest urban public transport mode in the city.

Today, 65 per cent of public transport passengers in metropolitan areas across South Africa use minibus taxis, while 21 per cent use trains and 14 per cent take the bus. Perhaps the most astounding fact about the growth of this industry is that it was achieved without any public subsidies.

Scope

The case uses Thabang Molefe's first-hand narrative to understand the complexities of the context within which the minibus taxi system emerged. The overlapping cultures of violence, entitlement, corruption and lack of functionality which characterised the minibus taxi industry are described in detail from Molefe's central location as are the initiatives to combat these. Ultimately, the Case traces the journey of the informal paratransit sector in Cape Town with Thabang Molefe at its centre through the three phases of emergence, transition and transformation.

Molefe was able to build a productive minibus taxi business using more efficient operating practices than most operators by establishing a new inclusive taxi association which operates in the central city of Cape Town. By 2009 he had become a successful minibus taxi operator, the largest in the Central Unity Taxi Association, with 12 operating licenses. The case examines how he was able to achieve this success via collaborative ways to address problems.

After 2009, Molefe agreed to enter into negotiations with the City of Cape Town about the introduction of the MyCiti BRT system, something that other minibus taxi operators were deeply suspicious of. Here again the case makes evident Molefe's vision for the future which led him to realise the potential of the BRT system well before his peers. He became CUTA's chief negotiator in the process that followed. This phase in his professional life and in the life of the transit system in Cape Town too was fraught with conflict, as he was being viewed as a collaborator by other taxi minibus operators. Once again, however, he took recourse to dialogue rather than strong-arm tactics. As part of the transition plan to the BRT system, he surrendered his 12 minibus taxis and their licenses at the end of 2013 in exchange for compensation and the right to invest in a company running the BRT bus contracts.

Looking Ahead

With the Informal Paratransit Sector in Cape Town now in its transformative phase, Molefe is the largest shareholder in Ditokelo Investments that holds the shares of CUTA members in Transpeninsula Investments, a company operating the MyCiti buses on behalf of the City of Cape Town with a 12-year contract. Molefe is also the non-executive Chairman of Transpeninsula Investments.

The MyCiti rollout was a massive learning exercise for city officials, as well as the bus and minibus taxi industry operators, particularly about what works, and what doesn't. One key lesson from the process is that there are minibus taxi operators with the capacity to govern and manage high quality bus companies, such as Transpeninsula. Another lesson is that the minibus taxi service and a high quality bus service such as MyCiti should not be seen as mutually exclusive. The future growth of MyCiti should not seek to totally replace minibus taxi services in an area, as was intended in the initial roll-out. Instead, transport authorities should rather harness the complementary strengths of these two models to produce a better quality and financially sustainable system.

As evident from the Case Narrative, there are many operational and regulatory lessons from the MyCiti rollout that can be extended to the minibus taxi industry as well. The benefits of dedicated lanes on priority routes, vehicle tracking systems, fleet management systems and improved driver training, can all be incrementally extended to minibus taxi services to improve safety, compliance and profitability.

The subsidised commuter bus services currently operated by GABS will similarly benefit from the IRT innovations and will in due course be integrated with the MyCiti service with unified branding, one timetable and one scheduling system. The Metrorail upgrade programme will see major refurbishment of all elements of the rail system which is still the backbone of public transport in Cape Town.

The real change lies in a slow consistent process of incremental improvements over time that build on previous effort to infuse existing assets and capacities with new possibilities to connect the different modes (rail, bus, minibus taxi, walking, cycling) in ways that provide a better mobility experience for the people.

Components and Materials

The components of this case study is mainly written material. This case study focusses on the 'informal' minibus taxi industry in Cape Town, highlighting the story of a group of taxi associations who entered into a negotiation with the City of Cape Town whereby they surrendered their operating licenses and vehicles to become the owners of a company running BRT buses for the city.

Exhibit 1 is an introduction to the story of Thabang Molefe. Thabang Molefe's journey mirrors many of the changes in the transport industry in Cape Town and the critical role of the informal paratransit sector in this.

Exhibit 2 is about the beginning of the Integrated Rapid Transit (IRT) system. It starts from its inception in 2009 when Thabang was called to an informal meeting with city officials, and takes the reader through troubles faced at the time of negotiation with affected taxi associations, followed by strikes and protests.

