International Experience with Informal Transit

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Urban Transport Challenges in the 21st Century

- Volume of traffic exceeds capacity in many places
  - Congestion, delays to all users, heavy economic costs
- Emissions from motor vehicles continue to increase
  - Contributor to greenhouse gases, no short-term change
- Transit services oriented to major axes of demand
  - Travel patterns have changed, more diffuse in space/time
  - Transit has not adapted well, increasingly disconnected
- Wide range of people have a different life experience
  - One size does not fit all, formal public transport does not suit them
  - Many experience social exclusion, marginalisation
- Informal Transit is a major part of the transport offer in many countries, mostly in developing economies
  - But often brings its own problems of congestion, quality and safety

Scope of Informal Transit

- Wide range of Informal Transit :
  - Large and medium sized buses (*Latin America, Dar es Salaam*)
  - Minibuses (*widespread in Africa, Asia, former Soviet Union*)
  - Micro-vehicles (*widespread in Asia*)
  - Shared taxis (*Palestine, Jordan, rural Africa*)
  - 3-wheelers (*widespread in South, South-East Asia*)
  - Motorbike taxis (*widespread in South, South-East Asia, Africa*)
- Common characteristics across all types
  - Large numbers, diffuse ownership, cash economy, low margins
- Policy makers usually do not treat them as a desirable transport mode
  - So they don't include them in their transport or finance plans
  - But often raise/extract money from the sector, formally or informally

How “Informal” is Informal Transit

- Level of regulation
  - Route-specific licence/permit
  - Area permit
  - General vehicle and driver licence, no service permit
  - Illegal, intentionally flouts the regulations
- Service type
  - Defined route with intermediate points, followed by all (or most)
  - Terminal to terminal, approximate route but varies with conditions
  - On-command service (e.g. taxi, auto, …)
  - Opportunist
- Organisation
  - Strongly organised, all operators must be association members
    - Controls work allocation, dispatching, staying on route, mutual fund
  - Strongly controlled terminals, little/no control on the route
  - Weak organisation, mostly for representation

General perception of Informal Transit

- What does the public and press say about them?
  - Backward
  - Undercuts the regular transit
  - Illegal, unregulated, fragmented
  - Poor quality vehicles, dirty
  - Untrained drivers on subsistence wages
  - Dangerous, poor safety record
  - Lawlessness, reckless disregard for regulations
  - Violent enforcement and turf wars
  - Corrupt, engages in bribery, but often exploited by officials
- Many of these perceptions are true

What are the strengths of Informal Transit

- A lot of positive points get overlooked:
  - Makes transit work where other modes are weak or fail
  - Volume of passengers carried, often more than metro systems
  - Ability to reach every corner of large metropolitan areas
  - Ability to adapt services rapidly to changing demand
  - Ability to organise thousands of untrained, poorly educated, poorly paid workers into a fairly effective mode
  - Ease of entry into the market, ability to attract capital
  - Capacity to upscale if required
- Need to differentiate between the core transport concept and how they have been implemented

Constructive aspects

- Organisational capacity
- Ability to provide effective transportation
  - Despite old vehicles, uneducated drivers, fragmented owners, competing stakeholders, hostile authorities, …
- Ability to make self-financing business
  - Often in tough conditions where other modes of transport fail
- Ability to generate capital
  - Usually without access to bank or formal finance
- Rapid response to urban change and user needs
- ***Growing question: What is its role in cities?***
  - *More cities are starting to rethink their approach to IPT*

Relevant success factors for informal transit

- Attitude of the authorities
  - Accept as a useful mode, tolerate, seek to eliminate
- Durability
  - Permanent feature of the city, or seen as transient ?
- Willingness of authorities to develop improvement programs and update the regulatory framework
  - Includes simple measures such as providing terminals and stops
- Ability and interest of the sector itself to develop
  - Evolve from loose collective to competent entity
  - Ability to invest and develop vehicles and maintenance
  - Ability to improve quality and reliability
  - Ability to adapt product and business models
  - *But, if Informal Transit "evolves", does it lose its resilience?*

