



Investing in People for Social & Economic Justice

Should the government implement a “permanent” ban on kombis?

As part of the total national lockdown, the government barred the commuter omnibuses (kombis) and pirate taxi (mushikashika) from operating. Since the first day of the national lockdown, public buses have remained the only mode of public transport. In a recent development, the government of Zimbabwe compelled commuter omnibuses to register with the Zimbabwe United Passenger Company (ZUPCO) so that they can operate under its franchise, as it is the only transport operator allowed to function since the onset of the lockdown on 30 March. The Local Government and Public Works Minister, July Moyo, has since confirmed that there is no guarantee that private commuter omnibuses will be retained after the lockdown. In announcing the extension of level 2 national lockdown, the president defined the conditions under which the public buses plying the urban routes must operate under including mandatory disinfection of the buses twice daily, and that commuters wear masks, have their temperatures checked and hands sanitised before boarding buses as some of the measures to combat the spread of the coronavirus. Under these conditions, social distancing remains a priority. Whilst the idea is noble in preventing person to person transmission, there are a plethora of factors to consider in enforcing the ban on commuter omnibuses especially at a time when industry and commerce is now allowed to operate with more and more people commuting to their work stations on a daily basis. Based on a poll survey ZIMCODD conducted to gather public opinion on the ban, this paper evaluates the government’s intervention in the transport system to maintain social distancing in the wake of COVID-19.

Background to privatisation of public transport and the emerging crisis

The demographic and geographical growth of cities in the last two decades necessitated changes in the transport system in Zimbabwe. This growth however has increased pressure on services mainly the public transport. In these last two decades it can also be noted that public transport provision in Zimbabwe has undergone considerable changes in both institutional setting and the type of vehicles operating. As the urban population grew, conventional public transport declined, mainly as a result of an adverse operational environment. The twin factors of increasing population and the dearth of conventional public transport stimulated the growth of the informal public transport and private car ownership. In 1992 at the height of Economic Structural Adjustment Programme (ESAP), Zimbabwe deregulated the urban transport system and allowed anyone with a large or small bus to ferry commuters. Following the deregulation, private transport operators opted to invest in cheaper small buses and commuter omnibuses.

In the context of COVID-19, the government promulgated Statutory Instrument (SI) 99 of 2020: Covid-19 Prevention, Containment and Treatment under the National Lockdown Amendment Order No.5, 2020 which stipulates that public buses are the only mode of public transport allowed to operate while omnibus like Kombis and smaller taxis were disallowed. Although a welcome development, particularly for social distancing measures aimed at reducing person to person infections, this move also presents challenges to the commuting public as the ZUPCO buses have proved to be inadequate.

The rationale of this ban on private commuter operators in Zimbabwe, however, is part of the government's elaborate plan to decongest the urban centres and to modernise the public transport system. The move was necessitated by the need to bring sanity into the transporting sector just as the government has addressed the so-called haphazard vending sites that had mushroomed in the central business district. In support of this move, an urban planning expert Dr. Percy Toriro said the current urban transport system is plagued by inefficiencies. He takes advantage of this move to call for commuter omnibus operators to be organised through registering under ZUPCO since their disorganisation killed the enterprising spirit. He further noted that it is high time commuter operators operate efficiently and change the narrative they had created which was characterised by abuse of passengers and to totally change the way they operate. In a poll survey¹ conducted by ZIMCODD on 19-20 May 2020, one respondent echoed the same sentiments as Dr Toriro and bemoaned the manipulative and destructive nature of kombis and called for a responsible public transport system. The respondent noted that, *"the government should implement a public transport system, like a reformed ZUPCO. Kombis were too chaotic, disorderly and even exploitative of the ordinary people with ultra-expensive fares, over-loading and a generally unpleasant experience for the ordinary user"*. However, in the same survey sentiments were also raised questioning the government's capacity to provide adequate and efficient public transportation to meet transport needs of citizens. One respondent raised that, *"...If ZUPCO is subsidised, does government have the capacity to do this at a wider scale and still meet transport needs?"* and buttressing on the same note, another citizen reiterated that, *"Is ZUPCO not subsidised? Does government have the financial capacity to extend that burden by taking on more transporters/kombis?"* Given this background, it is therefore imperative that this paper is exploring whether the kombi ban by the government is justified and what the socio-economic ramifications of such a move will be.