Exhibit 3: takes the reader through the phases of institutional development in the informal paratransit sector. This multi-billion Rand project has many dimensions including institution building, confidence and trust building, and financial management, all of which are brought out in this narrative.

Exhibits

Exhibit 1: Introduction to the Story of Thabang Molefe

Thabang Molefe's journey mirrors many of the changes in the transport industry in Cape Town and the critical role of the informal paratransit sector in this. His family members were early pioneers of the minibus taxi industry – the primary form of informal paratransit sector that emerged in the late 1970s. He experienced the very violent conflict that was endemic in the industry in the 1980s and 1990s as the industry consolidated.

He was able to build a productive minibus taxi business using more efficient operating practices than most operators by establishing a new inclusive taxi association which operates in the central city of Cape Town and became a successful minibus taxi operator - the largest in the Central Unity Taxi Association with 12 operating licenses and finding collaborative ways rather than conflictual ones to address problems.

He was a future oriented minibus taxi operator and agreed to enter into negotiations with the City of Cape Town about the introduction of the MyCiti BRT system. He was CUTA's chief negotiator in the process that followed. As a result of the deal, he has surrendered his 12 minibus taxis and their licenses at the end of 2013 in exchange for compensation and the right to invest in a company running the BRT bus contracts. Now, he is the largest shareholder in Ditokelo Investments that holds the shares of CUTA members in Transpeninsula Investments – a company operating the MyCiti buses on behalf of the City of Cape Town in terms of a 12-year contract. He is also non-executive Chairman of Transpeninsula.

So his story is an interesting way of exploring the dynamics of how the minibus taxi industry emerged in South Africa. His story is also strongly about leadership in an industry where most leaders secure and exercise leadership roles through their ability to use coercion.

Exhibit 2: Beginning of the IRT

In 2009, Thabang was called to an informal meeting with city officials. They wanted to advise him on plans to introduce a Bus Rapid Transit (BRT) system in the city, which they referred to as an Integrated Rapid Transit (IRT) system. Cape Town had decided to initiate IRT in an area encompassing the central city area, where the CUTA and most of the PTA operations were located, as well the West Coast area up to Atlantis. The reasons for choosing this area to initiate the system included planning considerations—the central city and the West Coast experienced severe congestion because there was no public transport trunk service such as a rail system on that route as well as a relatively mature taxi industry serving the area that was open to partnership. Rather than negotiating through an umbrella body at metropolitan or provincial scale, city officials opted to deal directly with affected taxi associations.

Thabang was told that operators would be well compensated and that they should not resist the plan because it was going to be implemented “no matter what”. Thabang received the news positively. It was an opportunity as well as a means for him to exit the taxi business. But it meant he needed to remain involved for longer. He recalls that as “I knew I had to hang in there because I had no other choice.”

City officials organized a study tour to kick-start the IRT process and get buy-in from key taxi industry leaders in the area of the proposed first phase of the IRT project. The itinerary included visits to Brazil and Columbia, and Bogota in particular, which at the time was regarded as the global cutting edge implementation of BRT. An important part of the Bogota model involved the informal paratransit sector being incorporated into running the companies operating the buses. A visit to the Columbian capital included intensive meetings with informal transport operators, including some of the operators who were not involved in its BRT system. Thabang listened and concluded that he did not want to face the latter group’s problems. They had become marginalised in the process and found themselves facing increasing business pressure.

Back in Cape Town there was growing resistance to the IRT in the broader taxi industry. While Thabang was in Bogota, a city-wide taxi strike against the proposed IRT system was held in Cape Town. He watched footage of the strike in his hotel room. He remembers thinking: “This was going to be trouble. However, I was prepared to go all the way because it was my only way out.”

He was however also clear about his role in selling IRT to the taxi industry. “I will never try to convince anybody to be part of IRT,” he resolved. “They will have to decide for themselves.”

During his trip Thabang learnt that he, along with the PTA leadership, was being targeted for “selling out the taxi industry”. The attack had its logic: the leaders were generally the targets, and Thabang was part of the leadership. “Those people want to shoot you,” he was told by a contact. “They want to shoot you dead.”

