

Historical evolution of Durban's public transport system and challenges for the post-apartheid metropolitan government

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Abstract

The history of public transport in Durban is characterised by a diverse set of socio-political forces that have shaped and styled its present form. Characterised by horse and cart driven coach modes of transport in the early colonial period, Durban's transport systems' transition to motorised forms has been founded on racial exclusionary measures that sought to sustain white monopoly over the economic sector at the expense of under-development of the vast majority of disenfranchised Blacks in the city. In its transport history different modes of conveyance were used and it rapidly adapted to motorised transport which placed Durban in the forefront of economic prosperity. To Durban's credit its transport sector boasts to have made a transition from exotically human drawn *rickschas*, to an animal drawn tram which was later superseded by electric driven trams. Durban was the first province to have introduced the railway mode of transport which served as a foundation for its economic growth. Notwithstanding these achievements, both during colonialism and apartheid the transport sector excluded the majority of the Black populace in the city and even when it did include them strict racial separation was maintained. Under apartheid transport engineering was heightened to keep racial groups apart and Durban was the first city to respond to the notorious Group Areas Act which created racial enclaves in the form of townships for the different race groups. As consequence of such separationist human settlement patterns, the transport sector became costly, disconnected people from their homes and livelihoods, was fragmented and inefficient resulting in the emergence of transport monopolies both legal and illegal that capitalised on these deficiencies. It is against this context that this paper traces the historical evolution of Durban's public transport system and the challenges it poses for the post-apartheid metropolitan government.

Keywords: Public transport; Apartheid; Privatisation; Transport modes; Monopolisation; Transport authority.

Introduction

The transport landscape in South Africa was largely shaped by colonial

and apartheid social and spatial engineering to serve primarily the economic wants and social well being of the minority white ruling class. It was a system designed to prevent the mixing of the different race groups by physically confining communities to isolated geographic areas so that the economic interests of a predominantly white capitalist class was met. The majority of disenfranchised Black communities were denied an opportunity to social well-being through a repressive system of control on their movement from centres of economic production and livelihood. In the new democracy these past practices make pressing demands on the state to transform the transport sector in keeping with national, provincial and local development priorities.

Historically the public transport sector in Durban was shaped as early as 1854 when it attained municipal status under British colonialism. Within a period of fifty years it made commendable advancement in adapting its transport mode from animal and human drawn transport modes to mechanical forms. In fact Durban was the first of the British colonies to have made such advancement. Further, with the introduction of the steam engine Durban was once again one of the first colonies to construct a railway system in the city which connected to the port. Later, the introduction of electric power presented new opportunities to adopt mechanical modes of transport by means of trolley buses as early as 1867. It promoted ease of travel between residential suburbs and the city centre.

Under colonialism whilst segregation existed on different modes of public transport systems it was engineered to an extent where it catered for the mobility needs of different race groups to meet primarily the needs of capitalists. With apartheid a more conscious and deliberate spatial engineering took place for the different race groups. The public transport system became more distinct serving the needs of the respective race groups who were confined to enclave human settlements.

It is against this context the paper traces the socio- historical evolution of the public transport system at a metropolitan level in the eThekweni Municipality formally known as Durban. More specifically, the paper examines the formative years that set the foundation for a public transport system in the city, the historical evolution of race based engineering of urban transport at a metropolitan level, the emergence of Black transport monopolies within the city and challenges facing the post-apartheid metropolitan government to transform the public transport system from a public monopoly to a privatised entity.

Early human and animal drawn modes of transport

Like most industrialised countries the socio-economic functioning of nation states had largely evolved from animal and human drawn power for the movement of goods and services. South Africa is no different as regions in the country employed a variety of transport modes to facilitate the movement of people and goods and services. In respect of Durban since its inception as a Borough in 1854 with its boundaries expanding East to the Indian Ocean, North West to Springfield Park, Brickfield Road and Cato Manor farms, South and South East to the Umbilo River and North to the Umgeni River it had to adapt to different modes of transport to serve the needs of the city.

A distinct feature in the early evolution of the public transport is the use of human drawn *rickshas* to meet the mobility needs of early settlers in Durban. Colonial history records human drawn carts known as *rickshas* since 1892 imported by sugar magnate Marschall Cambell's daughter Killie from Japan. In Japanese these human drawn carts are referred to as *Jinrikisha*: *Jin* (man) - *riki* (power) - *sha* (carriage). For some reason in the South African context the reference to *Jin* (man) was excluded when making reference to these human drawn carts. Nonetheless, the first ten *rickshas* arrived in this period which became one of the main modes of transportation and by 1902 approximately 2170 *rickshas* crowded the streets of the city drawn by a small army of Africans referred to as natives.¹

Given the human toil involved in pulling *rickshas* which often traversed rough surfaces and undulating terrain in the city, it comes as little surprise that the number of pullers far exceeded the number of available *rickshas*. For example in 1899 a total of 11 445 men registered as pullers and about 740 *rickshas* were in daily use; in 1902 there were 2 170 *rickshas* and 24 020 registered pullers. Until 1930, there were an average of over 1 000 pullers and between 907 and 1 931 *rickshas*.²

Ricksha pullers had no fixed employment and were hired on a freelance basis making them vulnerable to illness and injury. They were poorly paid, accommodated in the city under slum like living conditions and exploited by operators. Two of the largest companies were the Durban Rickshas Ltd and

1 Z Ricksha, "Power carriages of the Mandlakazi clan. A moment of contact and wonder", 1892 – 2000 (available at: <http://www.ezakwantu.com/Gallery%20Zulu%20Ricksha.htm>, as accessed on 15 July 2003), pp. 2-4.