Capacity of government to provide adequate, efficient and reliable public transport system

In Zimbabwe, akin to many developing countries, the experience has been that Government agencies are unable to provide adequate formal public transport. An **'informal public transport'** system has emerged to cater for the mobility needs unmet or partially met by formal public transport systems (Golub, 2003). Kombis which have been providing a convenient and demand-responsive service to the urban populace with their small vehicles are currently the dominant provider of public transport in major cities such as Harare, Bulawayo, Mutare, Gweru, Masvingo among many other towns. In terms of providing adequate, efficient and reliable public transport, it would be unrealistic to abruptly phase out kombis and replace the privately provided public transport system with ZUPCO.

The secretary general of Greater Harare Association Commuter operators (GHACO) noted that "operators are concerned about the capacity of ZUPCO in terms of how many kombis it will be able to absorb and if Government will be able to subsidise them all. There are over

¹ <https://twitter.com/ZIMCODD1/status/126271348777808384>

50 000 kombis countrywide (15000 in Harare alone) upon which over 800 000 crew, mechanics, auto mechanics, food vendors and all their families as well as the down-stream industry are dependent on.” On the other hand, a Bulawayo resident and participant in a ZIMCODD Public Finance Management Reform Indaba held on 21 May lamented how a lot of kombis in Bulawayo have been turned down by ZUPCO with a preference towards conventional buses. This clearly demonstrates that the government is not well positioned to absorb and subsidize all these private entrepreneurs, let alone supporting all the livelihoods indirectly related to these. Citizens responding to a recent poll survey conducted by ZIMCODD echoed the same sentiments that the government’s capacity is highly compromised when it comes to provision of adequate, reliable and efficient transport system for the public. Some of the respondents had this to say:

- *ZUPCO has no capacity to meet high level of demand for public transport in Zimbabwe, incapacitated by poor corporate governance, corruption and patronage....*
- *The government has no clear plan or alternative for public transport, ZUPCO buses are not enough. ZUPCO is not able to ferry people as we speak, people stand in long queues for 3 to 4 hours*
- *No. My reason being that people need access to easily available transport. If government wants to remove kombis, they should first be able to come up with a suitable replacement and new system. Preferably, they should do it before implementing the ban.*
- *ZUPCO is not sustainable considering demand of commuters in low peak hours. It’s wasting tax payers’ money because it does not satisfy the transport needs of Zimbabwe.*

The cost associated with subsidising public transport

Although public transport is important especially for low-income citizens where the majority of people cannot afford a private vehicle, evidence suggest that public transport is well efficient in developed countries while in most developing countries a subsidy is not fully functional. The cost of fuel and operational costs continue to increase substantially such that owners spend more on the expenses than daily income and profit. In August 2019, at a post mid-term budget review meeting, the Finance Minister revealed that ZUPCO was consuming \$13 million every month from the government coffers to subsidise the country’s public transport system through ZUPCO buses, a figure which shot to ZWL\$40 million per month three months later. Mthuli Ncube disclosed that the operational structure of ZUPCO was not viable although treasury has been pumping resources into the company as a social protection initiative.

It is worrisome to note that this is happening at a time when the government has since 2015 been on a drive to reform state enterprises and parastatals sector to ensure that all government entities are self-sustainable by making their operations viable. This has however; come with very limited success as there hasn’t been any fiscal relief to public coffers. The government was instead bleeding close to ZWL300 million every month through subsidising fuel procurement and more was being lost on ZUPCO buses which, in spite of the skyrocketing fuel, spare parts and service costs, continued to charge less than 20% of the (US\$0.50c to USD\$1 fares) that private operators were charging per trip. This intervention has, if anything, exposed that the government has failed to address the issues of arbitrage and corruption in this sector and has failed to comply with procurement regulations. It is alleged that there is just one business player being awarded the fuel contracts. Whilst this subsidy appears to be saving the public from the unbearable fuel costs, it is clear that only a few are manipulating the system and are getting preferential treatment over others.