Exhibit 3

The underlying intention of the IRT ‘deal’, particularly as articulated by the National Minister of Transport, was that operators who were required to surrender their operating licenses should not be left “worse off”. For operators like Thabang, who held multiple operating licenses, the deal represented a unique opportunity to sell their businesses and secure an investment in the new public transport service. The deal was also beneficial for older members reaching the end of their working lives: it offered them a way to exit the industry and to secure the equivalent of a pension.

The issue is less settled in the case of younger operators with a single operating license who have 20-30 years of working life ahead of them. They will need to find some other

employment to sustain them beyond the 12 years of the current contract. The implementation of the 2013 agreement, which involved the phased removal of vehicles, has also created problems. Some operators found that they were suddenly earning much higher incomes when the initial round of taxis were removed and they became reluctant to surrender their licenses. These are, however, short-term creases to be ironed out through the process.

The MyCiti IRT project has many dimensions. It is a multi-billion Rand investment in infrastructure, systems and operations in the first phase. However, it is also a major exercise of institution building. The soft processes of building confidence and trust were critical in getting the affected taxi associations on board to create Cape Town's biggest black economic empowerment project. This took time and effort. The World Cup and interim contracts were very important in growing this confidence amongst CUTA members. As Ditokelo shareholders, they received significant dividends from these contracts even before they were required to invest anything or to surrender their vehicles.

Even more important was the way in which the Ditokelo finances were managed. There were regular meetings where an independent accountant explained financial allocations and tax issues to members. Members received regular financial statements. "I felt it was very important to be very transparent up to the last cent," says Thabang. "If there was a shred of dishonesty during that period, people would have dropped off and not invested their money in the company. There are always people looking to see fraudulent activities but it never happened."

Building trust also means taking less than you are entitled to, adds Thabang. "Once the process started, I could have fought to get additional permits like other members through the dormant process or by buying from other members. I did not do so, but rather enabled others to improve their situation. This builds confidence; people can trust you to represent their interests."

This task of building trust and confidence is ongoing. One of Thabang's responsibilities now as non-executive chairman of Transpeninsula is to help create a modern business culture of transparency and accountability. This is particularly important as Ditokelo has a minority stake in Transpeninsula and can be outvoted on the board.

Teaching Note

How can confidence and collaborative capacity be built within and between 'informal' paratransit associations to enable them to adopt more productive modes of functioning?

Cape Town Minibus Taxi Industry Case Study

Intent of the Case Study

THE QUESTION

This case study focusses on the 'informal' minibus taxi industry in Cape Town, highlighting the story of a group of taxi associations who entered into a negotiation with the City of Cape Town whereby they surrendered their operating licenses and vehicles to become the owners of a company running Bus Rapid Transit (BRT) buses for the city.

The case however is not about BRT as a mode of transport or about the process of negotiating the BRT operating arrangements with affected minibus taxi operators.

It is rather an exploration of how trust and collaborative capacity can be built within and between 'informal' minibus taxi or paratransit associations to enable them to successfully adopt more productive modes of functioning. This focus has a number of dimensions including:

- The internal processes of leadership and accountability. How do we enable 'informal' paratransit associations to become more accountable, more democratic and more effective? This is a particular challenge, given that many of these associations are run by 'strong men' who exert control through coercion and extract rent from other operators for the 'protection' they provide. There is very little transparency and accountability.
- The external relationships between paratransit associations and other stakeholders. How can sufficient trust and confidence be facilitated to allow such associations to collaborate and partner with organisations including other public transport providers and government agencies with whom they may have had antagonistic relationships in the past? The informal transport industry is highly competitive, opportunistic and characterised by low levels of trust. At the same time, associations also have to collaborate with each to survive. This tension between a legacy of opportunism, cut-throat competition and low trust on the one hand and the need to collaborate on the other creates an uneasy dynamic when trying to establish enduring partnerships across divides.
- Support and policy interventions. What forms of support and regulation are appropriate to support the development of institutional capacity, trust and collaboration in the informal paratransit sector? Regulation is particularly important in the sector; especially the process of issuing and enforcing operating licenses or permits. This can establish and

protect rights as a critical asset for the poor, promote stability and create conditions where operations can run profitably. It can also function to exclude, entrench powerful interests, undermine rights and impose costs.

