

**ANALYSIS OF ROUTE MANAGEMENT IN
THE MATATU INDUSTRY IN NAIROBI**

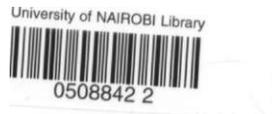
A CASE STUDY OF CARTELS

BY

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**A Project Paper submitted in Partial Fulfillment of the requirement
for the award of a Masters of Arts Degree in Development Studies**



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(OCTOBER, 2010)

DECLARATION

This project is my original work and has not been submitted for a degree in any other university.



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DEDICATION

This work is dedicated to my parents for their prayers, encouragement and unending support and to my brothers for their love. God bless you

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ACRONYMS AND ABBREVIATIONS

ACET	African Centre of Excellence in Transport
CBD	Central Business District
CCN	City Council of Nairobi
GIS	Geographical Information System
GOK	Government of Kenya
IDS	Institute for Development Studies
KANU	Kenya African National Union
TLB	Transport Licensing Board
KANU	Kenya African National Union
KBS	Kenya Bus Service
KISM	Kenya Institute of Survey and Mapping
KNYA	Kenya National Youths Alliance
KRB	Kenya Roads Board
KSB	Kenya Sugar Board
LA	Local Authority
MOA	Matatu Owners Association
MoT	Ministry of Transport
MPD	Metropolitan Police Department
MVOA	Matatu Vehicles Owners Associations
MWA	Matatu^Velfare Associations
NaTIS	National Traffic Information System
NCBDA	Nairobi Central Business District Association
NMIMTs	Non-Motorized and Intermediate Mode of Transport
OTC	Overseas Transport Company
PSV	Passengers Service Vehicle
SMEs	Small and Medium Enterprises
UK	United Kingdom
VAT	Value Added Tax

ABSTRACT

Transport plays an important role in integrating the various sectors in the Kenyan economy just like elsewhere in the world. It is estimated that the matatu industry in Kenya controls over 80 per cent of passenger transportation. In spite of this important role, this study shows that the industry is poorly coordinated, with functions relevant for efficient operations located across different government departments and agencies. Further, the industry is characterized by a number of stakeholders with conflicting interests.

The growth of the industry has not been effectively facilitated by the government. The government under the Ministry of Transport (MoT) is charged with responsibility of provision of services, policy guidelines, coordination and law enforcement relevant for effective management of the operations of transport service. However, due to disjointed nature of the government institutions and departments the industry is marred with illegal groups who extort money from the public to make a living.

This study was conducted with an aim of shedding light on institutions, which manage matatu routes in Nairobi, with a major focus on cartels. The study provides information on cartels who are thought to be involved in unlawful activities creating fear in the general public, and operating in the midst of government institutions and departments. Areas investigated include: ^lae origin, existence and involvement of cartels in the management of matatu industry.

Dandora was chosen as a study site, in particular route number 36. Located in the eastern part of Nairobi, Dandora estate is one of the many suburbs, which is highly populated. Majority of the residents are low income earners, very insecure with high crime and unemployment rates. These attributes partly contribute to the area housing some of the most dangerous illegal groups, including cartels who manage the matatu routes

The study findings indicate that the cartels came into the industry as a result of the unregulated vacuum created by the absence of government institutions and departments at the route level. The study reveals that the cartels are assigning routes to matatu owners

even after matatu owners have been assigned routes by the Transport Licensing Board (TLB), regulating vehicle entry into a route by charging illegal fees, preventing those who have not paid the fees from operating, preventing others from invading the route; controlling fares charged to passengers; and collecting daily fees from matatu operators claiming that it is protection fees. It was evident that colossal sums of money are collected from the operators, while the services purported to be offered are not rendered.

The study makes a number of recommendations as a step towards finding a lasting solution to cartels, including the need for government to facilitate formation of a unified body to run the transport sector. Other recommendations include: harmonising roles and responsibilities of various government departments and agencies in order to effectively manage and regulate the industry and facilitating the civil associations to work together; facilitating the formation of various groups operating within the matatu industry into Savings and Credit Cooperatives (SACCOS) with organized rules and regulations and laid down penalties for offenders. This has potential of reducing and eventually eliminating cartels in the management of matatu routes.

CHAPTER ONE

1.0 Introduction

Transport sector is an important aspect of any economy. The sector has tremendous influence in almost all other sectors including the effective delivery of basic services. While the importance of the sector is acknowledged, its management in most African countries largely remain poor. In Kenya the poor management of the sector, in particular the public transport component has left a gap which has attracted many poorly coordinated service providers, including matatu operators.

It has been noted that provision of sustainable public transport is a formidable task for authorities in the cities of Sub-Saharan Africa, where success in transport and traffic planning in the post-independence period has been negligible and where urban population is growing faster than in any other continent' (Kanyama, 2009). This challenge is demonstrated in most cities of Africa including cities such as Nairobi which are still to come up with a comprehensive integrated urban transport policy. In Kenya, this challenge is not limited to urban governance. The Kenya Government has been developing an Integrated National Transport Policy which has gone through Cabinet approval but still awaits Parliamentary approval.

In spite of not having a national transport policy, the Government of Kenya and the Nairobi City Council acknowledge the importance of the sector and the need to have a well coordinated institutional framework. The Draft Integrated Transport Policy notes that the existing institutional framework for transport has many players who are not linked optimally and calls for deliberate and sustained effort aimed at resolving the many governance problems which plague the Roads Sector (GOK, 2004). The Both the Economic Recovery Strategy for Wealth and Employment Creation (2003-2007) and the current Kenya Vision 2030 identify infrastructure including transport as a major pillar for wealth creation.

The aim of undertaking this study is to understand how effective the institutions and departments within the government in the management and coordination of the industry. In this study, light is shed on cartels known to marred the industry and purporting to be offering services to the matatu operators in the midst of government institutions, extorting

colossal sum of money from potential investors and operators. The study further investigates the origin, existence and involvement of cartels in the management of Route number 36 in Dandora which is believed to be the hot spot of the cartels.

The study comprises of seven chapters. Chapter *one* comprises the problem statement, which states how matatu as an industry has attracted so many stakeholders including cartels purporting to control and manage the lacuna that exists between state institutions and operators. It further provides the objectives of the study, hypothesis, justification of the study, scope and limitations of the study and the definition of concepts used.

Chapter *two* reviews the literature related to issues being assessed and is organised into a number of themes, which include: public institutions; cartels; transport sector in Africa; policy and regulatory framework for the transport industry. Chapter *three* presents the theoretical and conceptual framework used to guide the study, while Chapter *four* provides an outline of the methodology used, the study site, sampling procedure, data collection and methods for analysing data.

Chapter *five* presents the findings of the study, highlighting the dynamics of city transport in Nairobi, including an overview of city transport and route 36 matatu operations. This is followed by a discussion on stakeholders' involvement in the matatu industry, a brief discussion on Respondents socio-economic characteristics, and the nature of matatu operations in Dandora route 36.

Chapter *six* concentrates on the findings on cartels. Cartels in the matatu industry, formation and spread of cartels especially 'Mungiki', their involvement in the matatu industry, membership and recruitment, registration and fees and other charges levied to the operators in the industry are discussed. Chapter *seven* provides summary, concluding remarks and recommendations.

1.1 Background Information

A properly designed public transport system will not only be safe and functional but will also be reliable, convenient and economical to the users rendering it cost effective. Such a system calls for expertise in road and rail transport systems design for large cities. Kenya has an elaborate transport sector comprising several modes of transport.

Road transport, which is the most widely used mode accounts for about 80 per cent of passenger and freight transportation. Rail transport is the second most important mode of transport in Kenya in terms of both passenger and freight services. However, it has largely been a freight railway, drawing the bulk of its internally generated revenue from freight cargo handling and just 10 per cent from passenger services.

Air transport, is another mode that is increasingly becoming vital in Kenya, it sustains the tourism industry and facilitates the country's entry to the fresh flower and horticulture market. Other modes include; water transport, pipeline and finally Non-Motorized and Intermediate modes of Transport (NMIMTs)¹. Unfortunately, NMIMTs have not been mainstreamed into the country's transport system, despite their increasingly vital role in the transportation of people and goods. (Asingo, 2004)

The history of motorized public transport in Kenya dates back to the early 1930s. Before then people used to walk, use animals like camels and donkeys; animal carts and human porters to transport goods (Kimani *et al*, 2004).

Until 1973 the Kenya Bus Services, which was 75 per cent owned by the Overseas Transport Company, and 25 per cent by Nairobi City Council, had the sole monopoly right to provide bus services in Nairobi. This was due to the removal of movement restriction of people shortly before independence in 1963 which led to massive rural-urban migration causing transport demand to outstrip supply. In the late 1960s it began to face increasing competition from illegally operated pick-ups and minibuses known as matatus. Coupled with inefficiency

¹ NMIMTs refers to all forms of low cost transport that increase the load carrying capacity beyond human portage, and increase speed of movement beyond human walking pace. The term is often extended to include walking and human portage itself. It includes bicycles, tricycles, handcarts, and animal transportation, among others.

and poor service, fuel price escalation occasioned by the 1973 oil crisis caused uproar by city and neighbouring district residents. (Aduwo, 1992.125)

In 1973, the president issued a decree which allowed matatu ferrying up-to 25 passengers to operate without licenses, effectively ending the United Transport Overseas monopoly of public transport. In 1986, the government launched its own company, Nyayo Bus Services to provide transport services in Nairobi and other major towns. However, the company collapsed as a result of mismanagement. (Smith, 2005)

In November 1991, Stage Coach Holdings Limited bought Overseas Transport Company share holdings in KBS Limited. Stage Coach expanded their fleets in a short term, but was unable to sustain profits in the liberalized transport environment. In October 1998, a consortium of local entrepreneurs acquired Kenya Bus Services limited from Stage Coach Holdings. (Smith, 2005)

After the collapse of KBS another form of transport emerged in Nairobi as a result of the demand by the formal public transport, either due to lack of capacity to handle the trips or due to high cost of travel. This resulted in the predominance of matatu as a transport provider. (Aduwo, 1992. 125)

Since the entry of the matatu mode of transport, the sector has grown both in the volume of activities conducted and importance in some of the rural areas in Kenya. The matatu is widely used throughout Kenya, as one of the main motorized means of transport available to facilitate movement of people and goods. It competes, supplements and complements the transport services offered by train, buses and bicycles in the country (Khayesi, 1999).

By 1990, there were approximately 17,600 matatus (Bhushan 1993 cited in Muyia, 1995). The number of matatus increased to 40,000 by 2003 (Asingo, 2004). They comprised Nissan, Mini-buses and pick-ups. The matatu has almost a 50 per cent share of the modal split in Nairobi. Survey of means of transport used show that the matatu is central in the movement of people and goods in rural and urban areas in Kenya. (Khayesi, 1993, 1998; Omwenga *et al*, 1994). They provide employment to nearly 160,000 persons and generate revenue for the

government in the form of charges for license, duty, Value Added Tax (VAT) and fines. (Chitere and Kibua, 2004)

Despite its rapid growth and outstanding contributions to the economy, the industry has faced many problems. Aduwo (1982) observes that despite the important role played by matatus, they have been object of persistent public criticism. Aduwo further notes that matatus have been rightly blamed as being a major cause of most dreadful accidents and their drivers have been accused of not adhering to traffic rules, including continuous hooting, touting for passengers, chaotic parking, emergence of cartels who are managing matatu routes, harassment and abuse of commuters and other road users.

Due to ineffective policy to govern the matatu industry and lack of proper regulatory framework in place, the matatu owners found it necessary to establish a national association, the Matatu Vehicle Owners Association (MVOA) to control the operations of the sector, press for various demands (Aduwo, 1992) and articulate the interests of the owners to the government. This was necessary because the government had legalised the operations of the matatus without providing a legal or regulatory framework for the sector. All matatus were expected to join MVOA, which assigned itself the mandate to allocate routes to new matatus. Their operations were concentrated in the city of Nairobi where they assisted their members to deal with the city council and the police; streamline parking and queuing of passengers at the terminals in the CBD; managing the terminals and scheduling of daily operations of routes; fighting police harassment, and lobbying politicians for more parking spaces.

Having failed to coax MVOA into working closely with it, as it had done with the *Maendeleo ya Wanawake* (Progress for Women) and other organised civil groups, the then ruling party KANU accused the association of providing avenue for political destabilization, and subsequently banned it in 1988. The sector then reverted to its original chaotic and free-for-all operation environment in which matatu owners were allowed to operate on routes of their choice. The routes were however, manned by KANU youth wing until the rebirth of multi-partism in late 1991. Therefore, a proliferation of informal route-based organizations or cartels emerged to control the entry into the routes. Ironically, it was the KANU youth wing who initially reorganised themselves to control the routes, but without political ties. (Asingo, 2004).

In 1997, a new matatu civil organization known as the Matatu Welfare Association (MWA) was launched. After the usual registration, hide-and-seek games with the government, it was registered in 2001. Its mission was to fill the void created by the banning of MVOA in 1988. More specifically, it sought to bring together matatu owners and operators in order to articulate the issues affecting the matatu industry (Asingo, 2004). Unlike MVOA, the MWA had its own problems that made the association unstable. Among the accusations levelled against MWA was that its officials, including the national chairman, did not own any matatu and therefore, could not represent the interests of matatu operators. The other problem was that the two associations did not see eye to eye and this greatly undermined their ability to adequately represent the interests of matatu operators. Also there was no structured link between the two national civil organizations and the state institutions responsible for public road transportation. It is our contention that if these two issues were addressed, there would be a vibrant matatu civil organization capable of meaningful participation in the road transport policy process (Asingo, 2004).

It is because of the problems affecting MVOA and MWA, that Matatu owners have also formed several route-based savings and credit societies (SACCOs) and welfare organizations. Their objectives vary, but they generally revolve around pooling resources and redistributing them to members through a credit scheme, or investing in the transport support sectors like petrol stations. They also organize route operations with a view to improving service delivery. Other objectives include addressing general welfare concerns of members, and articulating members' interest to relevant government organs (Asingo, 2004)

1.2 Problem Statement

Urban population in most cities has been growing rapidly but is not commensurate with urban infrastructure and services. Such fast growing cities face enormous challenges in terms of infrastructure provision and the need to cope with the increasing demand for transport. Urban transport is therefore characterised by heavy traffic jams resulting into a massive loss of man hours and a huge amount of energy and money wasted in traffic jams.

It is now well recognised that the process of urbanization and economic development are inextricably linked in developing countries. Transport is a necessary condition for, and catalyst to urban development, playing a crucial role in catering for the needs of the vast population within and outside the city centre.

Kenya has a relatively well developed transport system that compares well with other countries in the region; it has an extensive network of paved and unpaved roads that facilitate easy movement of goods and services from one point to another. Public transport in Kenya and especially in urban areas is dominated by matatu vehicles, it is not effectively managed by the government and it is largely in the hands of private investors. This pool of investors also include the matatu owners, who for many years have been in conflicts with the government due to their informal and disorganised operations.

Matatus are minibuses with 14-51 passenger capacity and are the main operators in the city of Nairobi, but they are closely rivalled by bus companies. Matatus were not always a prominent mode in Nairobi, but they emerged to meet unmet demand, as the British-established formal bus company the KBS deteriorated (Aligula et al, 2005). Currently, the industry is under the Ministry of Transport, which is charged with the mandate of overseeing enforcement of policies in the transport sectors.

Kenya has too many governmental institutions involved in the road transport sector. Presently, road transport issues are disjointedly distributed among different government ministries and agencies. Some of these institutions include the Transport Licensing Board (TLB), the Motor Vehicle Inspection Centre, the Motor Vehicle Registration Unit, the Traffic Police, the Driving Test Unit, Kenya Roads Board (KRB), and the District Roads Board.

These institutions are respectively distributed among the Ministries of Transport, Roads, Finance, Local Government and Office of the President (Asingo, 2004). Such a scenario gives rise to overlaps and duplication of duties as witnessed in Ecuador, where there were over ten institutions responsible for urban road transport prior to 1994. The disjointed nature of the institutional framework for the roads sector may be a factor in the sector's poor performance in maintaining the network (Wasike, 2001:57) and ensuring efficient management of the matatu terminals.