2 R Posel, P Maylam & I Edwards, *Amabashi. Durban's Riksha pullers, The people's city. African life in twentieth-century Durban* (Pietermaritzburg, University of Natal Press, 1996), pp. 202-221.

Patent Rickshas Ltd who had monopoly over this form of transport.³

With the introduction of electric trams in 1902, followed by the motorisation of traffic in the 1920s, the introduction of omnibuses in 1925, and the popularity of taxis from the 1930s onwards, the streets of Durban could no longer accommodate human and animal drawn carts. The demand for *ricksha* pullers declined significantly as their more privileged white clientele began to depend on motorised forms of transport. *Ricksha* pullers had to adapt to the changing markets hence by the 1950s there were two types of *rickshas* – those that served the needs of tourists on the beachfront promoted by the Durban Publicity Association and those that carried goods and passengers around the Indian Market in Warwick Avenue. With urban growth, the municipality took legislative measures to regulate the movement of rickshas in the city. From the 1960s, *rickshas* were prohibited on the streets of Durban between 19h00 and 5h00 each day. Again from 1966 onwards they were prohibited from the area bounded by Aliwal Street, the Victoria Embankment, Russell Street, Pine Street, and Soldier's Way which comprised the core of the city between 16h30 and 5h00. As consequence, the number of *rickshas* and pullers declined steadily and by 1970 there were 186 registered *rickshas* and 166 pullers on the streets.⁴ Today a handful of *rickshas* can be seen on the beach front adding a colourful, indigenous aesthetic splendour that enthrals the tourist gaze.

Although the *rickshas* served the city's needs for short distance movement of primarily white citizens, the first proposal for animal drawn tramway made by the Durban Tramways Company Ltd in 1877 was approved on a 21 year operating leasing agreement. The tramway extended from Russell Street to the Point which was the centre of economic activity due to the locality of the port and was officially opened for traffic in 1881. It comprised four double decker cars each seating 40 persons and stables for some 30 horses in the city.⁵

In so far as the periphery of the city was concerned transport to and from these localities depended on an omnibus service which was owned by a Mr W Dalgety and subsequently operated by Mr John Dales. In 1883 an opposition bus service was run by Mr AK Murray which resulted in rivalry between the two

3 G Vahed (Personal Collection), Research notes (Associate Professor, UKZN, School of Social Science), 28 August 2014.

4 R Posel, *Amabashi. Durban's Riksha pullers, The people's city. African life in twentieth-century Durban*, (Pietermaritzburg, University of Natal Press, 1996), pp. 202-221.

5 PM Henderson, *Fifty years of municipal history* (Robinson and Co Ltd, Natal Mercury Printing Works, Durban, 1906), pp. 272-273.

operators for passengers on the designated routes. The omnibus service was superseded by the Suburban Tramways Company Ltd which serviced routes within the city and its periphery. The Suburban Tramways however traversed part of the route of the Durban Tramway but on Field Street intersected with the route of the Durban Tramways resulting in the former being required to pay a toll fee on each journey. Since the tramline was single track, it led to frequent discontent amongst drivers of both tramways as it was difficult to manoeuvre the tram in such a busy part of the city. Notwithstanding a significant investment by the tramway operators on infrastructure, the profits realised were far from satisfactory resulting in the amalgamation of the two companies to form the "The Durban Borough Tramway Company Ltd" on a 21 year lease agreement from the municipality for the use of the track.⁶

The new consortium made significant advancement in expanding its services to other parts of the city. In 1891 it covered Florida Road which linked Umgeni Road, First Avenue and Marriot Road. In 1895 the Umbilo Road line was opened and in 1898 Stamford Hill was linked to Florida Road. Given the expanded infrastructure to accommodate the mobility needs of a growing city and its populace, the borough in 1893 offered to purchase this private consortium which met with overwhelming opposition from the predominantly white citizens. They opposed the purchase on the grounds that it will run at a loss which resulted in the sale agreement being suspended.⁷

Transition to mechanical modes of transport

The evolution from animal driven modes of transport to mechanical forms heralded a major shift in the city's adaptation to technological progress, which was to benefit the physical comfort of white commuters. On completion of the municipal light works in June 1897 new opportunities presented themselves for the ailing tramway. An opportunity opened for modernising transport in the city using electric traction. The Florida Road and Stamford Hill Roads were the first to receive electric tramway services. Based on a proposal to the municipality to capitalise the city's transport routes by electrical traction by a private operator, it set a special committee to investigate the prospect of electrifying the tramways by looking at best practices in other parts of

6 PM Henderson, *Fifty years of municipal history...*, p. 274.

7 PM Henderson, *Fifty years of municipal history...*, pp. 275-276.

the world. A task team proceeded to England, the continent and America to learn any innovative ways to set up a tramway that will suit the municipality's needs. Upon recommendation to council the municipality purchased the entire routes from the tramway company for 114 000 pounds and integrated its staff within the borough administrative system. On the 1st May 1902 the first section of the electric trolley system was opened to traffic. Thereafter 20 miles of single track was equipped with electrical traction for trams.⁸ Some 116 trolley buses operated in the city until 1968.⁹

The introduction of rail transportation in the municipality in the 1860s revolutionised land transport to a scale where it became possible to organise human and natural resources across larger geographical regions. It enhanced the ability of the city to become the centre of economic activity and the exchange of capital. Given that the municipality had access to the port, the first railway system connected the CBD to the harbour and the Bluff area.¹⁰ The railway transport system was established against the backdrop of the booming sugar industry which produced 8 000 tons in 1860 and became the principal export commodity for the province.¹¹ It was also prompted by the cost associated by ox-wagon carts and the delays in conveyancing goods from the port to economic processing parts of the city. On the 26th June 1860 the first official steam train traversed the city making it a historical moment that has shaped the transport landscape.