LEARNING OUTCOMES

This case has three primary learning objectives:

1. To deepen understanding about the 'informal' paratransit sector, its role in the urban public transport system and how it contributes to urban development and human settlement. It highlights the critical role of the informal paratransit sector in addressing gaps in the public transport system and its flexibility and adaptability.
2. To get a deeper understanding of needs and dynamics of the informal paratransit sector. The importance of understanding and working with the 'business model' of informal sector businesses in trying to craft effective policy and support interventions.
3. To get a deeper understanding of how change in the informal paratransit sector happens and how it can be supported. A key conclusion is that building sufficient trust to enable positive change takes time, transparency, a series of small confidence-building successes and strong leadership.

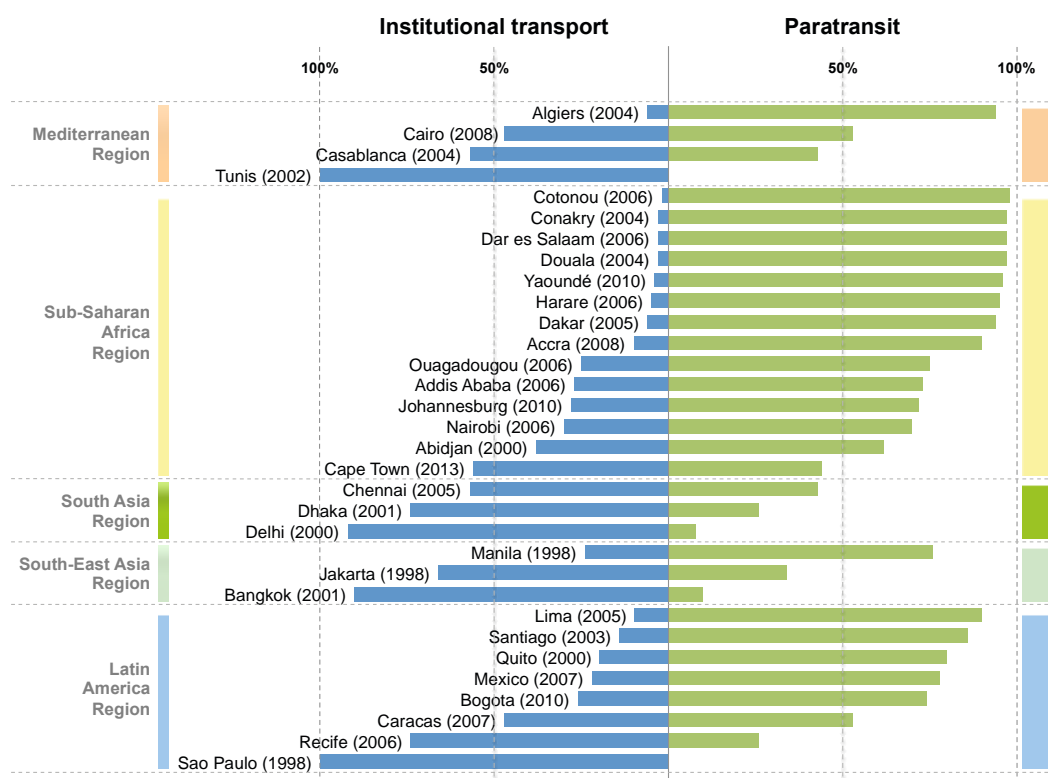
POSSIBLE AUDIENCE

The case study is potentially useful in for a range of teaching situations:

- Urban transportation and urban planning programmes
- Small business support programmes
- Informality and poverty programmes
- Organisational development and change management
- Leadership development

RELEVANCE OF THE CASE STUDY

The informal paratransit sector is a significant economic and social force in the developing world, particularly in poor urban communities. It is also a key enabler of the urban mobility system because of its critical advantages of service flexibility and its low cost. It fills gaps left by formal public transport and is often the primary form of public transport, particularly in the global south as illustrated in the table below.



Source: CODATU

In many cities, it is a key source of livelihood and opportunities for the urban poor. It also plays a powerful social role in providing protection and even informal justice, particularly where the state is weak.