Because of the disjointed nature of the institutional frameworks, the industry is flooded with diverse stakeholders ranging from individual, groups, institutions and association, with diverse and sometimes conflicting interests. This has resulted in the emergence of a number of syndicates, including cartels managing the routes. Most routes are controlled by loosely composed 'groups' who act as self- appointed 'owners' of the route largely due to the regulatory vacuum created by the absence of government ministries and departments. (Kimani *at el*, 2004). This study therefore, examines the emergence of cartels into the matatu industry to fill the management gap created by the failure of state institutions to manage matatu routes.

1.3 Objectives of the Study

1.3.1 Main Objective

The main objective of the study is to investigate the origin, existence and involvement of cartels in the matatu industry.

1.3.2 Specific Objectives

1. To establish the stakeholders in the management of matatu routes
2. To determine the relationship between cartels and public institutions
3. To determine the requirements for entry of a new matatu into a route
4. To establish the viability of the cartels in the matatu industry.

The study seeks to answer the following questions

1. Who are the stakeholders in the management of matatu routes?
2. How do these cartels relate with each other?
3. What is required of one to operate in a particular route?
4. How viable is the group in the matatu industry?

1.4 Hypothesis

The failure by public institutions to manage matatu routes has led to the emergency of cartels in the matatu industry.

1.5 Justification of the Study

The study is justified on main grounds; First, the study is expected to provide information on cartels that are thought to be involved in unlawful activities creating fear in the general public; organising for matatu strikes, thus holding the transport sector at ransom and sometimes determining whether transport on a particular route operates or not. These actions of cartels affect the overall city economy and have to be addressed.

Secondly, the study is expected to provide information to the government on the increase in demand for transport attracting many operators, and the importance for effective management of matatu routes. Further, the study will provide tentative suggestions relevant for policy. Thirdly, the study seeks to provide information relating to coordination and disjointed handling of issues in the transport sector within different institutions and departments of government.

Finally, the findings generated from this study will contribute to the theory and methods of studying insurgent groups such as cartels within an urban area in Kenya and other countries with more or less similar conditions. Analysis in this study is expected to inform the government on how best to address the challenges and concerns facing the matatu industry.

1.6 Scope and Limitation of the Study

Nairobi is chosen as the study area as it is the economic hub of the region which attracts huge numbers of visitors requiring efficient mode of transport. The task is to examine how the matatu industry has been invaded by cartels purporting to offer services in the midst of the government institutions and departments. The study uses route number 36, plying between Dandora residential estate and the City Stadium on Jogoo Road which is within the vicinity of the Central Business District (CBD) as a case study.

1.7 Definition of key Terms

1.7.1 Public Transport

Public transport refers to a system of vehicles such as buses and trains which operate at regular times on fixed routes and are used by the public (Jerome, 1997). For this study it will imply a means of travel intended for general public use, travelling from one location to another for various activities and for which fare is paid.

1.7.2 Matatu

Matatus are the most used public modes of transport within urban areas in Kenya used for mass transport of persons and goods. They are often small in size and their official carrying capacity ranges from 13 to 51 persons. They are operated privately, largely by small-scale and medium scale entrepreneurs who are often at loggerheads with public institutions due to their poor operations. In recent years, larger capacities of vehicles carrying between 46-51 passengers have emerged.

1.7.3 Conductors

These are a group of people who are employed by the owner of the matatu to bring on board fare paying passengers, usually they are paid a daily wage.

1.7.4 Squad

A squad is a pool of drivers and conductors ready to be hired whenever an opportunity arises in the matatu sector. The word is also used to mean a partial or a complete trip given to a squad driver or conductor to relieve a regular worker. This is usually given during tea break and lunch hours.

1.7.5 Squad Drivers and Conductors

These are qualified drivers who have a driving license but do not have specific vehicles they drive on a continuous basis. Squad conductors are on the other hand, a pool of conductors who are not attached to any specific matatu. Most of the time, they are stationed at specific terminus and can be sourced by any operator to relieve regular conductors who are not on duty for various reasons including taking a break from the tiring work.

1.7.6 Tout

This is a group of people who have come together at various pick-up points to bring people on board at a fee and are paid instantly.

1.7.7 Route Controllers

The concept refers to people who are employed by vehicle owner (s) to coordinate, control, supervise and monitor the level of services on routes, on a daily basis in order to facilitate the operations of public transport with ease.

1.7.8 Cartels *

Conventionally, cartels refer to a group of parties, factions or a nation united in a common cause, a bloc. (Connor, 2001) In this study, cartel is a group of people who have come together with a common cause, have a set of activities and are largely unknown. Most often they are not registered with any public authority and therefore their activities are viewed as illegal.

1.7.9 Mungiki

Mungiki is a Kikuyu word that literally translates into many. By definition, Mungiki means multitudes. (Luchiri, 2010). For this study, cartel and mungiki is one and the same thing except that cartels are used to portray a friendly outlook unlike mungiki which is associated with fear and terror in public domain.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews relevant literature on the subject of this study focusing on public institutions of transport system; reviewing the various departments and institutions responsible for provision of services in the matatu industry and how they are directly or indirectly related to the industry. It further reviews materials on cartels in public transport, highlighting case studies from other parts of the world with regard to policy and regulation of urban transport.

2.1 Transport Sector in Africa

In many third world countries the humble mini bus/van has been converted into a taxi service. In South Africa they are called the *taxis*, in Tanzania they are called *dala dala*, in Nigeria they are called *danfos* and in Kenya they are called *Matatus*. No matter what they are called, they have a common feature all around the developing world, particularly in Africa. Cramming in a lot more than their capacity of 10-51 people, these mini-buses are a common sight on Africa's streets. (Ayodele, 2009)

South Africa

Like many African cities, cities in South Africa have a chaotic informal public transport system in the form of minibus "taxis". These are not taxis in the typical Western sense of the term—they are not on private hire to specific destination. Rather, they are small-scale bus services, often unmarked, operating with neither timetables nor formal stops.

The multi-billion rand minibus taxi industry carries over 60 per cent of South Africa's commuters. The industry is almost entirely made up of 16-seater commuter kombi buses which are sometimes unsafe or not roadworthy. Minibus taxi drivers are known for their disregard for the road rules and their proclivity for dangerously overloading their vehicles with passengers. Law restricted taxi operations until 1977 to sedan motorcars fitted with fare meters. In 1977 minibuses were introduced to the taxi industry allowing one driver and fifteen passengers. (Ayodele, 2009).

Minibus commuters are charged fixed amounts for traveling on particular routes. These routes are generally known, without being published. It is common practice to set fares according to the perception of the customer's willingness to pay. Due to unregulated market and the fierce competition for passengers and lucrative routes, taxi operators band together to form local and national associations to organize market conditions (Boudreaux, 2006). But the associations consider "their" routes and ranks to be a form of property, limiting entry and competition. These associations sometimes exhibit mafiaMike tactics and also engage in anti-competitive price fixing.

Nigeria

In Nigeria on the other hand, the road transport sub-sector accounts for more than 90 per cent of internal passenger and freight movement. The road network falls into 3 categories; the trunk, A, B, and C owned and managed by Federal, State and Local Government respectively. It is the most popular means of movement in Nigeria. The problem with Nigeria transport system is that nearly every metropolitan area is confronted with transportation problem that seem certain to grow worse as these areas continue to grow. The fact that vehicles are concentrated in urban areas makes congestion in movement the worst of these problems (Nkambwe, 1986).

There are three major modes of transportation in urban areas of Nigeria: Private cars; Taxis and Buses. Nigerian taxis are of two types: vehicles that pick up and drop off passengers for a fixed fare, much like buses^but which carry only four to seven people; and vehicles for private hire, generally used by the more well-to-do, and subject to individual negotiated rates. Buses may be either minibuses or large vehicles.

Just like in Kenya, a noticeable feature of the transportation system in most Nigeria's urban areas is the absence of an organized bus service. The outcome of the transport situation is a traffic congestion problem and disorganization. The effect is always felt severely during strikes by taxi drivers, suggesting that replacing taxis with buses would reduce the problem to a noticeable degree. Currently, there is lack of coordination in planning urban transport,

Mafia refers to a secret criminal organization engaged in illegal activities, known for its intimidation and retribution; they are dominated by members of the same nationality. Mafia also refers to a tightly knit group of trusted associates who are engaged in illegal activities.

especially among the various tiers of government: this has eventually led to disorganization and lack of coordination of the city transport. (Nkambwe, 1986)

2.2.0 Public Institutions

There are many organizations and institutions which manage matatu affairs. These institutions are charged with the responsibilities of managing matatu affairs are highlighted below.

2.2.1 Transport Licensing Board

The Transport Licensing Act (Kenya, 2000) created the Transport Licensing Board (TLB) to license all public service vehicles after technical inspection, and assign them routes. The Board comprises of eight members appointed by the Minister for Transport to represent each of Kenya's eight administrative provinces and a Chairman appointed by the President. The Chairman and other Board members serve a term of three years which can be renewed indefinitely (Asingo, 2004)

The Board's mandate as stipulated in the Act includes; coordination and control of the means of transport through issuing of licenses; and allocation of routes and regulation of operations in the road transport sub-sector. The Board has powers to suspend vehicles that contravene the transport licensing regulations. Initially, the Board was restricted to licensing of buses and commercial vehicles. However, this mandate was extended to all public transport including matatus.

The TLB license fee is paid annually and is a function of the vehicle carrying capacity. This implies that the amount rises as the capacity increases. It is charged as follows: for vehicles with a sitting capacity of less than 8 passengers, the TLB fee is Ksh 1,700 per annum; Ksh 2,000 per annum for those with a sitting capacity ranging between 9 to 18, Ksh. 2500 for the 19-25

seater and Ksh 3,000 for the 26 seater and above. The above amount is in addition to application fee of Ksh 625 in each of the respective categories. (Kimani *et al*, 2004)

The Transport Licensing Act defines TLB as the chief motor vehicle licensing authority. Section 29 of the Act empowers TLB to regulate the operation timetables for all passenger-carrying vehicles. To avoid possible abuse of powers by TLB, the said section of the Act creates the Transport Licensing Appeal Tribunal as a Licensing arbitrator to hear and

determine appeals lodged against TLB, particularly those related to licensing of motor vehicles. (Asingo, 2004)

In the event that the owner of the route wants to change a route which was earlier assigned to them, the Act empowers the TLB to change routes for all passenger-carrying vehicles. Those caught defying the order lose their license for a year.

2.2.2 Local Authority

The Local Government Act and the Traffic Act gives a wide range of responsibilities to Local Authorities with respect to urban public road transportation. Section 72 of the traffic Act for example, empowers the Local Authorities to designate parking space for vehicles including matatus terminus and stages.

Efforts by the Kenya Government have for long been focussed on relocating matatus away from the CBD to "government identified areas": Globe Cinema, City Bus Station and Muthurwa are perhaps examples where the government has tried to relocate matatus to ease traffic congestion in the CBD. Some towns in Kenya such as Kisii have also re-allocated matatu terminus away from the City Centre, the Kisii Council has upgraded the terminus and created designated areas within the terminus for different routes. In so doing, traffic in the CBD has partially been eased.

With regard to parking, in Nairobi for example, by 2004, each matatu paid Ksh. 70 to the City Council (Kimani *et al* 2004). Parking fees is the second most important generator of income in the local authority amounting to 70-100 million Kenya Shillings per month. Of this amount, approximately Ksh. 24 million goes to road infrastructure per month. Other new regulations have been introduced on parking which demand that for every private vehicle parking within the CBD pay a sum of Ksh. 140. Currently the Council uses two types of ticketing to generate revenues, that is, Seasonal tickets and Time-based tickets.

Seasonal tickets are administered on a monthly basis and charged as per the type of vehicle. Seasonal tickets compared to time-based tickets are cheaper and time saving. (See Box 1)

Box 1: Nairobi City Council Seasonal Ticket Fees

1. 1 month private vehicle tickets	Ksh. 1,300/=
2. 1 month matatu tickets	Ksh. 1,400/=
3. 3 months private vehicle tickets	Ksh. 3,800/=
4. 3 months matatu vehicle tickets	Ksh. 4,200/=

Source: Field Data, 2009

In the recent past the charges have gone up especially for the case of matatus. A 25 seater and below pays Ksh. 2,200/=, 33 seater pays Ksh. 3,000/= and a 41 seater and above pays Ksh. 4,000/=. In terms of revenue, matatu industry alone contributes immensely to the Local Authority Revenue Base and one of the major sources of revenue to the Central Government. Perhaps the importance of the matatu industry in urban areas is more acknowledged when matatus are on strike, when urban economies almost come to a stand still.

2.2.3 Traffic Police Department

The Traffic Police is one of the most crucial road transport policy implementing agencies in Kenya. It is required to enforce traffic rules, examine PSV drivers and issue Certificate of Good Conduct to the matatu crew. However, traffic rules continue to be violated. Section 42 of the Traffic Act, for example, limits public service vehicle speed to 80 Km/hour, yet the police have been unable to enforce the speed limit. The drivers and the conductors are also to blame, because they do not uphold discipline while working. They tend to be unruly, very arrogant and worse still, they do not obey traffic rules and regulations.

Section 98 of the same Act provides for licensing of both public service vehicle drivers and conductors. Also Section 103 of the Act prohibits touting, which it defines as making noise, or sounding any instrument, for the purposes of persuading passengers to board a PSV. Yet this has been a common occurrence in all matatu terminuses and stages in the presence of the traffic police. (Asingo, 2004)

In improving the police force, the Kenya Police published a Service Charter from the year **2008** to 2012 with a vision of becoming a World Class police service, with a people friendly,

responsive and professional workforce. Its mission is to provide quality service to meet the expectation of their customers, by upholding the rule of law and creating and maintaining strong community partnerships for a conducive, social, economic development of Kenya. Their main function is to maintain law and order; preservation of peace; protection of life and property; prevention and detection of crime; apprehension of offenders and enforcement of all laws and regulations with which it is charged. (Kenya, 2008)

2.2.4 Metropolitan Urban Transport

The Ministry of Nairobi Metropolitan Development was formed on 13th April, 2008 by presidential decree after the formation of the Grand Coalition Government. This was pursuant to achievement of the Vision 2030, Kenya's grand economic blueprint. Within this blueprint, the government identifies the need to improve the lives of all Kenyans as the supreme goal of the vision, through equitably distributing resources and development throughout the country, providing a framework for sustainable urbanization through providing capacity for urban and regional planning, provision of adequate housing for all, replacement of slums with affordable housing, improve and enhance proper infrastructure and sanitary facilities, among others.

Under chapter four of the Vision 2030: Social Pillar; investing in the People of Kenya- Housing and Urbanization; the Government identifies the creation of six metropolies as a flagship project. These metropolitan regions are: Nairobi, Mombassa, Kisumu-Kakamega, Nakuru-Eldoret, Wajir-Garissa-Mandera and Kitui-Mwingi-Meru. It is upon this basis that the Ministry was formed.

The Ministry of Nairobi Metropolitan Development has been mandated among others to ensure "Preparation and Enforcement of an integrated spatial growth and development strategy and actualization of strategic programmes for the provision of social, economic and infrastructural services within the Region". Its core function under its Growth and Development Strategy covers among others: Integrated roads, bus and rail infrastructure for Metropolitan Area and Efficient Mass Transport System for Nairobi Metropolitan Area.

Economic infrastructure is one of the key sectors that is prioritized under the Kenya / Japan Country Assistance Strategy. The Government of Kenya recognizes that one of the most important tasks to be addressed in the national economy is to upgrade the economic infrastructure and promote the industrial and social economy

It is against this background that economic infrastructure is identified as one of the main pillars of Kenya's Economic Recovery Programme. The overall developmental objectives as outlined in the Economic Recovery Strategy include an expanded and well maintained road network, improved safety of urban transport, increased access to urban transport, increased access to water resources, increased availability, reliability and affordability of energy, efficient telecommunications services and a vibrant information technological sector.