The question on the cost of subsidising public transport should also be considered in the context of alleged reports that the new ZUPCO Buses acquired from South Africa and China do not belong to ZUPCO but private players. This is becoming a cash cow for the elite while the poor wallow in abject poverty, this has also seen the widening inequality gap between the few rich elites and the majority poor. Against this background, it is difficult or near impossible for a subsidy. A subsidy would ideally work in a situation where at least 80% of the buses belong to ZUPCO such that those same buses will be able to shoulder the additional cost of the remaining 20% rather than relying on resources from the consolidated revenue fund. Although the Auditor General has red flagged the lack of transparency and accountability with regards to most of the statutory and retention funds. An analysis of the retention fund by the parliament budget office² highlighted that the increase in cases of abuse of public funds is a disservice to citizens and taxpayers when privileged departments splash on luxuries whilst critical service provision like health delivery are underfunded to the extent of failing to provide basic painkillers, let alone the much needed testing kits and PPE for front-liners in the wake of COVID-19. The whole purpose for social distancing is defeated as it cannot work in isolation, it has to be backed by early surveillance, testing, tracing and treating of confirmed cases which is currently not happening as desired.

At a time when the country is constrained fiscally to meet its own social and economic needs, the manner in which the government makes populist and piecemeal policy decisions without considering the size of its purse is not sustainable as it further bleeds the fiscus. The inevitable collapse of the subsidy scheme, owing to mismanagement and corruption, could also affect private players contracted under the franchise of ZUPCO. Earlier in March 2020, there were reports that the government owed ZWL165 million to operators while the entity in question is not making any profits and is living off subsidies from Government. At that time, it was established that a bus could bring in ZWL210 per day after doing 3 trips while the government pays \$3500 per day. With such huge loses, ZUPCO is draining the fiscus and further plunging the economy. The Auditor General's (AG's) reports for Parastatals have often unearthed the flaws and irregularities within this entity. It has been revealed that most of the challenges centre on lack of good corporate governance because of lack of good stewardship of public resources. The AG's reports of 2013 through to 2018 highlighted that ZUPCO had no title deeds for some of its properties and this obviously pose a threat of losing its property to the current title deeds holders. It therefore could not be ascertained whether the properties were owned by the company or not. The 2016 AG's report also noted that ZUPCO was not honouring its obligations to NSSA, ZIMRA, pension funds and medical aid societies. Some of the irregularities include omissions of VAT remittances which potentially attract penalties, inconsistencies in recording revenue in the ledger, some revenue contracts were missing and revenue not banked intact potentially leaving a window of opportunity for manipulating such revenue thereby increasing the risk of error or fraud.

It should be appreciated that the COVID-19 crisis has worsened the social and economic woes in Zimbabwe and has spelt out short- and long-term impact on the economy. COVID-19 found the country economically vulnerable and in debt distress which compromised the country's preparedness both institutionally and financially to respond to the crisis. Zimbabwe used to have railway which was a cost-effective mode of transport for the majority of citizens, the railway transport system also employed a decent number of workers however, it's collapse raised the unemployment rate, among other impacts. While subsidies are progressive

² <https://www.parlzim.gov.zw/component/k2/an-analysis-of-the-retention-fund-parliament-budget-office>

and can actually go a long way in cushioning the commuting public, the government needs to envision a well thought out process which will evolve over a couple of years to yield results. This is because no policy has been implemented in such an abrupt manner and succeeded.