Its effect is by no means only positive. It is often controlled by powerful strong men who exert authority through coercion and violence. The industry is often linked with gangs, crime syndicates and vigilantism. It is also typically structured on a pyramidal basis with very unequal distribution of revenue. Greed and bullying attributes are often success factors. Kinship ties often form a basis for trust and authority. The business models are often unstable which can result in poor working conditions, lack of investment and a poor unsafe service.

Notwithstanding its importance, the dynamics of the informal paratransit sector are generally poorly understood, which is reflected in the weak regulatory and support measures that are seen in developing countries particularly. It is a complex sector that takes on different forms depending on the regulatory and social context within which it emerges.



Gbakas
Abidjan



Trotros
Accra



Magbanas
Conakry



Cars Rapides
Dakar



Daladalas
Dar es Salaam



Minibus taxis
Kampala



Danfos
Lagos



Matatus
Nairobi



Minibus taxis
Pretoria

Source: Codatu

Informal paratransit also has parallels with other informal businesses (informal trading, informal landlording sectors and even illegal economic activities such as drug dealing). This means that the case can enable comparative lessons and understandings to be drawn across informal sector businesses to deepen understanding of informal businesses in general.

Paratransit in Global South: Illustrative Facts

- Dhaka: Informal transport provides 30 per cent of employment opportunities
- Estimated 25 per cent of India's rickshaw operators are pavement dwellers
- 94 per cent of Sri Lanka's 16 000 buses belong to owner operators running one bus
- In Metro Manila, 65 per cent of minibus trips are under 5 km
- Public and private expenditure on public transport in South Africa's 6 metros – Rs.262 billion per year (50 per cent on informal MBT industry which transports over 65 per cent of passengers).

CONTEXTUALISING THE CASE – THE AUTHOR

My name is David Schmidt and I am the developer of this case study. This note explains my personal connection to the story of Thabang Molefe and the minibus taxi associations operating in the central areas of Cape Town which are the focus of this case study.

Firstly, here are a few things about me. I have been actively involved in the story of Cape Town which has been unfolding over many years – as an activist during the last decade of apartheid, as a facilitator and an engaged citizen of the political transition in Cape Town, where I convened the Cape Metropolitan Negotiating Forum which brought together all the municipal stakeholders in greater Cape Town to negotiate the new local government dispensation. I have worked in NGOs, as a senior official in the local government, as a policy adviser to politicians and as a consultant focused on public sector reform, multi-stakeholder partnerships and urban policy. I write occasionally. I am an economist and a lawyer by training but have never practiced either discipline.

In 2011, I was asked to act as ‘facilitator’ for three taxi associations who the City of Cape Town wished to engage with about implementing a BRT system. The idea was that the BRT system would replace the existing bus and minibus taxi services. The existing operators would surrender their operating licenses and taxis in exchange for compensation. The taxi operators would also become shareholders of the company that would operate the BRT buses and would appoint the management who would largely be drawn from the association members. The taxi drivers would be employed as bus drivers.

This assignment was paid for by the City of Cape Town but my task was to advise the three taxi associations individually and jointly in their engagement with the city. I was accountable to them. I assisted them in setting up a joint company to operate the BRT buses, to negotiate their individual compensation agreements with the City and to negotiate a 12year bus contract. This process lasted more than three years. It was not an easy process. There was little trust between the associations and City of Cape Town and often adversarial styles rather than problem-solving approaches were adopted by both the city and taxi operators. The taxi associations themselves had a history of tension, mistrust and conflict between them. One association comprised largely ‘African Xhosa-speaking’ operators had broken away from the major largely coloured association that dominated the area a few years ago. The son of the smallest association member had been murdered in all probability by a member of the larger association.

During this period of I came to know and respect the leaders of the taxi associations involved.

Igshaan Lucas, the Chair of the Peninsula Taxi Association, the largest association and the CEO of Transpeninsula Investments – the company operating the BRT buses – is formidable. He has a great mind with an ability to see the big picture while sweating the details. He is the

toughest negotiator I have ever encountered. But his word was his word and I could always rely on him to keep to his promises. And he has a capacity for being magnanimous and generous that always surprised and disturbed me at the same time. He was the primary driver of the process from the taxi association's side.