Emerging discussions among policy-makers

- Policy makers need to understand concepts and potential of Informal Transit
  - What is it and what can it do?
  - How does it help solve THEIR problems?
  - What are its interests, its internal structures, dynamics among stakeholders?
- Appropriate frameworks for Informal Transit
  - Institutional, legal and regulatory, organisational, fiscal
- Transport authorities and operators should deploy and/or organise the resources of Informal Transit
  - Direct it towards the type of service to which it is best suited
  - Encourage/require it to be compliant, improve quality, invest
  - Encourage/require it to reorganise and/or transform
  - Guide it to switch to larger vehicles, more formal transit, where possible
- Integration with conventional passenger transport
  - Role within the 'transport hierarchy'
  - Complementary, not extractive
  - First/last mile service

Examples of “Informal” Transit

Some examples of “Informal Transit”

- Accra, Ghana
- Moscow, Russian Federation
- Manila, Philippines
- Rio de Janeiro, Brazil
- Amman, Jordan

- Other examples worth examining
  - Pereira, Columbia (*collectivos* converted to BRT and feeders)
  - Nairobi, Kenya (strong associations)
  - Dhaka, Senegal (scheme to finance new vehicles)
  - West Bank, Palestine (6,000 shared-taxis on designated routes)
  - Turkey (*dolmus* minibuses)
  - New York, USA (e.g. East Queens *commuter vans*)

Accra, Ghana

- Metropolitan area of 2.7 million
- Minibus (*tro-tros)* are the dominant public transport
  - 14-18 seater vehicles, usually old and moderate/poor condition
  - Operate point-to-point, fill-and-go
  - More than 10,000 units, about 6,000 in daily route service
- Strong organisational structure
  - Unions, branches, locals – GPRTU is the dominant player
  - Self-regulation, reasonable enforcement, no turf wars
- New regulatory structures are being implemented
  - Urban authorities re-establishing regulatory capacity
  - Operators experimenting with investment in larger vehicles
- Kumasi (1.5 million) has similar structure