In response to the priority needs within the economic infrastructure sector of the Kenyan Government, JICA is currently cooperating with the government of Kenya in the following areas: specialized road maintenance unit, strengthening fiscal and monetary systems in Kenya, third country training programmes at the Kenya Institute of Surveying and Mapping (KISM), Master Plan for Urban Transport in Nairobi Metropolitan area, Trade Training Programme for SME Exporters and strengthening of survey of Kenya for GIS promotion.

Of relevance to this study is Master Plan for Urban Transport in the Nairobi Metropolitan Area. Under this plan, in order to solve the transport problems in the Nairobi Metropolitan Area, a comprehensive Master Plan covering the areas of road network improvement, public transport and traffic management is necessary. In 2004, JICA was approached by the Government of Kenya to prepare a master plan to solve this problem with a time horizon of 2025. The objectives of the study were;

1. To formulate a master plan for urban transport in the Nairobi Metropolitan Area for the target year 2025
2. To conduct a pre-feasibility study on the priority projects under the master plan
3. To carry out relevant technology transfer to Kenyan counterpart personnel in the course of the study.

2.3 Policy and Regulatory Framework

Urbanization in Kenya has been growing rapidly since independence. The population of Nairobi alone has reached about 3 million people. This calls for an elaborate urban transport services to serve mobility needs of the population. The road passenger transport policy covers both public and private passenger movement on roads using buses, matatus, taxi, tour vehicles, light delivery vehicles, private motorcars, motorcycles and bicycles as well as walking.

Public policies adopted by the Government of Kenya on the roads infrastructure and road transport are contained in Sessional Papers produced over the years and the National Development Plans. On attaining independence in 1963, the Government of Kenya embarked on a process of formulating and implementing policies for rapid economic growth and development. Apart from the budget statement of 1964, the government produced the first National Development Plan covering the years 1964-1970, as well as the Sessional Paper No. 10 of 1965 on 'African Socialism and its Application to Planning in Kenya' (Kenya, 1965).

The Kenya Economic Recovery Strategy for Wealth and Employment Creation of 2003 (Kenya, 2003) on the other hand, recognises the crucial role of the transport sector in the Kenyan economy. It concentrates on infrastructure investment and development but fails to address institutional processes that provide affordable transport services to the public. This is a serious policy gap, as the intended linkage between transport and economic growth and poverty alleviation may not be realized if institutions are not providing affordable services efficiently to the public. Thus the emerging policy concern pertains to availability, profitability and affordability of matatu transport.

In 2003, however, the then Minister for Transport and Communication, Hon. John N. Michuki, MP, launched the National Transport Policy. The National Transport Policy formulation process was conducted in a consultative manner punctuated with modelling solutions based on international best practices to bridge the gap between local challenges and planned interventions. Various issues were raised: new strategic directions for the transport sector in Kenya, legal institutional and regulatory framework for transport, institutional

framework for roads sub-sector and institutional framework for passenger transport operations among others.

To achieve its goal various proposals were highlighted for the implementations stage, licenses should be granted by the TLB or its equivalent at the local and national level on the basis of a route or network determined by the demand. Matatu operation licences should therefore be issued depending on the market forces of supply and demand. For instance, it is mandatory for any PSV vehicle to be inspected by the Motor Vehicle Inspection Unit and issued a certificate or a sticker to ascertain that it is roadworthy, in case the vehicle (s) does not meet the requirement, the vehicle has to be removed from the road. Inspection of motor vehicles is usually done as stipulated in the Traffic Act CAP 403. This is done in order to: enhance road safety and comply with provisions of the Traffic Act and its subsidiary rules and any other Legal Notice, make sure that vehicles are in good mechanical condition and comply with road safety requirement, comply with provisions of Legal Notice number 16 of 2003 and determine whether a vehicle has any defect which can cause or contribute to an accident.

The TLB should be restructured to achieve the desired financial and institutional capacity to effectively regulate transport operation countrywide. If restructured, Central Government will be in charge of macro passenger transport; norms and standards; strategic planning; transport research and studies; and funding of some infrastructure projects in the national interest. Municipal and other Local Authorities will undertake approval of transport plans; ensuring and where appropriate undertaking the planning, design, construction; maintenance and funding of public transport infrastructure; coordination of land use and transport planning at all levels. (Khayesi, 2002).

For transport to be made attractive, the central and local government should develop special bus lanes in metropolis already experiencing congestion such as Nairobi and Mombasa to facilitate quick movement and reduced travel time for public transport users. A Metropolitan Police Department (MPD) will be set up to manage urban traffic and will ensure order and discipline in urban traffic countrywide. Both institutions should be staffed and managed by transport experts. (Kapila, 2002)

With regard to regulating competition, matatus will have to be formalised and measures introduced to enhance its economic viability, standards, ethics including behaviour and attitude. These will have to operate in terms of operation licenses for a route or network. With regard to parking, the local authorities have introduced new regulations on parking which demands that every private vehicle intending to park within the CBD to pay a sum of Ksh. 140. Initially, this sparked a lot of protest, but eventually people adopted the new system of paying. Another way the Local Authority has tried easing the problem of traffic jam and congestion in the CBD is by use of straight parking as opposed to the traditional angle parking which takes more space.

It was not until 2004, when Michuki rules were gazetted; and to many of the stakeholders, specifically the commuters; it was a positive step for the matatu industry. It was at this time when Legal Notice Number 161 (Commonly referred to as the Michuki Rules) was issued. The Legal Notice sought to regulate the Public Service Vehicles sub-sector (Kenya, 2004). The objectives of the Legal Notice were; Reduce accidents caused by over speeding, enhance safety of commuters, ensure responsibility, accountability and competence of drivers and conductors, eliminate illegal drivers, conductors and criminals that had infiltrated the industry and facilitate identification of vehicles and restrict their operation to authorised routes. The provisions that were to be observed with effect from 1st February 2004 (Legal Notice. 161 of 2003) were:

- Fitting of speed governors in all PSVs and commercial vehicles whose tare weight exceeds 3,048 Kgs, aimed at limiting speed to 80 Kph.
- Fitting of seat belts on all vehicles (both public, commercial and private)
- Employment of drivers and conductors on permanent basis.
- Issuing of badges to PSV drivers and conductors.
- Issuing of uniforms to PSV drivers and conductors
- Indication of route details and painting of yellow band on matatu for purposes of easy identification.
- Re-testing of drivers after every 2 years.
- Every driver to prominently display his/her photograph of post card size of the head and shoulders taken full without a hat. The photograph together with particulars of

driver's identity card shall be approved by a police officer of above the rank of a superintendent.

The Legal Notice required that vehicles meeting these conditions are inspected by the government Motor Vehicle Inspection Centres in different parts of the country for testing and certification. Any person who contravenes or fails to comply with these provisions shall be guilty of an offence and could pay a specified fine or face imprisonment. A passenger found not wearing seatbelt was also to pay a specified fine of Ksh 500 (Graeff, 2008).

In July 2004, The Minister issued Legal Notice Number 83 which stated that "Every owner of a Public Service Vehicle shall be held liable for non-compliance or tampering with speed governor fitted in his or her vehicle". The notice also specified that drivers' uniform were to be navy blue while those of conductors were to be maroon in colour.

In September 2004, the Minister issued another Legal Notice number 97 which stated "Any person who owns, drives or causes to be driven or has charge of a public service vehicle other than in accordance with the provisions of this part shall be guilty of an offence and liable to:

- a. A fine not exceeding Ksh 10,000 or imprisonment for a term not exceeding six months or both in the case of a first conviction.
- b. Double the amount and period of imprisonment or both in the case of second and subsequent convictions. These provisions were a response to court fines for traffic offences which have been generally low.

For a long time efforts by the government have been to reduce traffic congestion in CBD. The policy paper adopted by the cabinet in Aug 2009 and a Sessional Paper prepared to be debated in parliament, proposed that "To reduce congestion through urban traffic zoning control, all matatus in urban areas will be outlawed from the CBD. In major urban areas, road transport routes leading to the CBD will be designated by corridors". In Nairobi, the corridors are defined as Jogoo, Juja, Thika, Mombasa, Lang'ata and Limuru roads as well as Waiyaki Way. These are the city's main arteries and the main entry points for the millions of people who troop into Nairobi daily. The policy proposed that matatu termini will be built off the major corridors and from them buses would transport passengers into the city centre.

The policy further proposes phasing out 14-seater matatus in five years while offering co-operative societies, banks and local investors' incentives to invest in larger vehicles able to carry at least 50 passengers.

With regard to road traffic safety and security; the Government of Kenya will establish an appropriate national institution to enhance road safety and review the relevant regulations to allow for instant adjudications and introduce more friendly deterrent measures; establish a highway patrol unit to ensure safety and security on Kenyan highways, facilitate acquisition of equipment of search and rescue and incident management at affordable rate.

The reforms introduced by the notice had a significant impact on the economy. For instance, the reforms reorganised the sector and introduced some order in the otherwise chaotic sector. Not only did it partially drive away cartels from the sector, but it also made it possible to easily identify genuine PSV crew. The resultant sanity in the sector significantly increased the number of female crew in PSV vehicles in many routes.

In addition, the reforms led to an influx of additional vehicles, mainly high occupancy vehicles. The prevailing sanity and order in the sector attracted many new investors, who feared investing in the sector due to its previous chaotic nature. Some operators were also displaced as they found the new rules too taxing. The reforms also enabled the government to raise additional revenue from non-complying vehicles. (Asingo and Mitullah, 2007)

In conclusion Kenya has no urban transport policy yet, As such, there is no clear decision as to which modes of transport and facilities, the urban areas should encourage. Urban transport received little attention, as more investment went into infrastructure development for inter-urban linkages and for opening up links to rural growth centres. The Metropolitan Growth Strategy for Nairobi formulated in 1973 with a plan period of 30 years, was never fully implemented. Currently, the City of Nairobi, like most other urban centres lacks an urban development strategy that would serve as a focus for urban transport development. Thus, development of an urban transport policy should aim at developing an integrated, balanced and environmentally sound urban transport system in which all modes efficiently play their roles (Kenya, 2004).

2.4 Cartels

Cartels are a group of companies, countries or other entities that agree to work together to influence market prices by controlling the production and sale of particular products. They are formed to produce higher profits than would ordinarily be earned (Connor, 2001). They tend to spring from oligopolistic industries, where a few companies or countries generate the entire supply of a product. This small production base means that each producer must evaluate its rival potential reaction to certain business decisions.

Cartels are usually formed by businesses that belong to same market segment. These businesses come together to form a union for the purpose of market monopoly and profiteering. While forming a cartel is an effective way to control the market and maximize profit, it is considered to be illegal and is punishable by law. Such practices can prove to be harmful to the economy.

Members of a cartel generally agree to avoid various competitive practices especially price reduction. Members also often agree on production quotas to keep supply levels down and prices up. These agreements may be formal; they may consist of simple recognition that competitive behaviour would be harmful to the industry. Cartels do not last long in industries with low barriers to entry. In this type of industry, the threats of potential rivals generally reduce the gains to be had from collusive behaviour. But for those who stay long in the industry most often than not, they collude with the government of the day for security in return, the government officials are bribed so as to keep their members out of jail. "A cartel cannot flourish at their level without civil and military protection at the highest level" said Jorge Carrasco, who covers organized crime for the respected Mexican newsmagazine *Proceso* (Arthur and Sheffrin, 2003).

Cartels can either be public or private. Public cartels are those that the government is involved, they establish and enforce the roles relating to prices, output and other such matters. Examples include export cartels and labour union. While private cartels entail an agreement of terms and conditions from which the members derive mutual advantage but that are not known and unlikely to be detected by outside parties. Private cartels in most jurisdictions are viewed as being illegal and in violation of anti-trust laws (Arthur and Sheffrin, 2003).

Cartels are inherently unstable, as the behaviour of members of a cartel is an example of a *prisoners dilemma* "each member of a cartel would be able to make more profit by breaking the agreement (producing a greater quantity or selling at a lower price than the agreed) than it could make by abiding by it". (Kheman and Shapiro, 1993)

Cartels can occur in almost any industry and can involve goods and services at the manufacturing, distribution or retail level. Some sectors are susceptible to cartels than others because of the structure or the way in which they operate.

A good example is '*Mexican Sinaloans*'. The Sinaloans are widely regarded as the most sophisticated cartels in transportation, intelligence gathering and bribery. In 2009 *Proceso* a Mexican newsmagazine reported how a Sinaloan faction controlled several airports around the country through a network of corrupt federal agents. The faction even had its own hangar at the international airport in Mexico City. In May, 2010 The Mexican Newspaper *Reforma* described how the Sinaloans had thoroughly infiltrated the federal police. They controlled eight seaports for cocaine smuggling from South America. The drug gangs knew when the cops were being sent, and how many buses would carry them.

Another example is Sugar Cartels. Businesses that form cartels usually trade in prime commodities such as sugar. What they do is that they start by hoarding their products. They hoard the sugar in hidden warehouses, causing a fake shortage of the commodity in the market. By doing so, the demand for sugar increases due to shortage and after a period of time these businesses start to release their product into the market bit by bit at much higher prices. The Philippines had once fallen prey to rice hoarders who would store the rice in large warehouses and keep it stored until the prices go up, before they start releasing the products to the market. (Kheman and Shapiro, 1993)

In Kenya, (2005), such a scenario often occurs in the agriculture sector, when there are shortages in commodities such as rice and sugar. The Ministry of Agriculture and the Kenya Sugar Board (KSB) were not able to deal with the situation which had become a vicious cycle.

*Miraa trade*³ is another business that is dominated and controlled by cartels, and membership to the cartels is protected religiously. To the new entrants starting up is really a dangerous undertaking and for those who unknowingly join the business, the cartel leader will politely send emissaries to tell them off. Anyone joining a cartel is required to have joined the big league first by working for the cartel leaders for some years. Outsiders are not tolerated. They are very secretive, even the police force is not aware of their existence because the police have never received complaint from anyone concerning cartels in the miraa business. (Daily Nation, 2006)

*Muguka*⁴ is another variety of drug that grows faster and offers more intoxication. The growth of this new variety, which is very popular in Nairobi and other big towns, has attracted a new breed of cartels operating from Embu and is equally vicious. The base of the cartels in Nairobi is Pangani and Grogan Market. One has to pay a sum of between Ksh 10,000- 40,000 to this cartel to be allowed to deal with the drug. To those who dare cross their line, heavy penalties befall them. With the popularity of Muguka growing by the day and many farmers getting into the business, the cartels are in turn getting more organized (Thatiah, 2008)

Just as in the Sugar industry, Miraa and Muguka cartels have claimed total control, matatu industry is dominated by a group of cartels who claim ownership and control of specific routes in Nairobi. These include Kamjesh, Talibans and Mungiki. The most common one is Mungiki. Although the cartels make the vehicles safer and the routes more organized, they also make entry difficult for new comers by instituting stringent rules that regulate entry and operations of new comers. For example, a new owner is expected to pay exorbitant good-will and parking fees (Khayesi, 2002). In brief, the entry of a new matatu into the business is no longer a free market choice rather it entails negotiations with key stakeholders especially the cartels over a wide range of social, political and economic variables.

Miraa: The leafy stems of (khat) are chewed by some individuals; it is used for its mild euphoric and stimulating effects, because of its anorectic effect. It contains norpseuduephedrine and cathionine.

Muguka: A leafy drug which is grown in Embu situated in the Eastern part of Kenya, is more toxic, addictive, exhilarating with maximum effect and more vicious than the much hyped and Lured miraa.

In the recent past, these groups especially Kamjesh and Mungiki were not only extorting protection fees from matatu operators but also harassing ordinary citizens in Nairobi (Anderson 2002; Maupeu 2003; Wamue 2001; Turner & Brownhill 2002). However, currently they are virtually invisible to the public. The gangs have become self appointed managers of the parks where matatus pick-up and drop off passengers. They impose stringent conditions and outrageous rules for matatu operators to observe and often extort exorbitant parking fees. Yet as David Anderson (2003) has convincingly shown, the vigilantes have thrived precisely because the state has failed to protect its citizen.