The railway service since its inauguration did not perform well financially. Despite this the Natal Railway Company which operated the train service was optimistic and extended its tracks to the Umgeni River adding a further seven kilometres. With increasing sugar exports the railway company in 1872 showed a profit resulting in confidence being expressed by the public on the railway being extended to Pietermaritzburg. The discovery of gold in the Witwatersrand and the mining of coal in Northern Natal made Pietermaritzburg an important trading post which connected to the city of Durban. As consequence of demands made by the private sector construction started in 1877 expanding the railway routes to Pietermaritzburg on the west side of the province, Northern Natal and Verulam to the north of the city. In

8 PM Henderson, *Fifty years of municipal history...*, pp. 276-281.

9 A Jackson, "Transport in Durban - a brief history" (available at: <http://www.fad.co.za/Resources/transport/transport.htm> as researched on 10 July 2014), pp. 1-6.

10 T Hutson, "Wooden railway on Durban's Bluff in Natalia", *Journal of the Natal Society*, 26, 1997, pp. 74-78.

11 EH Brookes & CB Webb, *A History of Natal* (University of Natal Press, Pietermaritzburg, 1967), pp. 78-79.

1895 a railway line linking Durban to Johannesburg was completed.¹²

Fuel-run busses made up of trucks were first introduced by Indian entrepreneurs in 1919. Indian involvement in the transport sector traces its origin from managing donkey drawn carts during colonial years as a mode of public transport to the present day monopolisation and ownership of modern bus fleets in the city. Given the transport difficulties of Black commuters during this era, Indian entrepreneurs were fast enough to capture this opportunity by adapting trucks to ferry commuters. This simple and opportunistic entry into the public transport enterprise over time led to the establishment of huge bus monopolies both within and outside the city. Up until today the Indian community makes proud claims to be the pioneers of the bus mode of passenger transport in the city and the province. They consider themselves the trailblazers of bus transport in the city.¹³

Following on the footsteps of Indian entrepreneurs, the all white Durban Municipal Transport Department acquired its first three single-decker diesel powered buses much later. The first bus to be introduced was in 1925, followed by a second in 1934. The third was delivered in 1938. Despite the introduction of diesel run buses, the Durban city council did not make this transition to mechanical forms of transport immediately. Racial segregation was rigidly enforced with the front seats reserved for whites with Blacks seated in the rear.

Socio-spatial engineering and the emergence of transport monopolies

The systematic engineering of city space and its usage was at its height in the 46 years of apartheid rule. During this period the urban transport system was set up primarily to convey large numbers of inexpensive Black labour over long distances from dormitory type townships to employment centres in the CBD. The Group Areas Act (1950) was the key policy instrument used by the apartheid regime to shape urban space in South Africa.¹⁴

12 M Cottrell, "The first railway in South Africa: The Point to Durban railway of 1860", *Natalia*, 40, 2010, pp. 20-31.

13 *Sunday Times*, 17 November 2002.

14 B Maharaj, "The 'spatial impress' of the central and local states: The Group Areas Act in Durban", DM Smith *The Apartheid City and beyond* (London, Routledge, 1992), p. 74.

In the Durban context, urban transport provision and planning was vested in the hands of the Durban Transport Management Board (DTMB). It was established in 1953 to meet the commuting needs of the minority white population in the city. Durban was the only city council in the country to manage a public bus company. The bus company was heavily subsidised by the all white city council to serve the transport needs to its constituency. Aggressive implementation of the Group Areas Act resulted in the forced removal and re-settlement of racially homogenous communities in public housing estates known as townships. Africans were located largely in the townships of Kwa-Mashu and Ntuzuma, (North of Durban) and Umlazi/Lamontville (South). Indians were settled in the townships of Chatsworth and Phoenix, to the south and north of the city. The Coloured community were relocated to Wentworth, South of Durban and Newlands East towards the North of the city. Large tracks of vacant land served as buffer zones - a barrier against racial integration and contact between different communities. This resulted in a fragmented system of road networks promoting apartheid's grand plan of securing a stable reservoir of cheap labour outside the city. Commuting long distances to the core zones of economic activity in support of capitalist needs is something that most working class South Africans continue to do since apartheid.

Migrant labour from the periphery of the city and rural areas were housed in single sex hostels designed for African males within townships and around the city. These hostels were located close to the industrial hub of the city so that the manufacturing sector had a steady supply of semi and skilled labour at its disposal and to overcome the problem of low productivity due to travel delays and absenteeism. As early as 1960s, the Indian taxi operators played an important role in providing long distance transport to migrant workers from the hostels to the rural hinterland, especially over weekends, during festive seasons and at the end of the month. These taxis were largely in the cab form (five-seater Chevrolets, Plymouths, Ford Fairlanes etc.) that over time had grown into a lucrative transport business.