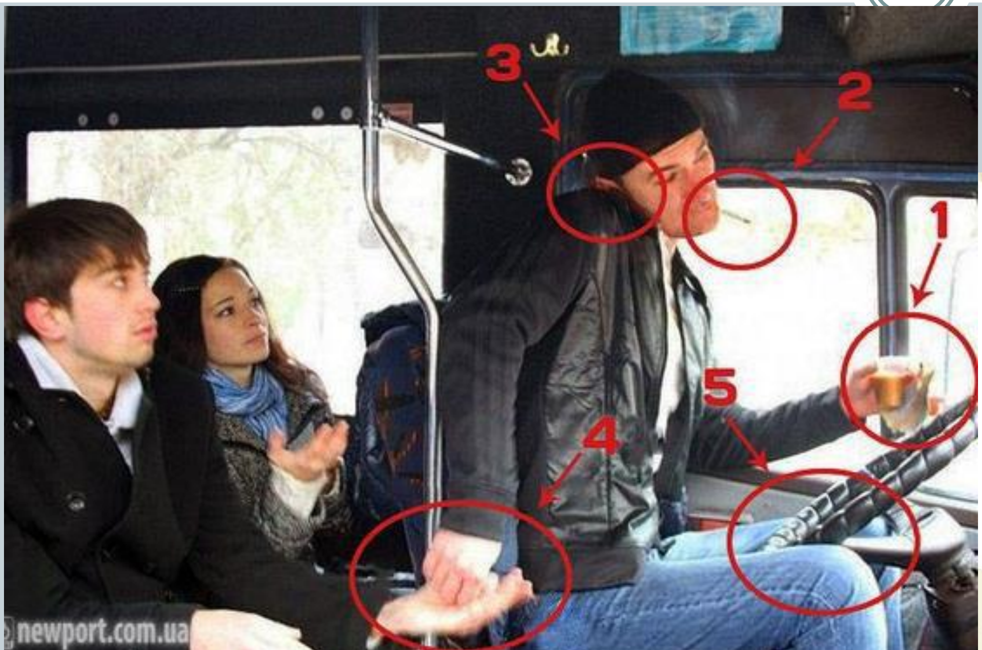
Tro-tros in Ghana

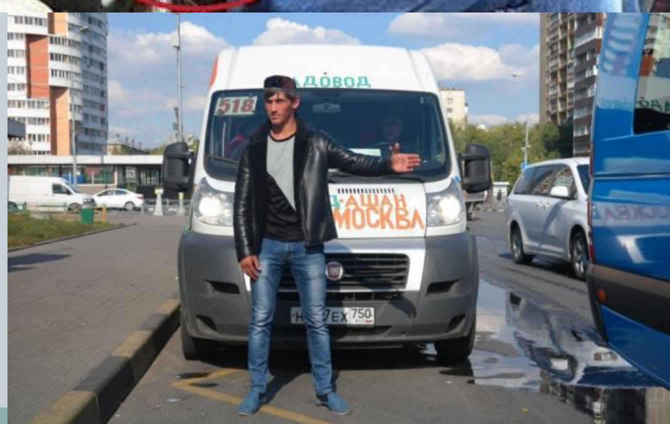
Tro-tro terminal in Kumasi, Ghana

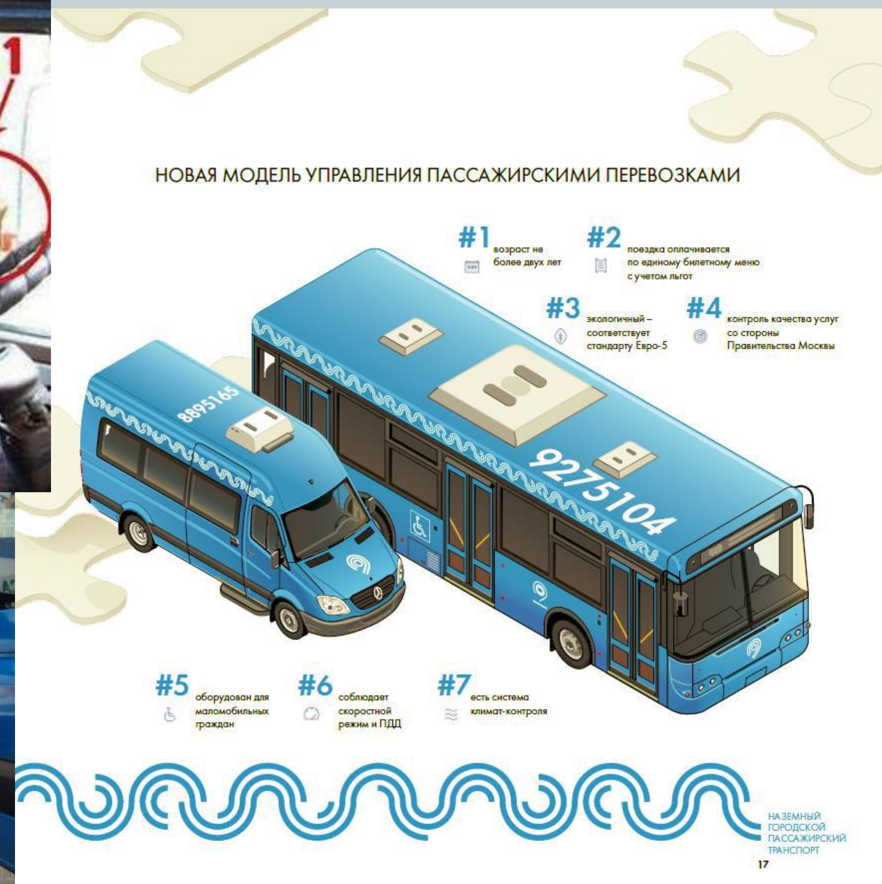
Moscow, Russian Federation

- Europe’s largest city, c. 13 million people
- Well developed urban passenger transport
  - Metro, tram, trolleybus, bus
- Pre-2016, well-developed minibus (*marshrutka)* network
  - Fixed route, fixed tariff
  - Mostly city-to-suburb, suburb-to-suburb, much overlap
  - 67 operators, 450 routes, 4,300 vehicles of minibus type
  - 30% market share of the road public transport
- Transformation of the sector in 2016
  - Competitive tender for route contracts, 211 routes in 6 bundles
  - 5-year contracts, Gross Cost, 27 penalty items up to 10% deduction
  - City purchased c. 2,000 vehicles (mix of large bus, midibus, minibus)
  - 8 companies participated, won the tenders; others boycotted, lost out, exited
- Transition did take place, but with some difficulties
  - Remains to be seen if the sector can adapt and make profit
- 14 other Russian cities >1 million population, watching with interest
  - New Transport Law of 2015 may facilitate the process of transformation