CHAPTER THREE

THEORETICAL FRAMEWORK

3.0 Institutional Framework

There is a wide spread consensus that institutions matter for development. Different authors have tried explaining the meaning of institution; according to North (1990) institutions are rules, both formal and informal that are upheld by society over a long time to make a difference to individual actors. They are created from the store of cultural values and norms that given societies treasure. Institutions operate in different spheres of a society's life with some being mainly social, others political while still others are economic (McCormick, 2001a). Formal political rules "broadly define the hierarchal structure of polity, its basis decision structure, and the explicit characteristics of agenda control". Meanwhile the formal economic rules "define property rights as the bundle of rights over the use and the income to be derived from property rights and the ability to alienate an asset or a resource".

Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structure, including schemas, rules, norms and routine, becomes established as authoritative guidelines for social behaviour. It inquires into how these elements are created, diffused and adopted over space and time and how they fall into decline and disuse (Scott, 2004). Scott (1995:33, 2001:48) asserts that "institutions are social structures that have attained a high degree of resilience. They are composed of cultural-cognitive, normative and regffTative elements that together with associated activities and resources provide stability and meaning to social life. Institutions operate at different levels of jurisdiction, from the world system to localized relationship".

Institutions are generally interpreted to be the formal rules that guide behaviour and choice in the public realm. Societies need rules that are broadly accepted in order to function in a predictable manner. Thus legislatures, executive agencies, corporations and other authorized bodies adopt institutions to run their affair (Hyden, 2008)

Regardless of institutional level, 'the institutionalization of practices and behavioural patterns **depends** on how long an institution has been around as well as how widely and deeply it is accepted by the members of a collective' (Barley and Tolbert, 1997:100). Our theory will

therefore focus on two types of institutional pillars: Regulative Institutional Pillar and the Normative Institutional Pillar.

Regulative Institutional Pillar: represents the rules and the laws of the institutions (Kostova and Roth, 2002). It directly relates to 'rule-setting' monitoring and 'sanctioning' activities of an organization (Scott 1998, 2001) such as laws stating which behaviours are allowed. Since regulative institutions reflect rules and regulations or formal rules, failing to obey then results in legal sanctioning.

The normative institutional pillar refers to values, norms and assumptions existing in the institutional environment (Kostova and Roth, 2002) that captures prescriptive evaluative and obligatory dimension in social life (Scott, 2001) and provides structure regarding acceptable behaviour. Normative institutions encompasses 'rules of thumb' standards, operating procedures, occupational standards and educational curricular (Hoffman, 1999) and are based on social interaction and obligatory part of interactions (Wicks, 2001)

Many scholars point to the state as the principle institutional mechanism for bringing about change and development and they are a critical actor in the economic activity of most nations. Yet not all states participate in the economy in the same way or to the same degree. Although state and government are intertwined, we tend to view the state as the overarching political reality of a particular country, and the government as its organizational structure or ruling authority (McCormick *et al*, 2007)

In Kenya, various institutions are involved in the administration of transport as well as in the provision of services in the sector. These range from the central government, local government, and state corporations to private sector. They have been formed on the Normative Institutional Pillar which represents rules, norms and belief existing in the institutional environment and also on the Regulative Institutional Pillar which represents the rules and the laws of the institutions.

Both formal and informal institutions have been found to affect operations of public transport. The formal institutions generally come in the form of public/ government institutions set up to regulate the performance of the transport sector. They come in the form

of government ministries, departments and regulatory authorities. According to Asingo (2004) the government has set in place some formal regulatory bodies for both the roads and the users of the roads. For the roads, the Kenya Roads Board (KRB) was set up to be the main institution responsible for the national road infrastructure network in Kenya. The public sector supplies the transport infrastructure, through the Ministry of Roads and Public Works and the Nairobi City Council (Aligula, *et. al* 2005). For the road users, there are several regulatory institutions including, the Transport Licensing Board (TLB), Motor Vehicle Inspection Unit, Registrar of Motor Vehicles, Driving Test Centre, Traffic Police and Local Authorities. On the actual regulation of the public transport, the Traffic Act 403 section 42(1) and (3) of 1975 specifies speed limits for PSV vehicles. Similarly, Act No. 10 of 1984 set out rules for drivers and conductors; it also states that it is mandatory for all motor vehicles to fit seat belts for the driver and front passenger seats.

The existing institutional framework has many players who are not linked optimally. These players share the same principle to regulate and govern the transport industry and are assigned responsibilities. Much of these regulatory institutions are in existence, their enforcement for the proper performance of the transport system is not adequately observed judging from the behaviour of the operators. There is the observed multiplicity of the governing tasks by the various government institutions. Chitere and Kibua (2004) established the institutional fragmentation in the sector was a key obstacle to road transport planning in Kenya, leading to disjointed handling of transport issues.

As Scott (2002) rightly puts it 'failing to obey these rules leads to legal sanctioning'. For the case of matatu industry the government doesn't follow the set rules and principles to the letter. It is the failure of the government to properly formulate and implement appropriate polices and have comprehensive regulation in place to manage the industry which has led to the emergence of the cartels in the matatu industry. Thus, the current problems facing the industry are partly due to lack of efficient and effective institutions coupled with conflicting interest among stakeholder groups and individuals operating within the sector.

The perspective focusing on the state as the only provider of services to the citizens is inadequate for the study, because the state has not managed to deliver effectively the services it is expected to deliver since independence. The state perspective fails to recognize the

cartels and other interested parties that have stepped in to provide some of the services that the state has little control over. This can be best illustrated using stakeholders perspective as discussed in the following sub section.

3.1 Stakeholders Perspective

Stakeholder concept was originally defined as including "those groups without whose support the organization would cease to exist". (Droege, 2001) On the other hand, Mayer, defined stakeholders as any group which can affect or is affected by an organization, that is employees; the government; policy makers.

From an Analytical Perspective, a stakeholder approach can assist managers by promoting analysis of how the company fits into its larger environment, how its standard operating procedures affects stakeholders and immediately beyond the company. In a Normative sense, stakeholder theory strongly suggests that overlooking these other stakeholders is unwise or imprudent and/or ethically unjustified. (Droege, 2001).

It is from this that, Integrated Perspective to stakeholders theory be employed. This perspective, suggests that firms/ organizations cannot function independently of the stakeholder environment in which they operate, making the effects of managerial decisions and in actions on Non-owner stakeholders part and parcel of decisions and actions made in the interests of owners. Further, it suggests that stakeholders have a democratic right to participate in the decision making process leading to policy designs.

This perspective therefore needs to be embraced in the transport sector in particular the matatu industry in Kenya. The government as a lead agency in provision of services in the matatu industry should be in a position to involve all the stakeholders.

Responsibilities and activities related to road transport and road safety in Kenya have evolved in a fragmented manner in various institutions and agencies in both urban and rural areas (Kenya, 2004). This makes it difficult to have a strong institutional focus that can concentrate resources on a few selected areas of high priority. There is need to develop a mechanism to involve all stakeholders in decision-making process such as addressing aspects

of road safety as well as addressing issues of neglect of pedestrian and cyclist needs (Khayesi, 2004).

In the matatu industry, for instance, all stakeholders should be in a position to understand the problems affecting the industry, table it to the overall institution and have a forum where they all participate in seeking solutions to the problem. It will be the role of the Ministry of Transport to relay the issues deliberated to the industry. If the issue is of policy concern, then the Kenya Police will be required to enforce it. All the stakeholders should equally and effectively participate.

Participation is seen as the main component of social development. It becomes a precondition for redressing socio-economic inequalities in society as it raises critical and complex issues concerning choices in the planning process. Nkunika (1987) in Kadanu and Kumssa (2001) notes that, part of the justification for participation is to develop people's essential powers such as human dignity, respect and the ability for deliberate action.

Road safety and security involvement, therefore, requires a systems approach that brings together different sectors, government departments, policy makers and other stakeholders. It should go beyond self-congratulation of the initial positive result of implementation of the new rules to develop a long-term programme. The concepts constituting the perspective are summed up in the figure 1.

CHAPTER FOUR

METHODOLOGY

4.0 Introduction

This chapter outlines the procedure followed in the collection and analysis of the data. It includes a description of the study area, sources of data, data collection methods, sampling procedures as well as data processing and analysis techniques.

4.1 Study Site

This study was done in Nairobi City. Administratively the city is divided into eight divisions, which are Makadara, Pumwani, Central, Langata, Dagoretti, Westlands, Kasarani and Embakasi.

History of Nairobi can be traced back to 1900 when the colonial government established a township committee to manage the affairs of the City. This, according to Mitullah (1993) marked the birth of modern Local Government. Founded in 1899 as a rail depot, Nairobi started as a small town for railway workers. Given its central location and suitable environment, the town posed great prospects for expansion and the colonial settlers were quick to notice this. In 1928, Nairobi was elevated to the status of a municipality and in 1950 it was elevated yet again to become a city. To date Nairobi is the capital city of Kenya and economic hub of the region. It attracts huge numbers of visitors, thus requiring an efficient mode of transport. It remains a metropolitan city run by the Nairobi City Council (Makibia, 1974)

Characterised by a high rate of population growth and an agglomeration of both formal and informal economic activities, Nairobi is home to about 7.5 per cent of Kenya's population. This translates to about 3,138,295 million people and a population density of 4,509 people per sq Km on an area of about 11,678.3 sq Kms (Nairobi Metropolitan Development Ministry, 2009). For this reason, transport plays a crucial role in order to cater for the needs of the vast population within and outside the city centre.

From its earliest times, emerging spatial patterns in Nairobi showed segregation between the CBD and European, Asian and African residential areas. By 1963, Africans, who formed a major part of the population, lived in the eastern part of Nairobi, while the Europeans and Asian lived in the western suburbs, which had access to better services. This position is

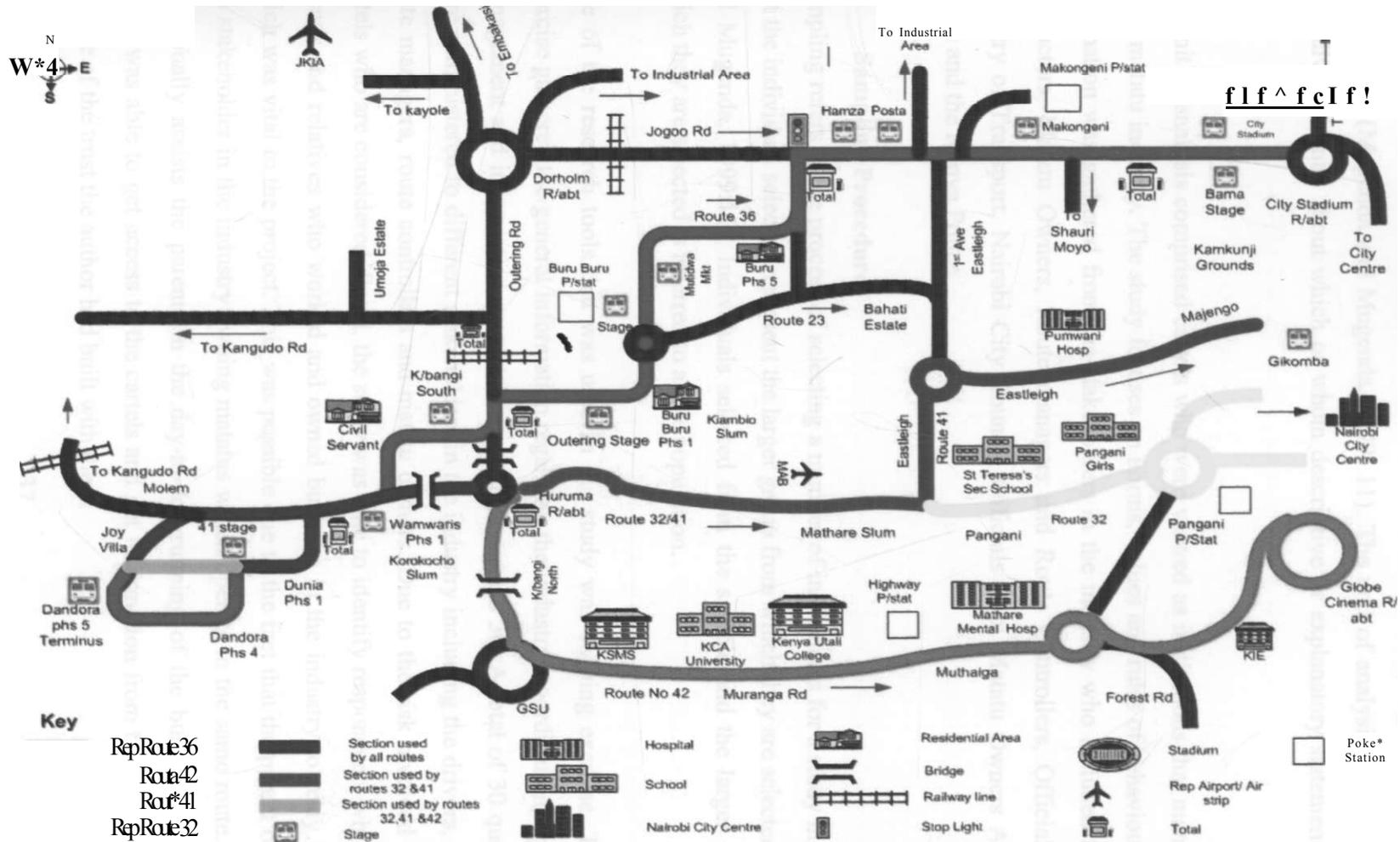
reflected today not so much in terms of race, but rather in terms of incomes and population densities. The people living in the western suburbs are generally more affluent while the lower and middle-income population of Nairobi dominate the eastern suburbs.

Since 1970, the city has expanded tremendously and a new population distribution pattern has emerged. Even more important is the fact that a large percentage of low-income users of public transport now live further away from the CBD. Expansion of the city to the east, south and north has not been matched by an expansion in transport facilities and services. A clear manifestation of the unmet demand for public transport service is the daily stampede and jostling at most of the city's transport terminals, inadequate investment, poor management of traffic systems, breakdown of road discipline, and failure to develop an adequate policy and planning framework (Obudho, 1993)

One of these estates with a high population is Dandora. It is located in the eastern suburb of the city in Embakasi Division. It is divided into five phases and was developed in 1977 as a low income site and service scheme, with substantial financing from the World Bank. It was aimed at offering higher standards of living for those who were living in various informal settlements within the city. However, the estate has turned into high density slum with high unemployment and crime rate. It is insecure, drug addiction, and other anti-social activities resulting in a rebellious group of people who have formed cartels to extort money illegally from the public to make a living. It has also been said to house criminals who largely thrive on illegal enterprises. ^

The study was conducted on route number 36 which starts from Dandora terminus and ends at the City Stadium on Jogoo Road roundabout. This stage is on the periphery of the CBD. The route is a busy one with many matatus plying it, a majority of them being of sitting capacities of between 25-41 passengers. The route has several pick-up points. These pick-up points are manned by touts who bring passengers on board and are paid instantly for this service. The major pick-up points are; Dandora phase 1 (popularly known as Wamwaris'), Kariobangi South Shopping Centre, Outering Road Terminus, Mutindwa in Buru Burn and Hamza on Jogoo Road. Box 2 shows a Map of Nairobi routes.

Box 2: Map Showing Various Routes in Dandora



Source: Authors Illustration, 2009

4.2 Unit of Analysis

Unit of analysis refers to the unit that the study initially describes for the purpose of aggregating their characteristics in order to describe some larger group or abstract phenomenon (Mugenda and Mugenda, 1999: 11). The unit of analysis therefore represents the individual units about which or whom descriptive or explanatory statements are to be made.