The economic boom in this period increased the demand for a larger amount of efficient labour in the core economic production zones. Pressured by capitalist demands, the Durban Transport Management Board (DTMB) extended its service to the African townships of Umlazi/Lamontville and KwaMashu/Ntuzuma. The Regional Services Council, a system of local government specifically designed for the management and administration

of African townships through the national and provincial government departments passed on the responsibility of public transportation of workers to the local government level through a system of subsidies regulated by the province. It is against this context that the DTMB had to take on the role of local transport provider for commuters in Black townships.

In keeping with segregationist policies, two bus systems had to be managed by the DTMB: the first being the Blue Line which served the transport needs of whites in the city and the second Green Line (affectionately known as "Green Mambas" due to their speed and colour) for Africans, Indians and Coloureds in the townships. This dual service was enforced by legislation in 1968 to institute total segregation in the public transportation system. However, certain exceptions were made to the rule. In instances where domestic servants accompanied their employers on shopping trips or escorted white children to schools, they qualified for an exemption and were allowed to ride with their masters and madams.

The Blue Line bus service was subsidised by the city council whereas the Green Line by national government through the province. However, in the Indian townships of Chatsworth and Phoenix and other low middle-income residential areas in the city, private bus operators provided their service without the benefit of state subsidies. In addition, Indian bus operators ventured into the rural hinterland in pursuit of new economic opportunities. Until today, Indian private operators monopolise the bus mode of transport in these areas without any form of subsidy.

In the 1980s the urban public transport sector came under pressure due to the failure of influx control measures to regulate migration into the city. This period was characterised by increasing rural poverty, rapid urbanisation and the mushrooming of backyard shacks in the African townships, political conflict and violence, protests against the inefficient, corrupt and poor services provided by township local authorities and rapid increase in the cost of public goods and services. Political reaction to these conditions resulted in widespread boycott of municipal services including the public bus transport system. Escalating levels of resistance against the apartheid regime, rising levels of unplanned urbanisation and rural poverty made the notorious Group Areas Act unsustainable. Violence extended itself on the trains leading to increased dependency on motorised transport in the form of the mini bus taxi.

The mini bus taxi industry is hailed to be South Africa's foremost success story involving Black entrepreneurship. It contains a complex set of history and peculiar interplay of social, political and economic dynamics within the transport sector. However, given the fact that the Group Areas Act was being challenged and its continued implementation held little promise in maintaining segregated residential space, this era witnessed the movement of white residents in large numbers from the city centre to neighbouring suburbs.¹⁵ Black tenants and property owners rapidly took up the vacant space. Consequently, parts of the city began to grey and the DTMB had to adapt to changing commuting patterns in the city given the spatial changes taking place. On the 12 August 1986, all discriminatory policies in Durban's public transport system were abolished. However, in order to preserve the interests of white commuters, in 1987 the DTMB introduced 21 seated Mynah buses to cater for an emerging market comprising largely of white suburban dwellers and inner city poor Blacks.

The net effect of apartheid transport planning has led to high costs in travel arrangements for the poorest of the poor, long distance commuting between places of work and residence, increased dependency by the rich on motorised transport, overwhelming subsidisation of the public transport system, pollution, high accident and mortality rates, increase in insurance premiums and motor accident claims. Apartheid planning required that each racial group has separate access to and from work zones. In addition, in the journey to and from work no racial group was allowed to cross the residential area of another. Consequently, African townships and settlements were not linked to the exclusive white suburbs and commuters were rerouted at major cost to their place of residence, usually distant from the inner city. For instance, in central Johannesburg seventy percent of employees are Africans, yet there were no centrally located legal residential opportunities available for them; two thirds of industrial land in Durban is situated in the southern sector despite the fact that the main direction of settlement and unplanned African settlement was towards the north of the city.¹⁶ Lack of adequate transport infrastructure leading to and from city corridors and suburbs had led to the mushrooming of the informal minibus taxi industry.

15 B Maharaj & J Mpungose, *The erosion of residential segregation in South Africa: The 'greying' of Albert Park in Durban* (Geoforum, 25, 1, 1994), pp. 19-32.

16 J McCarthy, "The divided city: Group areas and racial segregation", *Indicator South Africa Issue Focus, Opening the cities - comparative perspectives on desegregation* (Urban Foundation, Robprint, 1990), p. 3.

One of the biggest consequences of apartheid transport planning was the increasing number of private bus companies and mini bus taxis in the city. In Durban, privately owned buses are run by 194 operators of which only 5 being subsidized services involving the use of 900 buses, the largest operator was the DTMB with 670 buses. The mini bus taxi industry to a large extent filled in the transport gap and commuter needs of the Black Durbanite confined to dormitory townships and the peri-urban areas. Failure of the apartheid city council to meet the transport needs of Black communities exiled from the white CBD is regarded as one of the motivating factors in the growth of the mini bus taxi industry and the private bus service by Blacks – predominantly Indian entrepreneurs.

In addition, apartheid spatial planning made the minibus taxi much more conducive to travel destinations on poor and inadequate road infrastructure in many parts of the peri-urban areas in the city. Its flexibility, cost effectiveness, Black empowerment prospect and its popularity amongst township residents made it the most popular mode of transport amongst the majority of the Black population both in Durban and in other parts of the country. The low ridership on parastatal Transnet-owned railway network was largely due to escalating levels of crime, political violence and lack of safety on this transport mode. This was worsened when the South African Railway Police were withdrawn in the late 1980s when the then South African Railway was sold to the parastatal Transnet. The withdrawal of the state policing unit and its integration in to other spheres of the South African Police Services to supplement the enforcement of territorial apartheid during the reform years lead to a collapse in public safety measures on Durban's railway transport network.