Command economy and Public mistrust

Whereas private players should be allowed to operate in the public transport arena, it should however be emphasised that it is the responsibility of the State to provide efficient, safe and convenient public transport services to the generality of the citizenry. Hence, the Zimbabwe United Passenger Company like any other state-owned enterprise must be run smoothly, efficiently and along the lines of good corporate governance so that the State operates in the interest of the public good. The prevailing situation wherein private players outnumbered the state in providing an essential service to Zimbabweans like transport was and remains an anomaly world over. For Zimbabwe, being a highly indebted country, provision of public transport was also faced with a debt relief conditionality of privatising basic services that the government must be providing in the name of enhancing efficiency and cutting on government expenditure. The government however, in spite of allowing the private sector to render transport services to the public, have always invested in state-controlled mechanisms so as to protect poor working families and low income earners from the expensive costs associated with private public transport operators. Citizens expressed that:

- *There should be competition on the market to ensure better service delivery.*
- *Because we actually must promote free market economy. Command economics have already been proven not to work well. Besides if the ruling elites own ZUPCOs and fuel companies, is that not a clash of interest?*
- *Banning of kombis damages free enterprise, monopoly will not take us anywhere as a nation. The government should find ways to put these private players to order, banning is not one; especially creating a government monopoly. Its business done in bad faith; we need variety.*
- *What happened to the open for business mantra? We need competition not monopoly. How did we get here when we had ZUPCO only at independence?*
- *It's an arbitrary move that makes a mockery of both common sense AND fair administration of justice. What change management will take place for those affected? What alternatives will they be given? – the owners, drivers, conductors, mechanics. Policies must be thought through.*

Clearly monopolising public transport has not yielded much rather has further placed the citizen on the periphery and deepened the plight of the poor and vulnerable. The implementation of neither a permanent ban on private entrepreneurs who can and have been providing urban transport nor a government monopoly on public transport is recommended. Rather a balance between the free market economy and the regulatory role of the government is proposed.

Conclusion

The ill timing of the ban on kombis presents a real threat of system collapse due to policy short-sightedness of the government. Such abrupt policies are seen to further cripple the economy and push the country deep in debt which will be the burden for the already impoverished taxpayer. For a reliable and efficient public transport system, the government must therefore engage multi-stakeholders in consultative dialogue and put in place a phase out framework comprising a short, medium- and long-term plan.

The ZIMCODD position

It is necessary to look at what works during the lockdown and what will work beyond the lockdown:

What works during the lock down?

- With the appreciation that placing the private sector at the centre of dealing with a pandemic of any nature is detrimental, the government through all its arms should remain central in leading the COVID-19 response to ensure that the needs of all and sundry are taken aboard.
- The government should continue on its drive to rope in private commuter operators to ensure a convenient public transport system. The transport operators should only be those that meet the specified criterion to ensure that the health reasons for which they were put are encapsulated. In this regard, the up-scaling of the ZUPCO franchise is recommended.
- Given the highly in-formalised nature of the Zimbabwean economy, implementation of a permanent ban on those kombis that do not meet the ZUPCO conditions should come with provision of alternatives to rescue lives which were dependent on this business for their livelihoods. The government must therefore put in place a clear mechanism to cushion them from the social and economic impacts of this ban for the duration of the indefinite lockdown.

What works beyond the lock down?

It is important to be cognisant of the fact that the end of a lockdown does not necessarily imply the end of corona virus. As such,

- ZUPCO franchise with its conditions to continue beyond the lockdown specifically for social distancing purposes, which are necessary to curtail the spread of COVID-19 and provision of affordable public transport system for citizens.
- Instead of banning kombis, the government should allow free market economy to thrive while performing its regulatory role to enforce compliance by private transport operators. A proper structure for regulating the transport sector should be instituted and resources must be properly earmarked for the public transport to achieve sustainability in the provision of public transport system.
- The government must spearhead the development of a clear phased out strategy for public transport provision. This must be informed by an all-stakeholder engagement including ministry of finance, parliament, local councils, commuter omnibus associations, residents associations and civil society to develop a clear roll-out plan.
- For any procurement process, the government must abide by the public procurement rules in line with the Public Procurement and Disposal of Public Assets Act of 2017. Upholding of constitutionalism remains key to stop resource leakages in procurement processes.
- Greater transparency and accountability in the management of public resources as codified in section 298 of the 2013 constitution should be the bedrock upon which the public transport system rests whether in disaster or post disaster phase.
- ZUPCO should come up with a clear business plan to ensure its self-sufficiency while at the same time serving the ordinary citizens. The business plan should not entirely rely on taxpayers' money, citizens should instead see the benefits of investing in a people's bus company like ZUPCO.

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