The unit of analysis comprised cartels who were viewed as institutions that managed routes in the matatu industry. The study focuses on norms, values and rules of behaviour of cartels. Information was gathered from the stakeholders in the industry who included the Drivers, Conductors, Matatu Owners, Route managers and Route Controllers, Officials from the Ministry of Transport, Nairobi City Council, Officials from Matatu Owners Associations, cartels and the Kenya Police.

4.3 Sampling Procedure

Sampling refers to the process of selecting a number of individuals for a study in such a way that the individual selected represent the larger group from which they are selected (Mugenda and Mugenda, 1999:11). Individuals selected from the sample and the larger group from which they are selected is referred to as the population.

One of the research tools that was used in the study was scoping exercise. The scoping exercise gathered the general information regarding the industry, coordination, operation and management and information on cartels operating on route 36. A total of 30 questionnaires were administered to different stakeholders in the industry including the drivers, conductors, route managers, route controllers and matatu owners. Due to the risk involved in studying cartels who are considered illegal, the study was able to identify respondents who were close friends and relatives who worked and owned business in the industry to relay information which was vital to the project. This was possible due to the fact that the parent of the author is a stakeholder in the industry owning matatus which operate in the same route. The author occasionally assists the parents in the day-to-day running of the business. This way the author was able to get access to the cartels and get information from them. It was essential because of the trust the author had built with them.

Purposive sampling was used to select the key informants. A total of 5 key Informants were selected from each category, these were mainly officials of the Ministry of Transport, Nairobi City Council, the Cartel, Matatu Vehicle Owners Association (MVOA) and the Kenya Police. Key Informants provided in-depth qualitative information on management and operations of routes including the dynamics of cartels, issues of policies, achievements and challenges that face different actors in the matatu industry.

4.4 Data Collection

The study relied on both primary and secondary data sources. Secondary data was collected through critical review of existing literature from libraries, internet, government documents, magazines and newspapers. It helped in identifying any existing gaps in this body of knowledge. This further informed the areas to pay attention to and fill the gaps. Primary data, on the other hand, came in handy to complement and add new dimensions to secondary data.

Scoping exercises was conducted and questionnaires were used to collect data from different stakeholders including drivers, conductors, route managers, route controllers and matatu owners (Appendix 1). This instrument addressed, among other things, the general information on how the matatu operators conduct their daily operations, when they start and end their operations, the number of days they work in a week, the institutions responsible for the overall management and allocation of matatu routes, the working relationship between different actors in the industry, other services offered (if any) and comments on the cartels by managers in the industry. Additionally, Key informant interview guides were also used to conduct interviews (Appendix II). This specifically captured issues to do with management and operations, information on cartels, policies issues and strategies, achievements and challenges that different players face in the industry.

4.5 Data Analysis

Data analysis refers to the process of bringing order, structure and meaning to the mass of information collected (Mugenda and Mugenda, 1999: 203). The data collected was qualitative in nature and analysis of primary data was done through generation of relevant themes, categories and relationships. The themes were derived from the objectives and research questions of the study.

The data collected from the scoping exercise was analysed through the generation of relevant themes which were derived from the objectives and research questions. The themes were; stakeholders in the sector, the role played by cartels, achievements and challenges of institutions responsible for the efficient operation of the industry.

Data collected from Key Informants was also analysed through generation of themes. These themes were; information about key informants and their relevant institutions, management and operations of institutions. Emerging themes from the respondents were also noted and the analysed.

4.6 Challenges Encountered

This study had a number of challenges, though unexpected. Due to the nature of the study it was not easy to adequately collect information needed. Residents of Dandora generally fear the cartels; some respondents were reluctant to give information about these groups and those who were willing did so in haste. This was a real challenge, making it difficult to fully achieve the desired result. Further, even the cartels do not accept that they are cartels, and it was not possible to differentiate when one was referring to cartels, or actually giving their own account.

The general environment at the time the questionnaires were administered was not conducive to free information flow because at that time, the government was flashing out the group hence it made the process more difficult to accomplish. This, notwithstanding the researcher was able to gather adequate information for this study, albeit spending more time than was planned.

The data collection exercise for the study began before being awarded an ACET research grant by the Institute for Development Studies (IDS). Once the grant was given, the issue of transportation cost, field stationery, and cost for training of a researcher assistant was eventually overcome. This enabled the researcher to collect additional information relevant for filling the gap.

CHAPTER FIVE

INSTITUTIONS AND GOVERNANCE OF MATATU OPERATIONS IN NAIROBI

5.0 Introduction

This chapter, discusses the findings of the field study on institutions and governance of matatu operations in Nairobi in particular route 36. Kenya has too many government institutions involved in the road transport sectors. For instance, matatu as an industry is flooded with diverse stakeholders ranging from individual, groups, institutions and association, with diverse and sometimes conflicting socio-economic and political interests each struggling to be positioned strategically.

The chapter begins by providing a summary of socio-economic characteristics of the respondents; an overview of city transport in Nairobi, issues such as the importance of public transport in Nairobi, ways the government is trying to solve the issue of congestion in Nairobi are raised; further Dandora route will be described in details including where matatu originate and end their trips and characteristics of their operations. In particular, the discussion will be on the matatu operations of route 36, in this section discussions will address among others; the characteristics of operations on route 36, the nature of matatu operations on Dandora route 36 and factors affecting operations.

5.1 Respondents Socio-Economic Characteristics

The respondents of the scoping study were members of the matatu industry that were involved in the day-to-day running of the business. The study revealed that these people played an important role in the industry. They differed in age and gender. It was evident that the age of the workers ranged between 20-60 years, with a bigger percentage aged between 30-40 years while a smaller percentage aged between 50-60 years, this meant that majority of the workers aged between 20-40 years were either involved directly or indirectly in the industry. This is significant because it will help the reader to understand the age bracket of the workers who are either involved directly or indirectly in the industry, why the age bracket and the significance of this age bracket in the industry.

It was noted that 20.0 per cent of the workers in the matatu industry lied between 20-30 years of age. The industry saw an influx in the number of youths this was due to the fact that the industry is very demanding and challenging thus it requires youths who are very energetic to work in order to meet its challenging demands. Because of its permeability, easy entry and exit, the industry as allowed anyone who is interested in the business to enter freely moreso, youths who are unemployed and are willing to work.

Another reason why this age is dominant is the fact that most matatu owners when employing their workers are not keen in asking for documentation from their employees. Reason being, there is high rate of turn over in the industry or even because of high rate of illiteracy thus making the matatu owner not to be strict on that. But after the reforms, in 2004, the so called 'michuki rules', majority of matatu owners are now asking for documents for authentication purposes and also to assist the government in revenue collection. For this reason it is easier for the workers to be employed.

It was established that 43.3 per cent of the workers in the industry were between 30-40 years. The reason for this is that most of the workers at this age are more mature, responsible, very focussed and are sole-bread winners for their families. Majority of them were drivers and manager, a responsibility entrusted by their employers. It was further revealed that 10 per cent of the workers were of 50-60 years. Most of this age cohorts were still employed as drivers because of their work experience, while others were either managers in the firms or on matatu routes.

Women were not left behind either, the data shows that, women were taking up roles intially dominated by men so as to make ends meet. Of the sample covered, 86.7 per cent of the respondents were men while female respondents constituted 13.3 per cent. Because of scarcity of formal employment and reducing gender bias, more women are being employed as drivers and conductors. It was noted that most matatu owners prefer women as opposed to their male counterparts because they are trust worthy, more careful, reliable and law abiding. The gender distribution illustrated in table 5.1.

Table 5.1: Gender and Age in Matatu Industry

Gender	Frequency	Percentage (%)
Female	4	13.3
Male	26	86.7
Total	30	100.0
Age of the Respondent		
Age	Frequency	Percentage (%)
20-30 years	6	20.0
30-40 years	13	43.3
40-50 years	8	26.7
50-60 years	3	10.0
Total	30	100.0

Source:Field Data,2009

A study by Kapila *et al* (1982) on matatu vehicles revealed that 63 per cent of Metro-Nairobi matatus were operated by employed drivers while 37 per cent were operated by the owners. In line with the findings by Kapila *et al* (1982), this study revealed that most vehicles were not operated by the owners, rather they left control and management of their vehicles entirely to their workers, making it difficult to maintain sanity in the industry. Most of them operate their businesses as absentee owners, who have set targets for daily collection for their workers.

Drivers on the other hand, played a vital role in the industry, that of ferrying passengers to their destinations. From the study, both drivers and conductors provided information on how the cartels operated on the ground. They were able to give an account of how these cartels came into existence, how they conduct their activities, how they coordinate with other members of the group and the relationship between cartels and drivers. Route Managers and Controllers were not left out though their responsibilities were more or less the same, They were responsible for managing their employers fleets of vehicle.

5.2 Overview of City Transport

Kenyan transportation is surprisingly convenient, reliable for a developing country. The most popular way to move in Nairobi is by matatu. However rental cars, buses and trains are also great ways to travel. Matatu travel in Kenya is the main motorized means of transport in the City of Nairobi. Trains are a great choice for those who are staying away from the city and are working at the CBD, they are relatively cheaper and very efficient. However, they are not

well networked across the city. Buses on the other hand, are rarely used mode of transport. Currently, there are a few buses still plying some routes in Nairobi these includes route number 32, 46 and many others.

For instance, Route number 32 originates from Dandora phase 5 terminus passing through Dandora phase 1 (Wamwaris), Huruma roundabout on Outering road, Juja road through Kariokor market to the City Centre. Dandora is located 11 Km on the eastern part of the CBD, is a low-income densely populated area with a core region of old housing, because of the high demand of transportation to meet the needs of the residents, matatu alone cannot manage the demand. In recent years a train service has also been added to serve the area, but the demand still remains unmet.

Route number 46 on the other hand, shuttles passengers from Kawangware passing through Hurlingham to the CBD. Kawangware is located approximately 14-15 Km on the west part of the CBD, is a low-income densely populated area. Due to its low cost housing majority of the residents prefer living there. Housing is cheap and affordable and the demand for transportation is high.

Road transport is perhaps the oldest and most dominant mode of transport in Kenya, it controls over 80 per cent of passenger and freight transportation. The public transport is entirely private and includes buses and matatus. Initially buses had a monopoly right to provide business in Nairobi, but in the late 1960's the bus company began to face increasing competition from matatus. KBS gradually lost market share. The network of scheduled bus routes was gradually reduced as routes were abandoned and taken over by matatus. It was the gap left by formal public transport that the informal sector, namely matatus, has emerged to fill by carrying the bulk of public transport demand.

According to Mumbero (2005) there has been a trend among matatu investors in Kenya to move towards acquiring higher capacity vehicles due to the declining profit margins of the few, averaging fourteen passengers seater matatu. The movement into higher capacity vehicles in Kenya was one of the major recommendations of the draft Integrated National **Transport Policy (INTP)**

In Nairobi, over 6 million commuters both on transit and those working in CBD commute to the CBD monthly, making access to the City Centre one of the most lucrative areas of matatu operations in the Ksh 11 billion annual road transport sector. Nairobi has over three million inhabitants many of whom rely on these matatus for transport to work and other engagements. The minibuses are noticeable on every road around the city estates and the CBD. They have such fancy names as City hoppa, Express Connections, New Concept Shuttle and Visions. They have joined the more successful Metro Shuttle-owned and operated by the over 60 year-old Kenya Bus Services Management⁵.

From the scoping study, it emerged that the following institutions were responsible for registration of vehicles; TLB and Mungiki. Out of the 30 respondents interviewed, 70 per cent of the respondents agreed that the TLB was given the mandate to register vehicles and allocate routes, while 56.7 per cent of the respondent viewed Mungiki as a group which designate matatus to operate on a particular route despite the official allocation by TLB. Other institutions mentioned by the respondents included the Ministry of Transport (13.3%), Matatu Owners Association (3.3%), Matatu Welfare Association (6.7%), Nairobi City Council (6.7%) and Kenya Revenue Authority (3.3%).

According to TLB CEO "*Matatus are not allowed to enter the heart of the Central Business District in Nairobi. This is a long-standing prohibition which is aimed at preventing excessive traffic congestion*"⁶. Initially the council used to regulate the number of vehicles coming in and going out of the CBD by charging vehicles Ksh. 70 as parking fees. They later introduced seasonal tickets and time-based tickets which are bought by the matatu owners to allow their vehicles access the CBD. It is believed that this money is channelled back for effective running of city operations, including organization of public transport. This money is also used to employ city askaris who are deployed to manage the terminuses. Being answerable to the council, they have to perform their job satisfactorily ensuring that the public is satisfied by proper regulation of vehicles in to and out of the terminuses. This deters cartels, and in routes where council askaris manage the terminuses, mungiki's have kept off.

⁵ Kenya Bus Services Management Ltd (KBSM) is a bus franchising and management company that promotes the formation of formal companies. It does so by bringing together business owners and giving them an investment opportunity through which they can promote organized, affordable, commuter friendly transport to the Kenyan market while making revenue from the same.

⁶ Extracts from a key informant at the Transport Licensing Board on regulation of matatus into the Central Business District

to reduce congestion from the CBD the GoK identified termini away from the CBD such as the Globe Cinema round about, City Bus Station and Muthurwa.

In 2005, Muthurwa was commissioned for construction by the then Minister for Local Government, Hon. Musikari Kombo and was later opened in December 2007 by Hon. Uhuru Kenyatta. It was expected to ease traffic congestion in the City Centre by acting as terminus for all public service vehicles from Eastlands, that is, matatus plying route number 33, 23, 58, 71. This terminus serves Jogoo Road Corridor. The authorities also relocated the street and informal traders from the CBD and allocate them a central point rather than having them spread all over the CBD. In response to the latter, a hawkers' market was constructed within the vicinity of the terminus.

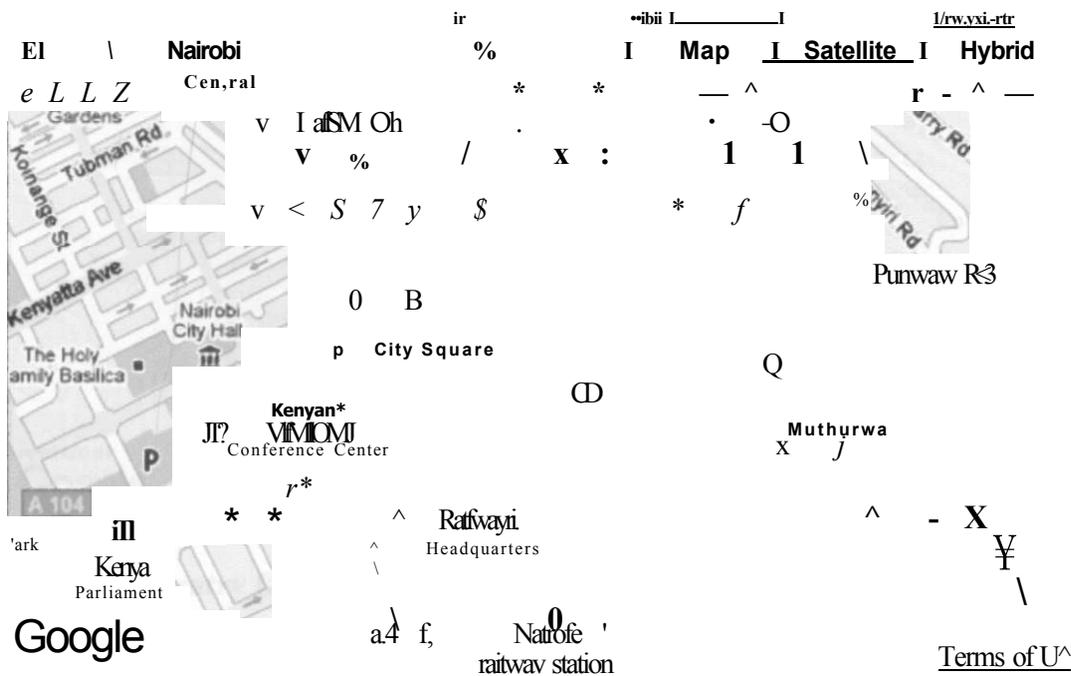
Globe Cinema Roundabout was another project developed to ease traffic jam within the CBD. Located on the Western part of the City Centre along Muranga Road, opposite Kijabe Street and the largest roundabout in Kenya, it serves vehicles coming from Ngara direction using Muranga road to the city centre. Prior to the construction of the terminus, Globe Cinema Roundabout was just but a roundabout and a hub to street people including criminal activities both during the day and at night. But with the construction of a bus terminus, tremendous changes have been seen as security has been beefed up and more vehicles are now using the roundabout terminus. It has also eased traffic congestion in the city centre. Currently the terminus serves routes 25, 29, 32, 42, 44 and 45 which happens to be the Thika Road Corridor.