The table below illustrates a breakdown of commuters using different public transport modes in the Durban metropolis.

Table 1: Different modes of transport in the municipality

Public Transport Mode	No. of Vehicles	Capacity	% of Peak Period Passengers
Rail	61 Trains	116 000	20%
Buses	1 564 buses	140 000	20%
Minibus Taxi	6 000 – 10 000 vehicles	140 000	40%

Post-apartheid transport challenges – Finding solutions to the problems of the past

At the dawn of democracy in 1994, the much celebrated Reconstruction and Development Programme (RDP) was designed to address the historical problems of the past in the public transport system. It served as a vision document for the transformation of the South African transport system, which would be efficient, affordable, connect people to places of economic activity and eradicate poverty. In keeping with the RDP principle, the Durban city council initiated transformation in the public transport sector by amalgamating the Blue and Green line buses on the 1st July 1994 to form Aqualine.

The Durban public transport system was further subjected to significant changes in keeping with national policy, which aimed to reposition, transform and restructure public transport in South African cities and rural areas to meet changing commuter needs. Enormous responsibility was placed on metropolitan governments to plan, regulate and manage public transport since the adoption of the local government White Paper (1998). In addition local authority resources were strained resulting from the re-demarcation of boundaries of South African cities. Previously marginalised Black townships and peri-urban areas were integrated within a super municipal structure in order to ensure that services are within economies of scale. In the case of Durban the boundaries of the core city were expanded to include 68% of the peri-urban areas. This demarcation further constrained the capacity of the DTMB to provide services to the newly incorporated areas of the city, as these were not subsidised by the previous government.

Lack of funding, competition with the mini-bus taxis, increased private motor ownership, rising fuel prices and increased demand from pupils for scholar travel at reduced fare rates placed the DTMB under enormous financial strain. The table below illustrates the financial deficits incurred by the DTMB over four financial years before it was privatised.

Table 2: Financial deficits incurred by the DTMB for the period 1999-2003

Financial Year	Deficit
1999 - 2000	R45million
2000 - 2001	R52 million
2001 - 2002	R58 million
2002 -2003	R100 million

The financial sustainability of the public bus company had become precarious; warranting an urgent search for alternative remedies considering the city's inheritance of other service delivery backlogs. Finding an appropriate financial solution was indeed a complex one for the metropolitan government especially in light of its invidious role of being a public service provider and taking on a new role of being a regulator as required by the National Land Transport Transition Act (2002).¹⁷ In terms of the NLT/TA the management and regulation of public transport was to be devolved/decentralised to the most competent local level. The basic rationale for decentralisation was based on the assumption that local governments were in the most strategic position to plan, manage and regulate public transport. It was against this context that the city had to break away from the dilemma of being both a "referee and a player" (service provider and regulator) to that of a regulating authority.

In 1999 the National Department of Transport, the then Durban Metropolitan Council (now eThekweni Municipality) and the KwaZulu-Natal Department of Transport took a bold initiative to investigate both the establishment of a Transport Authority (TA)¹⁸ within the eThekweni Municipality and simultaneously restructure its public operation to a privately owned one. These processes had to unfold parallel to each other i.e. the restructuring of the public transport company and the establishment of the TA had to complement each other.¹⁹

There are several reasons as to why the metropolitan council chose not to retain DTMB as a public company and relented to the forces of privatisation. Very briefly some of the motivations for privatisation are identified. The first being the national decentralisation agenda of the government contained in the White Paper on Transport (1997) which requires local governments to plan transport in an integrated way which includes permit regulation, contract monitoring, safety and security. Since the Durban Municipality was the owner of the public transport company it precluded it from being both the referee and the player hence the rationale to privatise it.

17 National Land Transition, Act 22, 2000 Republic of South Africa.

18 The concept of a TA refers to an institutional structure in the municipal sphere of government with the purpose of improving transport service delivery in the local sphere of government by grouping transport functions into a single, well managed and focussed institutional structure (See National Land Transport Transition Act, 2000, p. 2).

19 See eThekweni Transport Authority Report, 2002, Traffic and Transportation Department which contains the basic principles for the restructuring/privatisation of Durban Public Transport.

The second reason was Durban Transport's precarious financial well-being over the years. It has been running at a deficit for many years. Added to the financial deficit incurred annually on the operation costs of DTMB was the enormous capital investment required to upgrade its existing bus fleet, which had deteriorated due to an ageing stock and untimely replacement.²⁰ Other issues that have impacted on the financial sustainability of DTMB were the escalating subsidy amounts required to sustain the public bus company. Competition from the mini-bus taxi also added to this financial burden due to lower level patronage in bus commuting. Abolishment of scholar travel contracts by the national government in 1995 and the desegregation of public schools in the metropolis placed further pressure on the DTMB to provide bus service at peak morning hours, hence reducing the prospect of recovering costs from adult fare paying commuters. For the period 1995 to 1996 the scholar travels on public buses increased by 100%.²¹ Further, it was anticipated that in keeping in line with the Government's Transport Policy (1996) "public transport will be offered on a tender basis and operators will compete for the right to operate funded services".²² This changing legislative environment forced Durban Transport to rethink its role as a provider of public transport especially in a climate of anticipated competition from other service providers.