I have chosen to focus the case study on another one of the exceptional people from the minibus taxi sector—Thabang Molefe. He was the key person representing the Central Unity Taxi Association (CUTA) in the process. He is now Chair of the Board of Transpeninsula. He is a person with admirable qualities—integrity, compassion, openness to learning, humility and a stubborn commitment to stand up for what is right. His is a story of leadership through adversity and it parallels the development of the minibus taxi industry over the past 20 years. He is also my close friend.

So this is not a case study prepared by a dispassionate external observer. It is written by a participant in the process who had a responsibility to make it work and to ensure that the outcome was positive for the parties involved.

I believe, it was a task in which we were largely successful. A viable and successful company has been established. A generous 12-year bus contract was negotiated and compensation for licenses and vehicles was settled upon. Vast majority of the affected operators have chosen to participate and are likely to receive significant returns over the course of the contract which will be better than their earning as taxi operators. But there are always winners and losers and the real impact of these kinds of projects becomes apparent only in the long term.

THE CASE MATERIALS

The following material is provided:

- A contextual overview of the paratransit sector internationally and in South Africa highlighting its importance for the urban system, its complexity and its relevance for urban practitioners.
- A detailed narrative of the story of Thabang Molefe as the core product highlighting different institutional and policy phases in the evolution of informal paratransit and broader public transport systems. It includes:
 - Extracts from some important public documents as 'artefacts' that help illuminate and contextualise the narrative
 - Notes on institutional issues outlining a range of theoretical models and tools to understand the evolution and dynamics of informal sector organisations and how positive change can be supported (incorporated in the narrative text)
- A note on how the case can be taught.

TEACHING THE CASE

I would teach the case in three sequential parts.

- I would start by getting participants to understand the global big picture of 'paratransit'. What is paratransit? Why is it important? How does it work?
- I would then focus on the specifics of the case of Cape Town and focus on the institutional issues of building trust and institutional capacity in the context of pressures to transform and modernise the sector.
- Finally, I would explore the policy and practice implications of the case and how these can be applied by course participants to their own situations.

In other words – I would move from the general to the specific and then to application. I explain how I would teach these three parts below.

Part 1: The Paratransit Big Picture

I would start the case programme by letting the participants experience the informal public transport sector in the city where the programme is being held.

This can be done by setting an exercise that requires them to navigate the city using informal public transport with a view to finding out about how the industry is structured, the business models adopted, the regulatory regime and the challenges associated with the service, including its relationships with other transport modes.

In my experience, such a firsthand knowledge of the realities of informal paratransit is often a major eye-opener for participants, some of whom may have never travelled by informal transport and often incorrect preconceptions about the industry.

A few tips and ideas on organising such an experience:

- Split participants into teams: I typically split participants into teams of four or five.
- Consider structuring the exercise as a team challenge: I typically give each team a series of challenges linked to finding destinations around the city using a combination of both formal public transport and informal paratransit.
- Allocate a guide to each team who is familiar with the paratransit system and can monitor the team, hand out additional tasks when required and assist if the team gets into difficulties.
- Do a test run of each route/challenge to ensure that it is feasible and assess the time participants will take to complete it.
- Liaise with informal paratransit associations operating in the area and explain the purpose of the exercise. There is sometimes a suspicion when strangers in groups arrive and start

asking informal transport operators about how they operate. This can be smoothed by good communication.

I include a sample questionnaire that participants can use to build a picture of the paratransit sector.

At the end of the experience, each team needs to prepare a presentation that includes the following:

- How is the paratransit sector organised? Who owns the vehicles? Are owners also the drivers? Are owners or drivers organised in associations and what is their role? How does ranking work – is there a queuing system and how is it managed?
- How is the industry regulated? Are operating licenses required? How do these get issued? How is supply and demand managed? How is law enforcement applied?
- Who are the main customers of the service? What gaps does it fill? What do customers think of the service? How does the service connect with formal public transport?
- How does the money work? What is the cost of a ride? What is average fare income per day? What are the main costs? What percentage of the money goes to the owner and the driver?

I would conclude this section by generalising from the specifics of informal paratransit to informal paratransit internationally. This is probably best done by means of a short lecture or circulating an overview reading or both.