Machakos Country Bus Station was also redeveloped, although fencing is still to be completed. It is located on the Eastern part of the City Centre along Landhies Road opposite Muthurwa. Currently the bus station serves most upcountry buses, in particular those from Western, Nyanza and the Eastern part of the country. It is managed by the City Council and fees are paid to the Council, on an hourly time-basis. The fee is expected to be used for maintenance of the terminal.

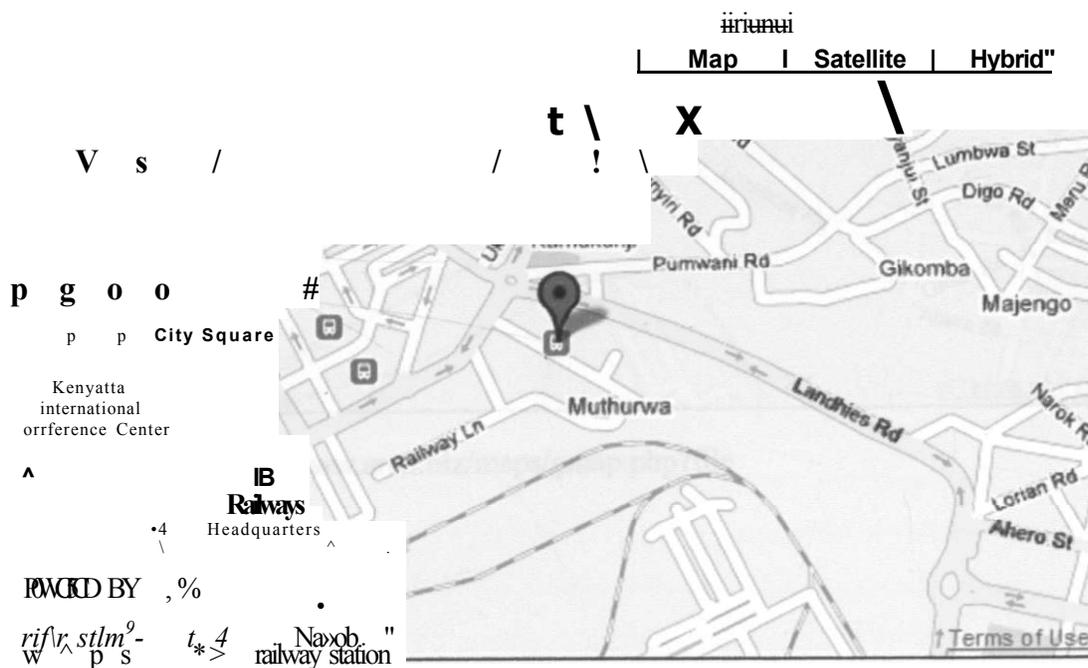
City Bus Station on the other hand, was also constructed with the same aim of easing traffic congestion in the CBD. It is located at the heart of the City Centre to cater for vehicles which come from the upper side of the City namely, Ngong, Langata, Hurlingham and a few from Eastlands. See maps 1,2,3,4

Map 1: Terminuses the Government Set Aside to Decongest the CBD

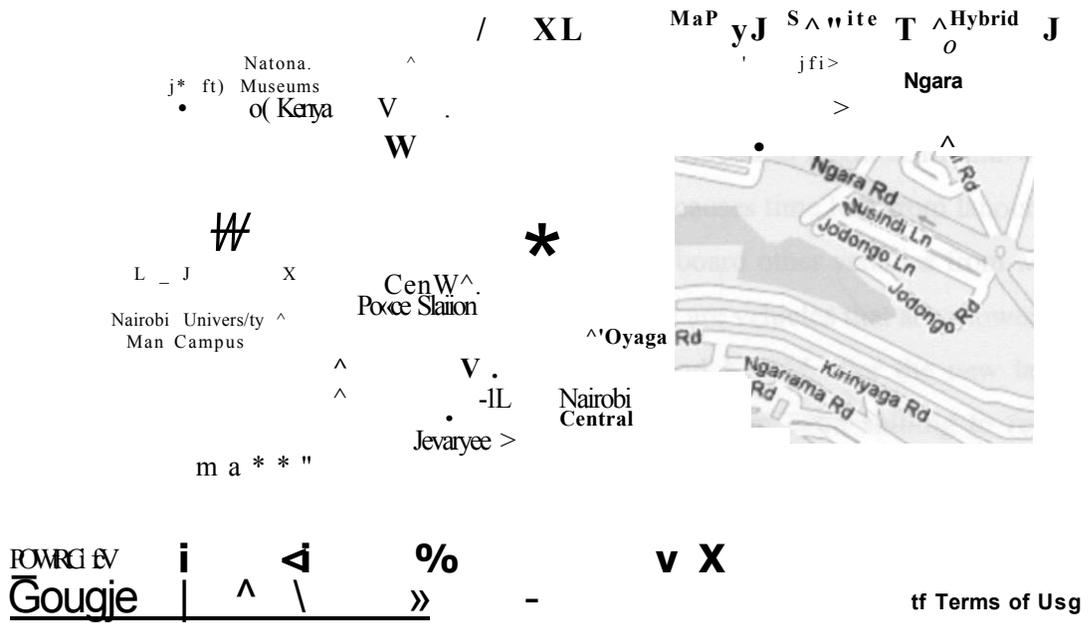
Central Bus Station



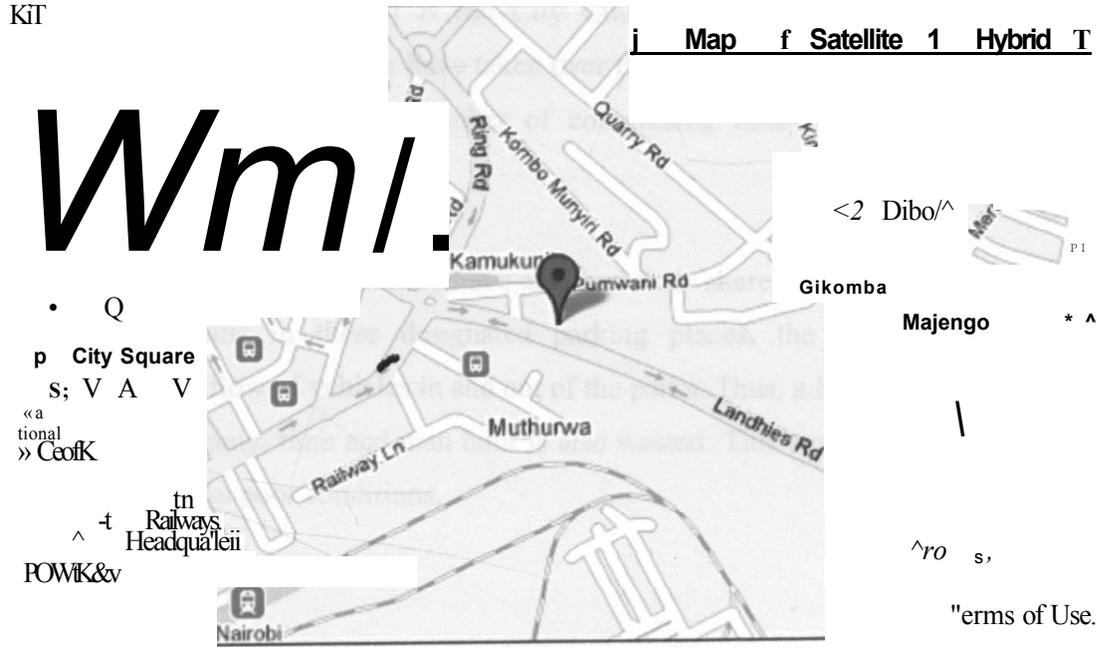
Map 2: Muthurwa Bus Terminus



Map 3: Globe Cinema Roundabout



Map 4: Country Bus Station



Source: <http://www.aren.biz/maps/gmap.php7file>

Despite this noble course by the government to decongest the CBD, effective ferrying passengers to their destinations has not been achieved. There are still challenges faced by both passengers and matatu operators. For instance, if one is coming from the Eastern part of Nairobi and working at the heart of the CBD, they are forced to alight at Muthurwa/ Globe Cinema Roundabout and walk to their workplace. This causes time loss from labour, thereby reducing productivity. Alternatively they are forced to board other vehicles from Muthurwa to the CBD, which also consumes their resources. These are vehicles that are allowed to enter the CBD for example the Connections, Citi hoppa, and KBSM after the new laws were passed. This means that the passengers are forced to pay an extra shilling to reach their workplace, eventually causing a lot of inconveniences to the commuters in terms of time wasted on the road, financial resources, and energy.

Another issue that is critical and needs to be addressed in the midst of all this, is the unregulated fares by the central government. The 'gangs' who are manning these terminuses decide on the fares. Ideally, it is the City Council that is supposed to manage these terminuses, practically the gangs have taken over the control of these terminuses. The gangs dictate fares depending on the number of commuters, time and weather. As a result, passengers end up paying a lot

On the other hand, matatu operators have also had their share of problems in all this. It has created traffic jams in these designated parking places, the areas are too small to accommodate the flow of vehicles in and out of the parks. Thus, a lot of fuel is burnt which is costly to the economy, time and man hour is also wasted. This again is attributed to the fact that our roads are in poor conditions.

5.3 Dandora Routes

Dandora is a densely populated estate which is served by many matatus using four routes, namely 32, 42, 41 and 36. Route number 32 originates from Dandora phase 5 (Terminus) passing through Dandora phase 1 (Wamwaris), Huruma roundabout on Outering road, Juja road through Kariokor market to the City Centre. This route targets people going to work in the CBD. The vehicles plying this route are mainly mini-buses of 25-41 seater capacity. Nissans of 14 seater capacity and buses of 46-51 seater capacity. During peak hours, Nissans

are the most popular compared to the bigger minibuses because they get filled up fast due to their low capacity. They are very convenient especially in evading traffic jam and move faster than the mini-buses. However, often they do not follow rules it is usually a busy route characterised by traffic jams which inconvenience customers. It is the shortest route to town from Dandora, fares range from Ksh. 50 during peak hours and Ksh. 20 during off- peaks. (See map 2)

Route number 42 also originates from Dandora phase 5 Terminus ending in town at the Globe Cinema Roundabout passing through Huruma roundabout, Ruaraka on Thika road to Ngara. This route is mostly used by employees of various government departments, companies and business people. Vehicles plying this route are usually mini-buses of 25-41 seater capacity. It is a very convenient route to city centre but with occasional traffic jams on Thika road. As in the case of route 32, customers part with Ksh. 50 during peak hours and Ksh.20 during off-peak hours.

Route number 41 originates from Dandora phase 5 Terminus to Gikomba open air market via Wamwaris in Dandora phase 1, Juja Road, Eastleigh and Majengo. The target group are business men and women going to buy and sell goods in Eastleigh and Gikomba open air markets. Vehicles plying this route are minibuses of 25-41 seater capacity. Due to the customer and the distance involved with the high number of pick up points, it is a very lucrative route in comparison with the other routes. The fares charged range between Ksh.40 during peak hours and Ksh.20 during off-peak. Irrespective of the route, cartels in Dandora claim to manage and protect the interests of matatu owners and workers.

5.4 Route 36 Matatu Operations

Route 36 originates in Dandora in the eastern suburb of the city centre. It shuttles people between Dandora and City Stadium on Jogoo road. Like the other routes, route 36 is also manned by cartels who allegedly claim to be protecting matatu owners and workers.

Before a vehicle PSV can start carrying fare paying passengers, the owner of the vehicle whether matatu or full-sized bus has to book for inspection, from the Motor Vehicle Inspection Unit and upon certification that the vehicle is roadworthy, application for TLB is

then made indicating the intended route of operation. A short term TLB license which usually expires at the end of the calendar year together with a PSV license are granted. Such a vehicle is now legally permitted to operate as PSV. However, before a vehicle can operate on an assigned route by TLB, the vehicle owner must also meet the conditions of the cartels.

5.4.1 Characteristics of Operations on Route 36

One Important characteristic of a route is how busy a route is and this is determined by the number of vehicles that are plying along a route. While 23.3 per cent of the respondents indicated that 50-60 minibuses were plying route 36, 16.7 per cent noted that the minibuses ranged between 40-50. Majority maintained that approximately 40-60 plying route 36 were registered. On average, about 50-60 minibuses were operating on route 36. Table 5.2 shows the number of vehicles plying route 36 as per the responses of those interviewed.

Table 5.2: Vehicles plying route 36

Number of Vehicles plying route 36	Frequency	Percentage (%)
40-50	5	16.7
50-60	7	23.3
60-70	6	20.0
70-80	4	13.3
80-90	3	10.0
90-100	3	10.0
Above 100	2	6.7
Total	30	100.0

Source: Field Data, 2009

In 2004, a study was carried out by International Association of Public Transport (UITP) in conjunction with African Association of Public Transport (UATP). The study came out with a report on statistical indicators of public transport performance in Africa, the findings from this study revealed that, in Nairobi, by 2004 when reforms were introduced, there were 175 routes (50 bus routes and 125 matatu routes) served by 123,376 public transportation operators, which included buses and matatus. Of this number, approximately 12,000 were

matatus and 78 per cent of them were small, 14 seater matatus. This figure might have gone high by 2010. These types of matatus have been alleged to be the main contributors to traffic congestion in Nairobi.

An interview with the Chairman of TLB revealed that, as a department charged with the responsibility of allocating routes to matatus, it was a challenge to keep track of the number of matatus that have been assigned routes by the department. He attributed this to the fact that not all matatu end up plying the route assigned by TLB. The chairman further noted that even in cases where the routes are assigned, the cartels determine whether a particular matatu is to ply a route or not. He concluded by acknowledging that the cartels had the final word and it was difficult to establish the actual number of matatus in a given route.

He further stated the dilemma the public transport is facing is the unregulated control of vehicles in a given route, this implies, on one route the number of vehicles can be more than the demand while on the other routes the number of vehicles are less than the demand, which results in uneven competition in the industry.

Volume flow of passenger is another factor that determines how busy a route is. Dandora Estate is one of the biggest suburbs in Nairobi that host more than 120,000 people, most residents are middle lower and low income earners who work in industrial area while others are businessmen and women who own and operate businesses along the route (Burn Burn - Jogoo Road). Because of population increase the demand for transport is also high.

The second characteristic of a route is whether the operators use the same timetable in their daily operations or not. It is evident that operators were not using the same timetable, 46.7 per cent agreed that every vehicle operated independently, 13.3 per cent indicated that it all depended on the condition of the vehicle, 10.0 per cent were of the opinion that it all depended on the time the matatu starts and ends its operation, 13.0 per cent viewed queuing and waiting for passenger at terminus as a factor. Other factors included; management style (6.7%), dependence on owners Schedule (3.3%) and operation using fixed timetables (3.3%).

A number of factors were provided as factors leading to vehicles not using the same timetables. Condition of a vehicle is one of the major reasons given by the respondents for not using a timetable. It was noted that some vehicles plying route 36 were old, while others were new. Majority of new vehicles were bought through loan facility, hence they had to make more trips to service loans, while for the old vehicles the owners were not paying loans and there was no pressure to work and generate money for loan repayment. Because of this, owners of the old vehicles operated with less pressure while those with new vehicles, had pressure to work hard in order to pay the loans. This made it difficult for matatu owners to use specific timetable in their daily operations.