Lastly, the DTMB was beset with serious labour disputes involving allegations of racial discrimination, nepotism, poor performance, lack of customer care services and lawlessness in the management of the public bus company.²³ A special investigation was instituted behind "closed doors" and the findings have not been made public to date. It was alleged that corruption was widespread and personnel costs in the transport department far exceeded the salaries of staff in similar positions in other departments of the city administration.

Given the challenges facing the metropolitan government the process of privatisation commenced as early as 1997 detailed in a document titled the eThekweni Transport Authority Project Report which was finalised in 2002.

20 See Integrated Development Plan, 2002, for the eThekweni Municipality which contains the viability of the bus fleet which has been part of the rationale to privatise it.

21 The Joint Steering Committee Rapid Action Plan dated October 1996, by Durban Transport observes that due to the greying of the city and exodus of white residents to suburban homes the transport market had changed significantly warranting a rethink on changing it based on the demographic changes taking place in the city.

22 Moving South Africa is National Action Plan formulated by the National Department of Transport in 1997. It is an action agenda which provides responsibility to local governments to manage and regulate public transport systems but does not provide any guidance on how this will be funded.

23 See the *Mercury*, 15 November 2002 and *Sunday Tribune*, 11 August 2002, which highlights the lawlessness prevalent within Durban Transport and the pending inquiry into its operation.

This project report took its mandate from the national Moving South Africa Action Agenda. It was built on a foundation, which maps out how the needs of the nation, the economy and the people will change and develop over the next 20 years. In this agenda a strategic framework to guide the actions of different role-players in the transport sector over time is embodied. It proposes the basis for partnerships between role-players to upgrade transport services in the context of limited and constrained resources.²⁴ A second set of documents titled the Fundamental Restructuring of the eThekweni Public Transport System provided a framework to transform the public transport system over the next twenty years.²⁵

The Project Team comprised a Steering Committee chaired by the officials of the eThekweni Municipality and representatives from the National and Provincial Departments of Transport. Thereafter two other groups were established which are the technical and stakeholder groups. During the life cycle of the project, the Steering Committee and Technical Working Group (largely made up of local and provincial government officials) were combined into the Transport Authority Steering Committee to direct the project. The Stakeholder Group comprised representatives from bus operators, the taxi industry, rail transport, business, labour, the eThekweni Transport Forum and the eThekweni Metropolitan Transport Advisory Board (EMTAB) who were consulted by the Transport Authority Steering Committee on the feasibility of establishing a TA for the municipality. This process concluded with all stakeholders agreeing in principle to the establishment of a TA. On the 16 May 2002 the Executive Committee of the council recommended the restructuring of Durban Transport.²⁶

However the decision to privatise Durban Transport met with political opposition. The main contention centred on the issue of subsidies. The share of annual subsidies by each sphere of government was as follows:

- Total required R198m
- National Government Share R100m
- Metropolitan Governments Share R54m
- Shortfall R44m

24 Moving South Africa, 1997, The Action Agenda National Department of Transport.

25 eThekweni Municipality, 2002, The Fundamental Restructuring of the eThekweni, Public Transport System Overview Report, 15 May 2002.

26 Fourth Report of Executive Committee, 16 May 2002, Minutes of the Meeting.

It was the shortfall in the subsidy, for which the Durban ratepayers had to fork out which raised political opposition from the Democratic Party, Cosatu (KZN) and the South African Communist Party (KZN). “Calls for halt on bus deal”, claims that the privatisation process was “daylight robbery of the taxpayer” was made.²⁷ Despite this political outcry, the council dismissed these claims stating that they had some “teething problems” over route designs that led to delays in the new owner taking full control of Durban Transport. However, further investigation with the provincial department and the metropolitan Traffic and Transport Department confirmed that there was a major problem with the route design. A private consultant was engaged to redesign the routes and this was expected to be ready by September 2004. The routes’ designs for the city were kept as a safely guarded secret until after the bidding process.

Despite the unresolved problem of subsidies and routes, the privatisation agenda went on track. The absence of clear route designs elicited major concerns on the ability of the metropolitan government to regulate competition for routes from operators providing different modes of transport on an unsubsidised basis. In a dramatic turn of events competition for routes in the city after the privatisation of the public bus company, resulted in forced closure of certain taxi ranks due to violent reaction from competing taxi associations.²⁸ Ironically, the new privatised operator wasted little time in offering its service on the disputed routes.²⁹

Negotiations with labour on the privatisation agenda was characterised by ongoing conflicts and trade-offs. Labour comprised the South African Municipal Workers’ Union (SAMWU) a majority union with a membership of 900. The Independent Municipal and Allied Trade Union (IMATU) consisted of predominantly whites, with a membership of 300. The two unions were in conflict over several labour issues over a period of time before the privatisation agenda was implemented. Claims of racism, nepotism and infighting within DTMB made scandalous news by SAMWU members. Ongoing badgering between union and management officials resulted in the CEO in the city administration Dr Mike Sutcliffe claiming that a number of accidents occurred monthly averaging between 18 to 32 and serious accidents had risen from 5 to 19 a month due to lack of driver competency. DTMB

²⁷ *Daily News*, 14 May 2003; *Daily News*, 20 May 2003.

²⁸ *Mercury*, 9 October 2003.