Expected transformation in Moscow





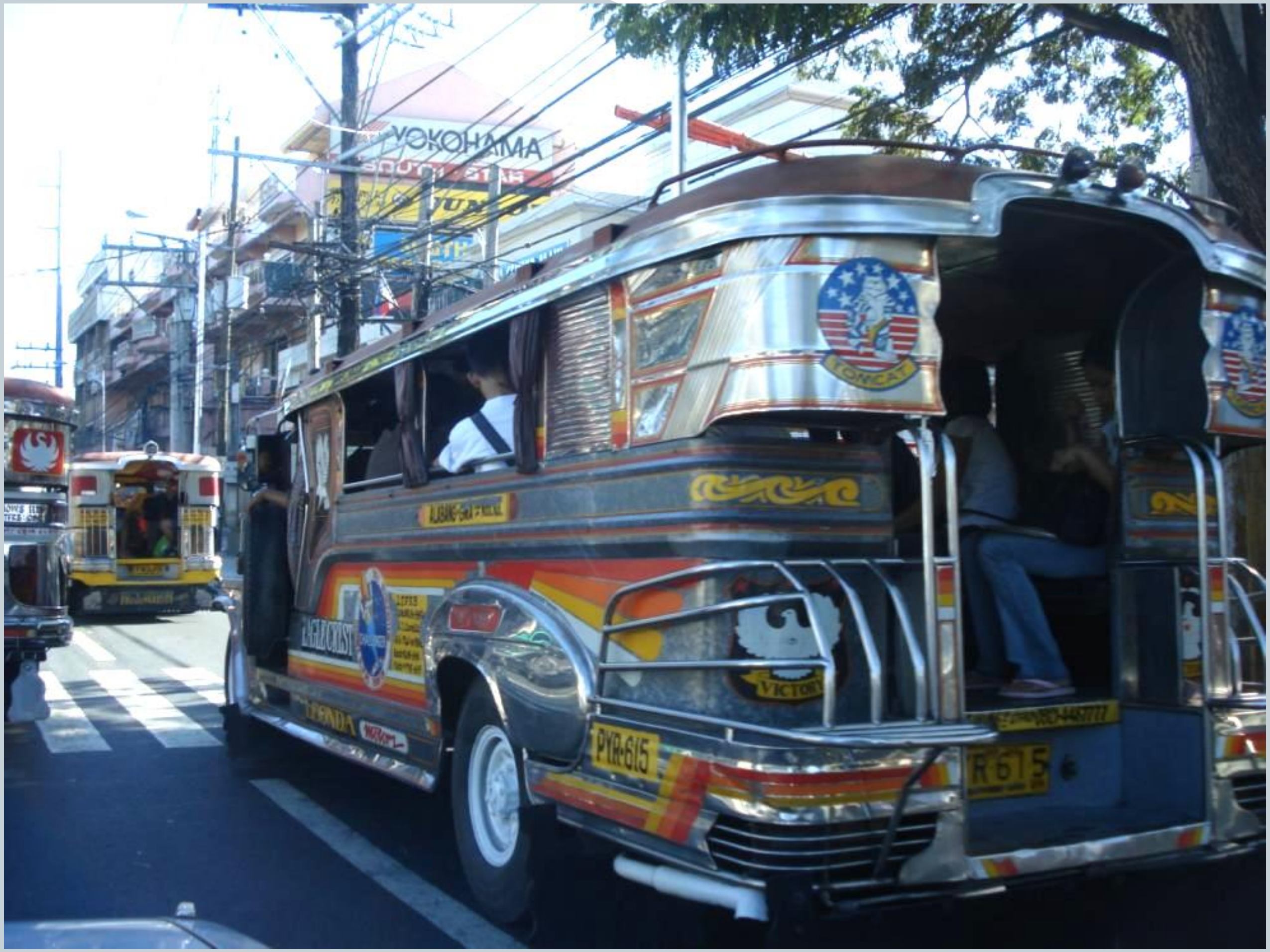


Source: Alexander Ryzhkov, HSE, Moscow

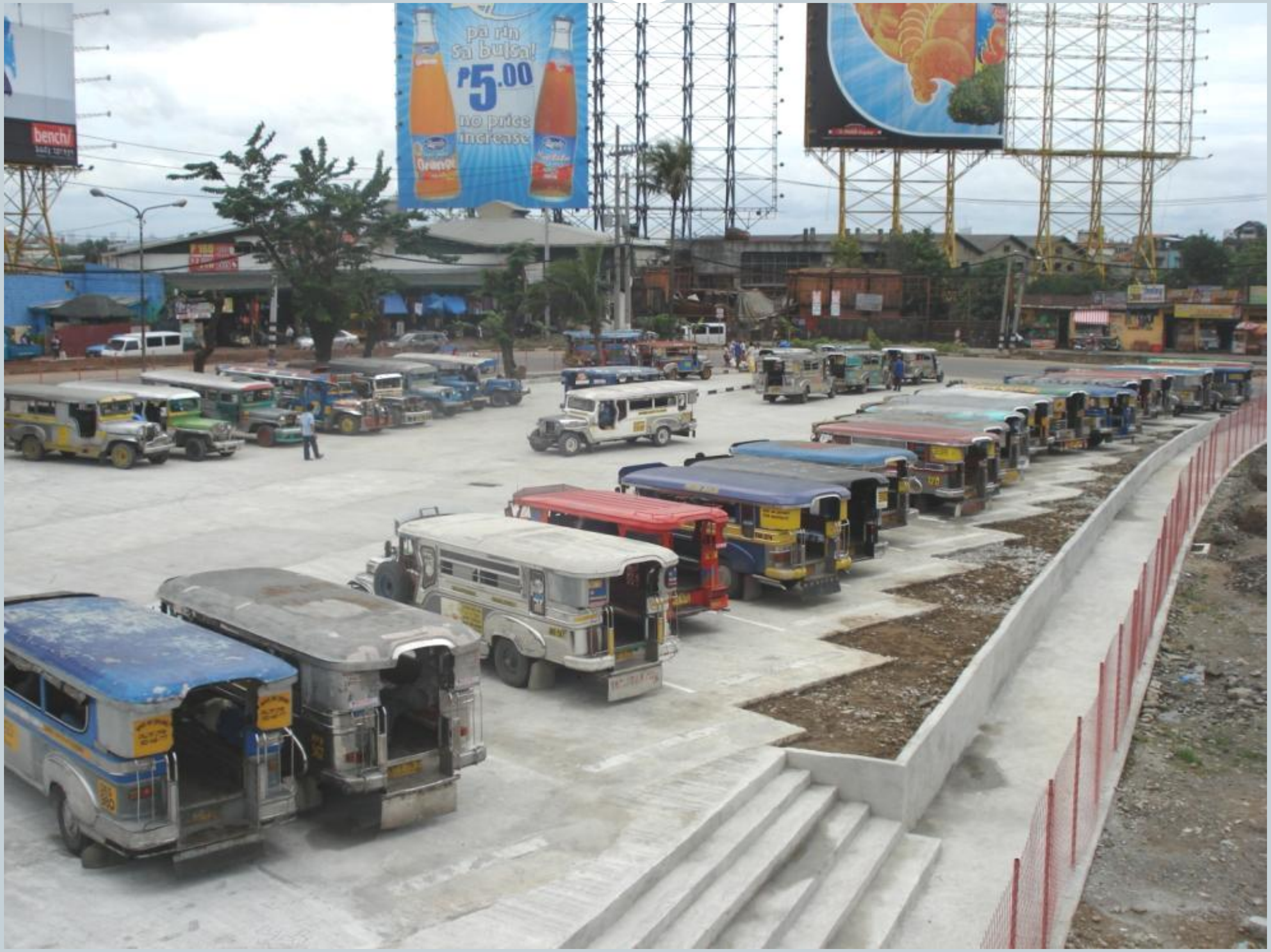
Manila, Philippines

- Metropolitan area of about 18 million people
- New rail transit, poorly developed bus network
- Jeepneys are a major mode of transit
  - Stretch version of the American Jeep, 14-16 passengers
  - About 50,000 in operation
  - Operate on fixed routes, licenced by LTFRB
  - Many operators on each route, fragmented ownership
- Highly popular, high market share
  - Better connectivity, quicker, don't have to pay second fare
  - Not so comfortable, but everyone has a seat and safer
  - Penetrate the neighbourhoods, link with motorcycle taxis
- Similar situation in Cebu (c. 2 million people)
  - 7,300 jeepneys, 5,700 franchises, most owners have 1-2 vehicles