Part 2: The Case of Cape Town Central City

The second part of the programme would involve a detailed exploration of the case of Cape Town. The primary resource is a written narrative detailing the life journey of Thabang Molefe in four sections. Each section represents a phase in his own life development but parallels at the same time phases the institutional development of the minibus taxi industry in Cape Town. Each part is also enriched by an 'artefact' – a piece of additional documentary material that provides further insight into the themes of the particular section and be an 'analytical model or tool' that could assist the group to analyse the issues.

I would use group tasks as the primary means of working through the case study narrative. I would require groups to work through the narrative section by section and to discuss their responses to the questions at the end of each section. These questions are designed to focus attention on the institutional dynamics at play, how the issues evolve over time and what factors influence the process in a positive or negative manner.

Part 3: Applying the Learning

The last part should focus on applying the learning. I think this is best done by linking their experience of the paratransit sector in part 1 with the trust and institution-building focus of part 2.

I would give participants a group task to do along the following lines:

- Identify an area where significant improvement in informal paratransit services can be achieved.
- Develop proposals for a programme of engagement with the paratransit sector that facilitates achieving the improvement.

SAMPLE 1: DAY PROGRAMME

Time	Topic	Notes
Day 1		
08:30	Introduction	<ul style="list-style-type: none">• Introductions• Course purpose• Explanation as to why paratransit is important• Programme overview
09:00	Exploring the city through informal paratransit – 4 hour journey through the city using informal paratransit and formal public transport.	<ul style="list-style-type: none">• Participants divided into groups of 4.• Each group provided with a series of destinations they need to get to plus required money.• Each group provided with list of questions they need to find out during journey.
13:00	Lunch	
14:00	Group task of understanding the paratransit sector	<ul style="list-style-type: none">• How is the paratransit sector organised?• How is the industry regulated?• Who are the main customers of the service? What gap does it fill?• How does the money work?
15:15	Tea	
15:30	Group presentations	<ul style="list-style-type: none">• Presentations by small groups on key findings (30 minutes).• Plenary reflection on findings (15 minutes)

16:15	Concluding input	<ul style="list-style-type: none"> • Overview of current public transport reform trends particularly in developed countries. • Identification of key policy issues around the informal paratransit sector. • Reflection on issues surfaced through the immersion experience.
Day 2		
08:30	Introductory input on Cape Town case study	<ul style="list-style-type: none"> • Explanation of case study purpose and background. • Brief input on minibus taxi and public transport reform context in Cape Town.
08:45	Exploring the case study (parts 1–2)	<ul style="list-style-type: none"> • Participants work through section 1 and section 2 of the case study in groups and explore the questions at the end of section (45 minutes per section). • Participants feed key points into plenary group (15 minutes).
10:30	Tea	
11:00	Exploring the case study (parts 3–4)	<ul style="list-style-type: none"> • Participants work through section 3 and section 4 of the case study in groups and explore the questions at the end of section (45 minutes per section). • Participants feed key points into plenary group (15 minutes).
12:45	Lunch	
13:30	Case study conclusions – film	<ul style="list-style-type: none"> • Film of interviews with Thabang Molefe responding to same questions in group work. • Plenary reflection on similarities and differences in responses and what this means.
14:00	Applying the learning – Group work on building trust and collaborative capacity in the sector.	<ul style="list-style-type: none"> • Identify an area where significant improvement in informal paratransit services can be achieved. • Develop proposals for a programme of engagement with the paratransit sector that facilitates achieving the improvement.
15:30	Presentation of proposals by group	<ul style="list-style-type: none"> • Small groups share brief presentations of their conclusions.
16:00	Wrap-up and close	

Accessing the Full Case

The full content of this case is open-access and downloadable at www.cases.iihs.co.in.

The full content of this case includes the following documents:

Folder A: Introduction to the Case

- Terms of Use and Agreement

- Reframing Urban Inclusion

- IIHS Case Method

- Teaching Note

Folder B: Main Case

- The Story of Thabang Molefe

 - Part 1: Emergence

 - Part 2: Crisis and Transition

 - Part 3: Transformation and Loose Ends

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About the Author

David Schmidt is director of Strategies for Change. He has previously worked for the City of Cape Town, facilitating its transition to a non-racial local government system and overseeing new urban policies, notably in the transport sector. He has worked as a strategy and innovation consultant with various public and private sector organisations in Cape Town.

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