²⁹ *The Independent on Saturday*, 11 October 2003.

bosses also alleged reckless driving, speeding and rude behaviour on the part of SAMWU drivers.³⁰ Hurried attempts were made to investigate these claims and an independent investigative team was set up to unravel the problem besieging the public bus company. In response, senior officials of DTMB brought an urgent interim court order stopping investigations into allegations of internal racism, nepotism and corruption as claimed by the eThekweni municipal council. However, the investigation resulted in its leadership being suspended pending disciplinary enquiry with an interim management committee being appointed.³¹

Over time the terms of reference of the investigation changed course. It deviated from the original terms of reference into the labour scandal and expanded itself into an inquiry regarding privatisation policies, unfair dismissal, demotions, and medical boarding. This was the first time that the mask on privatisation by the municipality was removed.³² To quote the General Secretary of the SAMWU (KZN) “call it privatisation, call it outsourcing, call it private-public partnerships, call it what you want” the council was playing hide and seek with the union whilst it intended to privatise DTMB.³³ The SACP and Cosatu strongly opposed the municipality's intention to privatise the public bus company. Questions were raised about the financial rationale behind the sale. It was contended that it made poor business sense to sell the transport operation for R70 million while the government had to subsidise the consortium by R186 million. Further it was argued that if the city had run the public transport company at a loss, how would it be possible for a private company to run the same operation at a profit? Interestingly, none of the community based organisations in and around Durban opposed the privatisation of DTMB.

The process of negotiations between unions and the municipality on the terms and conditions of privatisation was long and delayed. A major reason advanced for the delay in negotiations was that privatisation of the public transport system was dependent on the council securing funding for the establishment of the TA. Delays in the signing of the founding agreement were also experienced due to a lack of commitment from the two upper spheres of government for the establishment and continued funding of the TA. The process was further complicated by the parallel attempt by the council to set

30 *Mercury*, 15 November 2002.

31 *Mercury*, 15 November 2002.

32 *Mercury*, 15 November 2002.

33 *Sunday Tribune*, 11 August 2002.

up the TA and at the same time privatise its public transport system.

However, despite the stalemate over the signing of the TA founding agreement, the council continued negotiations with the unions and the following settlement was reached:

- that all staff would take retrenchment packages;
- the new company will be obliged to reemploy 75% of the total of 1200 – 1400 staff on new terms and conditions;
- the remaining staff will have the option of being redeployed in the proposed Executive Structure of the TA and other departments in the council; and
- in the new privatised company staff would be given an opportunity to buy in 30% of the shares.

With such an offer, workers were overwhelmingly attracted to the privatisation settlement made by the municipality. Hefty retrenchment packages starting from R300 000 upwards were proposed. With such a lucrative offer, workers welcomed the privatisation of the public bus company and pressured union officials to hasten the process of accepting the deal and not keep them hanging on any longer.

Privatisation and the emergence of Quasi-monopolies

The landmark agreement reached with labour cleared the way for the municipality to pursue the final stage of the privatisation process by selling the public bus company. On 16 May 2002 the council resolved at its Executive Committee to dispose its bus fleet to a private operator through a public tender process. On the 9 February 2003 council announced its intention to sell the public bus company. It called for an expression of interests from interested parties wishing to purchase the bus company.

The expression of interest meeting was chaired independently by an employee of Deloitte and Touché, a group of consultants hired initially to undertake a financial feasibility study of the public bus company. Their services were further extended to be transaction advisors in order to ensure impartiality in the sale agreement. Present at this meeting were the private bus operators, representatives of interested taxi associations and senior and middle management staff of the DTMB.

The qualifying criteria for the final bidding process were outlined as follows:

- whichever company succeeded in the bid it must ensure that 10% of their company shareholding includes Black Economic Empowerment groups in keeping with national legislation;
- in the final selection process, the bidding will be reduced to five prospective operators from which the most viable one will be chosen;
- 75% of the current staff had to be re-employed by the successful bidder;
- the bidding applied for the sale of buses only, which excluded the hard infrastructure such as depots and workshops. The latter was to be rented from council by the successful bidder;
- the route design will not be made public as this was still being considered for approval by the municipality in consultation with national government. In addition, details about staff requirements and bus time tables for the operation of the new company will only be made available once the successful bidder was identified.

Significantly, there was a noticeable absence of community representation in the selection of bidders at the expression of interest meeting. Nonetheless, the municipality chose to keep communities informed about the process of selecting the successful bidder through their respective councillors represented on the eThekweni Transport Forum. Hence, the role of the community in the selection process was reduced to a consultative one instead of being an active participant.

On completion of the expression of interest 17 tenders were received from a total of 11 operators. The short listing finally reduced the bidders to three, comprising Remant Alton, Putco and South Coast Bus Service. An evaluation of the bidders by the municipality revealed that all three tenders presented sound social responsibility and operating track records, while Remant Alton was the only tenderer with significant shareholdings (60%) by a preferential population group (Black African).³⁴ Finally, Remant/Alton consortium was awarded an interim contract at the end of May 2003 and had to commence operating the new private bus company from the 1st June 2003. In addition, the entire bus fleet including several light duty vehicles were sold to this consortium for an amount of R71m. Putco's bid was R39.9m followed by South Coast Bus Line at R35.6m.

³⁴ *Daily News*, 13 May 2003.