Every vehicle usually operates independently, this factor is similar to the one above, in that, it depends on the individual owners who have to either to wake up very early and close up very early or wake up late and close late. This again translates to the number of trips one has to make in a day which can also be influenced by the condition of the vehicle.

Start and end time was also a factor that determined whether vehicles plying route 36 used specific timetables. From the study it was evident that not all operators woke up early, some began very early while others began their operations very late, and for this reasons they were not using standardised timetable in their operations. As earlier stated, the reason for beginning at different times all depended with the owner of the matatu, some opted to start late because of the condition of the vehicle; mechanical problems, police crackdown or any other reason, while others opted to begin early because of the desire to make more profits. The implication to this is, those who wake up early usually have much higher output as compared to those who start late.

The study revealed that not all vehicles queued for passengers. Those that queued belonged to SACCO'S; Dr DRE and Estates on route 36 as planned by the owners who happened to be experts on route management, have established reputation in order to meet customer demands. This has enabled customers to plan their time.

Different individual owners had their own management style; some dictated on the terms and conditions of the operation, for example when to wake up, the number of trips to be made in a day, the amount of money to be submitted daily; while others used *laissez faire* approach, where they left the workers to decide how to operate.

Some operators are experienced and are aware that at certain times of the day they will spend along time in a stage trying to lure customers which eventually takes time to complete a trip but earns an appreciable income. Some will rush popularly referred as *Bullet trip* from one destination to the other to save time in order to pick more passengers from another destination at a higher rate especially during peak hours. Some even opt to make shorter trips in between for better pay at the expense of time and also try to evade traffic jams.

Heavy traffic jam mostly during peak hours when people are going and coming from work is another factor affecting operations. One consequence of heavy traffic is the fact that there is no escape route or an alternative route to ease traffic. The other consequence is that people walk long distance, for instance, from Dandora to Outering or sometimes to Burn Burn in search for vehicles and those who get the chance to board vehicles from Dandora are forced to pay exorbitantly. Usually, fare from Dandora to City Stadium during peak hours is Ksh 40 but when there is heavy traffic jam passengers are forced to pay Ksh. 50. It was further observed that during such times, matatus usually do not reach Dandora. Rather they make a u turn at Outering stage, which is about three kilometres to Dandora to avoid heavy traffic, along Outering Road.

Lastly, competition has a characteristic of a route. This is evident in most routes in Nairobi including Dandora where a matatu operator would establish his / her niche in the market. This is characterised by loud music with DVD's screens fixed inside the vehicles, tinted windows and a vehicle being painted colourfully with all sorts of graffiti. This is done to lure passengers to the vehicle, though it is against the law.

5.4.2 Nature of Matatu Operations on Dandora Route 36

Owing to the chaos in the matatu industry and the perceived centrality of it in securing employment, enhancing government revenue and reducing the poverty gap, the government invoked the Traffic Act and gazetted new rules that will have far reaching implications on the operations of the industry. The central issue concerning the matatu industry revolves around its structure, profitability to the investors and affordability by the ordinary commuters. (Kimani *et al*, 2004).

Matatus are operated largely by small-scale and medium entrepreneurs who often are at loggerheads with public institutions due to their nature, characterized by their dilapidated bodies and bad tyres, their loud music, their screeching two wheel turns and the choking haze of exhaust trailing behind which is all against the traffic rules.

Investing in a matatu needs a large sum of money. The potential investor has to meet both the initial capital and operational cost. The owners incur a huge cost to cover purchase deposits, insurance, road license, bribes for accessing matatu routes, maintenance and depreciation. Despite these, the owners are still in a position to make profits.

Another problem facing the matatu industry is that more often than not, matatu owners and drivers complain that police harass them even when they have not committed "*real offences*". Instead of pulling the vehicles off the road, the crew pays off the officer. The study also revealed that the police often work with the mungiki's. They are known to receive weekly bribes from mungikis on certain routes, in order to allow the group to conduct their business. (Kahua, 2005)

5.4.3 Working Schedules and Conditions of Work

According to Chitere (2004), in his study on *Matatu Industry in Kenya: A study of the performance of Owners, Workers and their Associations and Potential for Improvement*, the minibuses alone in Nairobi provided more than 90 per cent of the total supply of public transport in Nairobi, and provided both direct and indirect employment. From this study, it was also revealed that majority of the vehicles plying route 36 were minibuses and accounted for more than 90 per cent of the total supply of public transport, therefore, it is important to examine their working schedules and the conditions of employment of those providing this vital services. Box 3 summarises views collected in the field on how some respondents utilized their time in any working day.

Box 3: Daily Schedule of Matatu Operators

Drivers

They begin work between 4-5 am in the morning by checking the vehicle (oil and water). By around 9-10 am they break for breakfast and around noon break for lunch. During such times they are relieved by 'Squad Drivers' who are paid Ksh. 100 per every squad. Between 8-9.00 pm in the evening, they close for the day, refuel the vehicles, get their wages of between Ksh. 800-1000 and close till the following day, when the cycle begins.

Conductors

They begin work between 4.30-5.00 am in the morning. Between 9-10 am they break for breakfast and later in the day, they break for lunch. Usually they are given Ksh. 150 for both breakfast and lunch. Like in the case of drivers, squad conductors acts as relievers and are paid Ksh.50 per every squad they make. They close for the day between 8 and 10.00 pm in the evening. During this block period, they refuel the vehicles, are paid a daily wage of Ksh. 350- 400 and close till the following day when the cycle begins again.

Route Managers

They begin work between 4.30 and 5.00 am in the morning by seeing all vehicles off. During the day they ensure that all operate according to their instructions by monitoring and supervising the vehicles on the road, collecting money and banking. They are available at all times whenever needed by the operators. In the evening, they wait till the last vehicle arrives, re-fuel the vehicles, give drivers and conductors their daily wages and close. Usually they are paid at the end of the month.

Route Controllers

Begin work between 4 am in the morning, they are stationed at fixed places which happens to be their working stations. Their role is to ensure that all is well. In case of any disputes they are notified, and they send their representatives who resolve disputes. Depending on the magnitude of the problem they may decide to personally deal with the problem. They close at between 10 and 11 pm in the night.

Matatu Owners

Most of the owners begin their work at between 4 and 5am in the morning when matatu operations generally begin. They oversee that all the vehicles are checked and released, and most owners delegate their responsibilities to the managers who are in charge of the daily operation of the business. Most of them only get involved whenever a serious issue arises. In the evening some of them pay off their employees while in other cases this responsibility is left to managers. This is after all the expenses, including fuel cost, police fines, brokers and parking fees have been deducted. After this, they break till the following day.

Source: Field Data, 2009

Working Time / Hours Worked

The number of hours worked by the matatu crew was also critical in assessing the nature of operations on Dandora routes 36. Matatu crew generally works for as long as 9-15 hours a day in order to attain daily targets set by vehicle owners and some surplus for themselves. As a result of this the matatu crew have created their own institutions just like cartels, to respond to the problem of fatigue. The cartels provided a fall back which allows the crew to rest and eat, especially in cases where the owners have not employed enough staff to work on shift.

From the study, it was established that there are two types of employment in the industry, that is, those who are employed on a regular basis and those who are employed on shifts. Regular employees are those employees who are employed by the owner of the matatu on a daily basis. Most often they work from morning to evening. On average they are two (a driver and a conductor) and they work for a maximum of 9-15 hours a day. Rarely do they have off-days and leave, but most of the times they have a break in between their normal working days.

To relieve the regular drivers and conductors, routes also have a number of "*Squad Drivers and Conductors*". These Drivers and Conductors do not work for one particular owner but are available to fill in where the regular drivers and conductors need a break. The squad drivers and conductors spend less time driving and touting than the regular drivers. They however, spend a lot of time waiting around the terminals, so as to guarantee their place in the queue for the work that is available should any opportunity arise. This helps the regular drivers and conductors to rest and rejuvenate and reducing the risk of accidents due to fatigue.

On the other hand, we have those who are employed on shifts. On average each matatu has two drivers and conductors. One set of crew operates from 4.00 am to 1.00 pm and the other from 1.00 pm to 10.00 pm a maximum of nine hours a day. The group then hands over the vehicle to the incoming team plus half the days collection target and ensures that the fuel tank is full. This incoming group then works for the other half to meet the owners financial target. After handing over the daily earning target to the owner and meeting other daily operational costs, the driver and conductor share the remainder at an agreed ratio/ equally.

In line with this findings, Chitere (2004), in his study on *matatu industry in Kenya*, focusing on matatu drivers and conductors, mostly working in Nairobi found out that of a total of 109 drivers and conductors interviewed, 43 per cent of drivers worked 7 days a week, 41 percent 6 days a week. The study revealed that 13.0 percent worked for 5 days, 80 per cent worked for 6 days while 6.7 per cent worked for 7 days. This is illustrated in table 5.3

Table 5.3: Number of Days Worked

Days Worked	Frequency	Percentage (%)
5	4	13.3
6	24	80.0
7	2	6.7
Total	30	100.0

Source: Field Data, 2009

Remuneration

Majority of the workers are paid after all transactions and expenses have been paid for the days work. It was estimated by the MVOA that on an average day, the revenue collected in a 14 seater matatu would be about Ksh 7,000, fuel would cost Ksh 2,000 and the owner would expect about Ksh 2,500. This would leave about Ksh 2,000 for driver, conductor and any payment made to a squad drivers and conductors. It was established from the study that workers were paid on a daily basis ranging from Ksh. 100-1000. For example, regular drivers and conductors were paid Ksh 800-1000 and Ksh. 300-400 a day respectively, inclusive of breakfast and lunch.

The shift drivers and conductors wages are not fixed. They vary between Ksh. 600-1000 and Ksh. 300-400 respectively, inclusive of breakfast and lunch allowance. For the squad drivers and conductors they were paid Ksh 100 and Ksh 50 per trip respectively on condition that the vehicle is in order. In case of any mechanical problem or if a vehicle is impounded by the police, then they end up not being paid. For the Route Managers and Controllers, they are paid at the end of the month depending on agreement and/or contract with the owner.

Fares

From the study it was noted that fares were dictated by the cartels. There is no state control of fares. Fares are determined by Buses and Matatus depending on the market dynamics. It was noted that fares charged by matatus varied with demand at a particular time; fares may be hiked during bad weather, congestion, or peak time. A typical fare from Dandora to City Stadium is Ksh 40 during peak which reduces to Ksh 20 at off- peak.

Responsibility

It was evident from the study that both the drivers and conductors were very responsible people. They were in charge of their vehicle both in terms of maintenance and the daily earnings for the owner. With regard to maintenance, it is the duty of the driver to report any defects of the vehicle to the owner. Further, the drivers ensure that traffic laws and regulations are obeyed to minimize operational losses. On the other hand the managers have the responsibility of ensuring that the repairs are done and spares are bought, fixed and that the vehicle is in good running condition as required by law.

Overall, it came out clearly from the study that the matatu owners, drivers, conductors, route manager and controllers injected almost the same amount of energy, time and resources into the industry. For the case of the owners, they injected their time and financial resources in to the business thus increasing efficiency.

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Factors Affecting Operations During the Week

The study revealed that in matatu operations, not all days of the week were the same in the daily operations of the industry. According to the respondents, each day had its own unique characteristics. 86.7 per cent of the respondents were in agreement that in deed there were unique days in their daily operations while 13.3 per cent disagreed as reflected in table 5.4

Table 5.4: Factors Affecting Operations in Each Day of the Week

Day	Variable	Frequency	Percentage (%)
Tuesday	police crackdown	5	16.7
Wednesday	Less human activities	2	6.7
Monday, Thursday and End month	High human traffic and good business	8	26.7
Friday	Less human traffic (No hurry in going home)	1	3.3
Weekends	Visits/ shopping day and church	8	26.7
	Each day is a unique day	3	10.0
	N/A	3	10.0
Total		30	100.0

Source: Field Data, 2009

The scoping study sought to establish unique days in the daily operations of matatus on route 36 to ascertain the viability of the business and pattern of the business. This was important because it has potential of informing potential investors who wish to invest and venture in the industry, on the dynamics of their investment per week. Further it also shows how lucrative the industry is.

As shown on the table, it was evident that not all days were the same, each day had its own uniqueness. Weekends were particularly different, 26.7 per cent of the respondents cited weekends especially Saturdays and Sundays as unique days. The influx of people during weekends as compared to week days was high since during weekends most people visit their relatives and friends; go to church as well as outings or leisure. These and many other reasons made weekends different from other week days.

A total of 16.7 per cent of the respondents cited Tuesday as a unique day because of police crackdown, contrary to this, not all Tuesdays was police crackdown. Since the appointment of Mr. Mathew Iteere as the New Police Commissioner in September, 2009, there have been drastic changes in the Police Force. There are frequent crackdowns regardless of the day by the traffic police on the PSVs to ensure that both the matatu owners and workers adhere to the traffic rules.

Another 10.0 per cent of the respondents saw thursday as the day when the business was high, while others saw end of months especially the last days of the month before people earn their salaries as days when there is no business at all citing reason such as; financial constraints disenabling them to travel and preference to walk rather than boarding a vehicle.

According to the study, 90 per cent of the respondents noted that approximately 10-14 trips were made by vehicles plying route 36 while 10 per cent indicated that the trips made per day were between 6-9 trips. Of the 90 per cent, 80 per cent noted that these trips were complete trips while the rest observed that they were partial trips. This means that every matatu operates as an independent entity as long as a reasonable income is earned at the end of the day.

CHAPTER SIX

CARTELS

6.0 Introduction

This chapter highlights issues relating to cartels. It provides details and dynamics of the group with particular reference to Dandora route number 36. The chapter begins by providing an overview of cartels, followed by their formation and spread, registration, recruitment and membership; involvement in cartels in the matatu industry highlighting fees and other charges; and challenges of addressing cartels in the industry.

6.1 Cartels in the Matatu Industry

As earlier discussed, Kenya has too many governmental institutions involved in the road transport sector. The road transport issues are disjointedly distributed among different government ministries and agencies. This gives rise to overlaps and duplication of responsibilities as witnessed in Ecuador, where there were over ten institutions responsible for urban road transport prior to 1994.

The organization and institutional malaise in the industry has been exacerbated by the existence of different actors in the industry. Some of these actors lack distinct legal role in the industry. These illegal actors are the cartels who extort money from matatu operators, ostensibly to allow them to operate on city routes, yet they neither make nor maintain roads

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The scenario is compounded by exponential increase of matatu since 1973 when the government recognized the industry as an alternative mode of transport and the fact that the returns from the industry are not shared proportionally by actors according to their relative significance to the industry. Khayesi (1999) established that those who make the least contribution to the development of the sector, wield greater influence in the sector and reap maximum benefit from it

With the introduction of new "Michuki Rules" most operators were not able to meet the requirements of Legal Notice 161 of 2003, opting to sell some of their vehicles. The new owners who were able to meet these requirements are also required to meet the demands by cartels. Because they were able and business was good at that time, there was no problem in

meeting the demands of the cartels. This was time for booming business for the cartels giving them a leeway to thrive.

At the route level, drivers, touts and route managers are of the opinion that cartels are illegal and they desire their removal in order to improve route management and ensure security. They admitted that they were aware of cartels in the routes in particular route number 36, and that they had complained to the police but nothing had been done to remove them or protect the operators especially those who refuse to yield to the demands of cartels.

The government is also aware of the cartels manning matatu routes and acknowledges that this is a great issue of concern both to the government and to the public at large and that it needs immediate action. The TLB, CEO admitted knowledge of the existence of cartels claiming to be manning the routes, to quote him, *"matatu operators were losing millions of shillings everyday to cartels, "we have complained many times to the police and other relevant authorities but nothing has been done"*⁷. He also revealed that the gang had become a self appointed group purporting to manage the stages where matatus pick-up and drop off passengers, imposing stringent and outrageous rules with an aim of extorting money from the operators.

The above views were further echoed by the Commandant of the Traffic Police Highway Ruaraka Mr. J.K Adoli, he noted that the police were aware of the cartels manning various routes in the city. To quote him, *"Cartels were unregistered illegal group, whose motive is to extort money, and instill fear in the public in order to benefit. You can not legalize something which is outlawed"*⁸, he concluded.