Jeepney, Manila



Jeepney terminal, Manila



Rio de Janeiro, Brazil

- 12 million people, second only to Sao Paolo
- Many poor areas (*favellos)* not well served by transit
- Network of minibuses (*collectivos)*
  - Link *favellos* to employment centres
  - Up to 700-800 minibuses on some routes
  - In total, 12,000 minibuses, 50 recognised operator groups
- In total, *collectivos* carry as many people as Metro
- Passenger surveys indicate many positive attributes
  - Speed of journey, comfort – preferred to regular bus

Amman, Jordan

- Population of 2.2 million
- Formal passenger transport poorly developed
  - About 400 buses, 400 midibuses
- Shared taxis (*servis)* are a major transport mode
  - Regular saloon cars, 4 passengers plus driver
  - Fixed route from centre to suburbs, flexible at outer end
  - Fill'n'go, short wait due to small capacity
  - Can also pick-up/set-down along the route
  - Yellow colour to distinguish from hire-taxis (white)
- Shared taxis and hire-taxis account for most PT trips

Shared-taxis, Amman

Specific strategies to transform and/or develop the paratransit/informal sector

- Transformational
  - nature of the paratransit/informal operators
  - nature of the services they provide
  - size/type of vehicle operated
  - contractual basis and relationship with transport authority
- Organisational Reform
  - Internal structure of the paratransit/informal operators
  - Legal form of operating association/entity
  - Ownership base
  - Layer which has effective control or relationship with authorities
- Rationalisation
  - means and resources of production
  - methods of operation
  - efficiency and productivity

Examples of transformation/restructuring

- Convert to BRT and comprehensive PT operations
  - Successful in Columbia – e.g. Bogota, Pereira (Megabus), Medellin
  - Fairly successful in Lagos, Nigeria (BRT Lite)
  - Achieved in South Africa, but with debatable outcomes
- Convert to large and midibus operations
  - Accra/Kumasi, Ghana; Dar es Salaam, Tanzania; Moscow, Russia;
- Renew minibus fleet and upgrade quality
  - Dhaka, Senegal; East Jerusalem;
- Corporatise to develop financing and organisational capacity; to access finance; to receive permits
  - Samarkand and Bukhara, Uzbekistan; Tbilisi, Georgia; Dhaka, Senegal; East Jerusalem; Santiago de Chile;
- Reallocate to feeder services and suburban areas
  - Recife, Brazil;
- Enforce basic compliance
  - Rio de Janeiro/Sao Paolo, Brazil; Accra/Kumasi, Ghana;

Understanding and Working with the Informal Transit Sector

Interest groups - classification

- Union/association officials
  - National/regional level officials
  - Local/route level officials
- Terminal officials
  - Organisers
  - Disatchers
- Operating workers
  - Drivers
  - Conductors/mates
- Vehicle owners
- Franchise/permit holders
- *Background figures (legal and illegal)*

Interest group - issues

- Each layer has its own interests
- Mix of 'gatekeepers' and 'producers'
- Continuous power struggle to control the sector
- Gatekeepers are usually the key layer
  - Control access to the industry and to available work, usually by controlling the terminals and/or association membership
  - Business model based on extraction from the productive layer, by levying joining fees and daily/departure fees
  - Owners fragmented and unaware/unable to exercise collective strength, despite being the source of all capital
  - In some cases, intimidation and violence used to maintain control
- Intervention disturbs *status quo*, gatekeepers are the losers

Critical success factors

- Understand the structure and interests of the sector
- Dialogue
- Consider the sector as a strategic resource to be developed, not a 'problem to be solved'
- Recognise, build on, and cultivate the interests of the 'productive' sector
- Recognise the interests and fears of the 'gatekeepers'
  - They will have to be bought out, by opportunity, position, vehicles or money. Until then they will resist.
- Clear strategy, coherent plan, good-faith approach