Intrigue and speculation surrounded the award of the contract to Remant Alton consortium. Alton Coach Africa cc, a member of the Remant Alton Consortium was investigated by the Scorpions for irregular subsidy claims and failing to fulfil its “social investment commitments” (BEE).³⁵ Claims of political connections influencing the bus deal were also made. A former United Democratic Front vice president in KwaZulu-Natal and the minister of transport in the province are known to have been close stalwarts in the liberation struggle which influenced the awarding of the tender. A political connection to the mayor of Durban was also made. It was alleged that the CEO of Remant Alton also had strong links to the ANC leadership due to his previous involvement in the UDF liberation days sponsoring his bus fleet to ferry protesters to and from political rallies. A press report confirmed that the CEO had a criminal record and was fined R6000 for bribing a Durban municipal official in 1997.³⁶ The tender fiasco aroused much attention on the credibility of the tendering process resulting in the Scorpions undertaking a detailed investigation. To date the findings of this elite investigative unit is still a mystery.

Clash of interest between corporate compatriots and comrades in the transport sector

Despite claims (founded or unfounded) that a compatriotic relationship influenced the award of the contract to the private bus operator, taxi and other bus operators in the CBD welcomed the move. Various stakeholders in the public transport sector pledged that violence will be avoided at all cost and that they will strive to honour “governments dream to have taxis and buses work together”.³⁷ This pledge never lived up to its promise as violence between rival taxis associations in the city escalated as a result of competition for routes. The responsibility for these escalating levels of violence was placed on the doorstep of the Provincial government as it delayed the processing of permits to legitimise taxi operators. Consequently, illegal operators took the opportunity to capitalise on this situation.

Interestingly, illegal taxi operators were not the only ones to capitalise on government’s failure. The newly inaugurated private bus consortium made

³⁵ *Sunday Tribune*, 1 May 2003.

³⁶ *Sunday Tribune*, 25 May 2003.

³⁷ *Sunday Tribune*, 18 May 2003.

hurried attempts at capitalising on this opportunity by offering to come to the rescue of stranded passengers since it shared a common route with taxi operators. The company argued that, “if there was extra commuter demand, then it was this company’s duty to run more buses” on the troublesome routes.³⁸ This was the first sign of aggressive competition for routes emerging within the municipality especially in the absence of clear route designs.

However, in the absence of a TA to regulate the transport sector, the municipality had to depend on the elite Public Transport Enforcement Unit called “Operation Shanela” (means to clean-up – to rid the industry of all its ills) as an interim measure. The presence of this regulating unit was felt in the province and the municipality alike characterised by zero tolerance to traffic violations within the industry. Strong reaction was received from taxi bosses who threatened that they “would really hit the provincial government hard, unless it softened its hardline approach towards unroadworthy taxis and drivers without permits....”³⁹ Since the setting up of Operation Shanela corruption in the public transport sector was exposed. The Minister of Transport (KZN) alluded to the fact that the ownership of taxis by the police personnel was the key cause of violence within the taxi industry. This compromised the objectivity with which the industry was regulated. Another actor in the industry emerged in the form of private security personnel comprising mainly former policemen who escort private buses on routes besieged with violence, hijacking and theft from passengers.

Conclusion

This article documents the historical evolution of the public transport system from animal and human drawn modes to mechanical forms in metropolitan area of Durban. It highlights the strides made within a short space of time within the colonial period in engineering mechanical modes of transport to meet the economic and social needs of the city. The historical account brings to the fore that in the early development of the transport landscape in the city, the municipality had to depend on the private sector for essential infrastructure to be made available. Hence the concept of privatisation within the municipality can be traced as early as the 1850s and it is not a new fiscal austerity measure adopted at the metropolitan government level.

³⁸ *The Independent*, Saturday, 5 October 2003.

³⁹ *Daily News*, 26 January 2002.

Under apartheid the political engineering of the transport sector around racially exclusive human settlements was heightened. Transport routes and services were firmly regulated to enforce territorial apartheid at a metropolitan level resulting in an inefficient, fragmented, costly and unsafe transport system. Its primary aim was to convey cheap labour to and from economic processing zones in the city. This over regulation of the public transport sector – became unsustainable over time giving rise to quasi-bus monopolies and the informal taxi industry which has become a great challenge for the post-apartheid metropolitan government to surmount.

In the post-apartheid era, in an attempt to undo the historical legacy of transport engineering within the metropolitan area resulted in the metropolitan government pandering to neo-liberal austerity measures by privatising its public transport system. Whilst it may be argued that privatisation is nothing new within the political corridors of the post-apartheid metropolitan government and that it may have worthwhile benefits, the manner in which it unfolded was marred by scepticism on the integrity of the process. It would appear that the privatisation of the public transport system was engineered to benefit political compatriots and comrades in the transport business in the city.

This article highlights that the public transport system escapes the full might of regulatory mechanisms which causes the sector to be in disarray. This is because Durban falls behind other large metropolitan areas in facilitating an integrated transport plan that supports multi-modal transport systems. In order for an efficient, affordable and accessible transport plan to work, it requires all sectors to commit to an integrated transport plan. For this to happen, it is important that the mini-bus and small bus company operators commit to a plan that is fair and equitable so that all stakeholders benefit from the integrated transport plan. Part of the problem given the colonial, apartheid and post-apartheid transport history is the emergence of monopolies that competed for designated routes which has been contested resulting in conflict. In order for this to be averted, as a way forward, it is important for the transport authority to ensure that a balance is maintained for an equitable distribution of routes on the different modes of transport in the city.