6.2 Formation and Spread of Cartels

The formation of Mungiki sect remains a mystery to many Kenyans. There have been contradicting theories. Some reports say the group possibly started in 1988 with the aim of toppling the government of immediate former president of Kenya, Daniel Torotich arap Moi.

⁷ Extracts from a key informant at the Transport Licensing Board on cartels who are managing matatu industry

⁸ Extracts from a key informant at the Traffic Police Highway on cartels who are managing matatu industry

However, other authors have noted that its origin dates back in the early 1959, in Kenya's Central Province. It is noted that during that period a group of men would knock on people's front doors late in the night and when asked who they were they would identify themselves as "*it is us*" and everyone would understand that a Mau Mau⁹ unit was at the door. Today, some people argue that the name Mungiki taken by a controversial sect whose members are from the Gikuyu community is derived from the word *Muingiki*- Meaning "we are the public" and in relation to Mau Mau movement "it is us" (Githongo, 2000). Wamue (1999) notes that mungiki is a Gikuyu word that is derived from the word "*Muingi*" which means masses.

Mungiki is an outlawed quasi political or religious cult in Kenya. The group began in the late 1980's as a local militia in the highlands of Kenya to protect the Kikuyu farmers in the disputes over land with the Maasai and with a force loyal to the government which was dominated by the Kalenjin tribe at the time. This religious cum political movement was initially composed mainly of Kikuyu origin, aged 18-40. During its initial formation, Mungiki were not simply a militia; they took up the Kikuyu idea of statehood and purity and rejected Christianity and neo-colonial influences on the country. In so doing, they resembled the Mau Mau movement that played a crucial role in the struggle for independence.

Wairuge, one of the founder members of the group, claimed "we have Mau Mau blood in us and our objectives are similar. The Mau Mau fought for land, freedom and religions so do we". Like Mau Mau, the mungiki rely on oath to ensure loyalty among the group.

(<http://en.wikipedia.org/wiki/mungiki.2002>)

They began to dominate the matatu industry in Nairobi, by dividing themselves into cell structures of 50 members a cell. Using the matatu industry as a spring board the group moved into areas of commerce, such as garbage collection, construction and even protection racketeering. Inevitably, the group's action led to involvement with politicians eager for political support from masses. Wamue (1999) point out that mungiki strongly resents

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Mzungu Aende Ulaya, Mwafrika Apate Uhuru (Mau Mau) refers to secret insurgent organization in Kenya comprising mainly Kikuyu tribe. Historically, they were bound by oath to force the white settlers who had occupied their land out of Kenya, and became a strong movement during the independence struggle.

accumulation of massive wealth by a few Kenyans, especially those in the political rank. Of late, however, the leaders of the cult seem to occupy mansions in the most expensive estates of Nairobi. It is also evident that they are being used by politicians to articulate their policies, and to provide protection.

In May 2007, the matatu operators raised an outcry in which mungiki extorted most of their profits. They were forced to part with Ksh. 200 for every trip made. After the outcry, mungiki embarked upon murderous campaign. Members of the public would wake up to severed heads on poles, and body parts strewn in bushes in attacks blamed on mungiki.

These drew an armed response from the Kenyan security forces who stormed the sect and killed more than 100 of its members. These killings did not deter them from extorting money from matatu owners, In January 2007, it had been estimated that the sect netted Ksh. 90 million (approximately over 1.3 million dollars) a day nationwide and this sparked the May-June 2007 battle with matatu operators. (Reuters, 2007)

It is from the above historical explanation of the sect that the author decided to interview some of the Key Informants in the industry to try shed light on how mungiki came into existence. According to TLB CEO the group developed from bus terminus, where a group of youths came together and formed a sect to protect their routes. One of their objectives was to come together and have a voice. Secondly; it was to serve as a channel where they would air their views and grievances.

According to an official, the cartels are informal associations that breed conflicts and violence in the matatu industry. To quote him "*cartels emerge in the transport industry due to inefficiencies in regulation of the sector and in many developing countries in Africa they emerge in order to stave off competition from other operators in the sector*" he concluded. According to him Cartels and criminal gangs exist on many routes. Cartels usually consist of pioneer matatu owners and operators on specific routes who have organised themselves to control access to routes. They usually require new entrants to pay a certain amount of money as a 'license fee' failure to comply will bring serious problems to the owner and/ or crew.

These views were further echoed by a senior officer in the NCC, who admitted having knowledge of cartels and viewed them as "criminal gangs". He confirmed that in deed there are cartels purported to be manning routes but to him, he sees cartels as "unregistered illegal group, whose motive is to extort money, and instill fear in the public in order to benefit.

Today, the members who illegally man matatu termini from the Central Business District (CBD) to the estates have introduced what has been dubbed as "*fare of the moment*"¹⁰ where fares are determined by the number of commuters and the time of the day. Sect members board matatus and as they approach pick-up points pose as conductors, shouting fare of the moment which often earns them between Ksh 20-40 per trip. Conductors only surface to collect the money (fares) from the commuters and pay the gang member for the service offered. Mungiki have so far taken over the management of several routes around the city, including Dandora, Baba Dogo, Kayole, Kikuyu, Wangige, Kariobangi, and Waithaka

6.3 Registration, Recruitment and Membership

6.3.1 Registration

It was established from the survey that the group was not registered with the registrar of companies but rather registration exists within the group members. This was conformed by 83.3 per cent of the respondents who were in agreement that indeed the cartel registered their members, while 16.7 per cent knew nothing about registration of the members. Upon asking them whether they knew the criteria which they used in registering their members, 33.3 per cent said that it was difficult to know the criteria, 20 per cent said the group was too secretive, 10 per cent were not able to specify, while 36.7 per cent of the respondents knew nothing about the members registration.

Although it was difficult to establish how the group managed to work together. The study revealed that members of this group did work together, 90 per cent of the respondents agreed that the group worked in cohesion, while 10 per cent disagreed.

¹⁰ **Fare of the moment: This is a situation where fares are determined by a number of factors, they may include; the number of commuters, time (off-peak and peak hours), weather etc.**

6.3.2 Recruitment

For any organization to stay and carry out its mandate effectively, there must be a reliable human resource that ensures all activities are conducted according to the requirements of the organization. Recruitment therefore becomes a crucial process. From the study, it emerged that, 86.7 per cent of the respondents didn't know how they conducted their recruitment process, while 13.3 per cent of the respondents knew how the process was carried out, another 13.3 per cent of the respondents suggested that members were recruited by first accepting to be members, then later initiation ceremony takes place in central highlands, where the sect first began. The whole process takes place in the wee hours of the morning. The process is as follows;

1. Taking of an oath: - All members who are ready to be initiated are taken through the process by their leader in taking of an oath.
2. During the oathing ceremony a white sheep is slaughtered and the blood is shared among the members.
3. Afterwards, the new recruits are baptized in a freezing cold pool. This is the final part of their initiation into the sect. When one is in the water, he or she vows never to sin again and one starts a new life.
4. After the process, all the new recruits are divided into cell structures of 50 members. In terms of training, the new recruits are trained with an aim of empowering them economically right from the grassroots in managing the affairs of the areas where they stay.

It is from this assignment that the idea of manning stages by mungiki's emerged. The whole process is long and tedious, it is done very secretively. Few people understand how the process is done, but the study was able to tease out some of these processes from informants who were willing to share their knowledge of the sect.

6.3.3 Membership

In the matatu industry, membership of this organization is divided into two groups, those who are actively involved and those who are quasi. The top officials of the groups were there to implement rules and regulations that govern them, and sometimes acted as financiers, while the lower cadre is charged with the responsibility of collecting money from various vehicles and other sources that are assigned to them.

The survey noted that the group had members, but the respondents were reluctant to give information on membership and recruitment. 90 per cent of the total sample were ignorant of any existence of group membership while 10 per cent agreed that the group had registered members.

A Key informant also an official of the group confirmed the existence of this unlawful group. It is estimated that the group has around 500,000 members, although due to their nature of operation, it is difficult to establish the exact figure. The official also availed information on recruitment techniques which include intimidating, threatening, persuading, giving incentives and promising rewards to targeted members, and further stated that the group had well coordinated networks, well organized and exercised a high level of discipline attributed to the kind of initiation they were subjected to.

6.4 Involvement of Cartels in the Matatu Industry

Security is a major concern by all road users in Kenya. Caijacking of both public and private vehicles is a common phenomena and it usually results in death. Security of passengers and freight is usually worrying for both local and freight transport. Security for drivers, passengers and freight along main transport corridors is of critical importance considering the poor security in the country. Public transport termini in urban areas have attracted most of the unemployed youth who have created insecurity, harassment and hindered the smooth operations of public transport.

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Since these services are not adequately offered by the government, cartels have come in to fill the gap purporting to:

1. provide security to the operators
2. Regulate vehicle influx into a route by allowing accepted vehicles to ply the route and preventing others from invading the route.
3. Ensure that no contravening vehicles ply their route
4. Control and Fix fares
5. Solve disputes amongst stakeholders in the industry
6. Instill law and order to the matatu workers (Drivers and Conductors)

In return for these services a daily fee is paid to the group.

With regard to involvement of these illegal gang only exists and thrives because there is laxity on the part of the law enforcement arm of the government. It is evident that the cartels do not play any role that is beneficial to any of the stakeholders, who are merely captives.

6.4.1 Fees and other Charges

With regard to fees payable a key Informant of the sect revealed that more prominence is given to mungiki fees rather than to the TLB fees, because of their nature of operation. They are believed to be friendly to those who adhere to their rules and regulation and brutal to those who don't adhere. *"For a matatu to operate in a given route, it must pay a registration fee, which depends on the age, size and condition of the vehicle. The fees vary from one route to the other"*. The cartels also demand some registration fees from the matatu owners to allow them to operate in a new route which ranges from Ksh.60,000-100,000 for buses (46-61 seater), Ksh 40,000-60,000 for (33-41 seater) and ksh.25,000-50,000 for 25 seater. The implication of this is that the matatu owner incurs additional cost and failure to do this, leads to not being allowed to operate freely on that route.

According to the respondents, 96.7 per cent confirmed that there is a fees charged for every service the group purports to offer. From the survey the following was arrived at; 16.7 per cent of the respondents confirmed that a fee Ksh. 4,000 was actually charged for existing vehicle owners who had intention of bringing in a new vehicles on the route, 16.7 per cent of the respondents confirmed that for every new vehicle to be allowed to operate, a sum of between Ksh. 20,000-50,000 is[^]Said to the cartel officials. 20 per cent of the respondents agreed that there is a membership fees for drivers and conductors which ranges between Ksh. 2,000-4,000. Once this fee is paid, the driver and conductor can work with any matatu owner on that route without any other disturbance from the group members.

The Informant further noted that the cartels have been extorting colossal sum of money from the industry. For instance, the four routes (32, 36, 41 and 42) have an estimated 400 matatus and each vehicle pays between Ksh 200-700 per day plus an additional Ksh20- 40 per trip and / or at pick-up points.

¹¹ Extracts from a key informant (Cartel Official) on activities of cartels in the matatu industry

It is estimated that each matatu pay at least Ksh 1,000 per day translating to Ksh 400,000 per day for the 400 matatus. Therefore, for one month the group collects Ksh. 12,000,000 equivalent to 144 million per annum. It is important to note that this amount is not taxed neither is it used to deliver any benefit to matatu owners but rather makes the cartels economically stable leading to their present increase in the industry. It was also established that a good number of vehicles plying some routes belonged to individual sect members.

Initially, they used to give out receipts but in the recent past, they have changed their tactics because of fear of being arrested by the police. They come in all manner of ways including; posing like customers and signal the conductor who in turn gives them their dues, nowadays they use M-pesa as a way to collect money, some conductors / drivers keep the money for a week and then send the money to the mungiki collector (Assigned to your vehicles) to conceal their identity from the public and the police, although some are known to the police.

With regard to activities performed by the cartels, the interview with the TLB official revealed that there were no activities the cartels could do that were legal in the industry, their job is to *"extort money from the matatu which they claim is protection fee"*¹². The main reason why the group is thriving is that the enforcement arm of the government (Kenya Police) is not doing what it ought to do to curb the situation for they also fear the group.

To the official, the role played by cartels in the matatu industry was irrelevant because the government through the Ministry of Transport had its role defined in terms of service provision and mandated to formulate a transport policy, develop a regulatory framework, oversee service delivery, investigate accidents, inspect motor vehicles and provide security to the road users" To him the ministry rendered the services, thus refuting that cartels played a significant role in the industry. *"Any illegality had no role"*, he concluded.

6.5 Challenges of Addressing Cartels in Matatu Industry

The challenge the TLB is facing is look for ways to eradicate or eliminate the cartels completely from the matatu industry. The problem was that the TLB relied mostly on the Kenya Police to carry out the crackdown, but the Kenya police have not been effective in doing so. There are complaints that the police were working close with the cartels, and this

¹² Extracts from a key informant at the Transport Licensing Board on activities of cartels in the matatu industry

makes it difficult for the cartels to be eliminated. On the other hand, the TLB official was certain that the board was planning to employ their staff who will have total control of the industry, ensuring that the cartels are eliminated completely.

Cartels have a well coordinated network with their members in almost every sector of their economy, making it difficult for the law enforcers to plan a strategy for eliminating them as this information is likely to reach the cartels' administration.

There economic stability from the large sums of money generated from the matatu sector alone has empowered the group to an extent of even manipulating authorities making it impossible for any action to be executed against them. In this way their interests are safeguarded and they can do anything they feel. There is general fear of the sect by the public, such that public authorities have not heard the ability, know how and courage to face the group.

CHAPTER SEVEN

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Based on the literature reviewed and analysis of the data collected on institutions and route management in Nairobi with a special emphasis on cartels, some conclusions and recommendations can be made regarding the level at which the government is participating in the industry *vis-a-vis* the cartels. This chapter presents the summary, conclusions and recommendations

7.1 Summary

The matatu sector provides the bulk of passenger transport service constituting over 60 per cent. It is a leading sector in employment creation and, its service share is said to be increasing at an exponential rate, providing good government revenue base. Amidst this increase, the government has not put much focus on the sector and does not seem to offer a level playing ground for all actors. Initially, the business was viewed as illegal and to some arms of the government, for example the Kenya Police this phenomenon still lingers on given their attitude towards the sector. This calls for attitude change and towards the sector if its operations are to flourish and operate efficiently.

Stakeholders involved in the industry have not effectively worked together. Different ministries and departments within the government have each failed to effectively offer services. It is therefore important to note that, like any system, the failure of one ministry /departments in the government results in the failure by the whole system.

The study shows that due to the inefficiency of the government in terms of service delivery and lack a conducive environment for the business to thrive, the emergence of cartels into the industry has not only created havoc, chaos and confusion, but has also brought about lawlessness and disorder. With this in mind and the large sums of money required when investing in a matatu, the huge costs incurred in purchase and in operating a matatu, potential operators are scared away for fear of not making any profits.

The introduction of the new rules did not adequately address the issue of cartels instead created an enabling environment for the sect to thrive, by barring many 'old timers' in the business thereby bringing on board 'new comers' to fill the gap created. Since business was good at the time of the introduction of the new rules, large sum of money were charged by the cartels in order for the new comers to operate freely.

In spite of the elaborate procedure, a matatu owner has to go through before his/ her vehicle is finally allocated a route by the TLB; these matatu owners still have to apply for the same route to the cartels before the vehicle is allowed to ply the route. The operator's bargaining power is weakened following the fear the cartels have instilled into the sector. Moreover, umbrella bodies which are also expected to assist operators do not do so effectively because, more often, their impact does not reach the route management levels.

Laxity by the law enforcement arm is also evident as a result the industry is marred by poor regulation and a monopolistic nature of price determination and lacks fair competition as some players operate as cartels. This is compounded by the persistent conflict of interest as to who controls the matatu industry, hence the high rate of fares which hurt the consumers.

After a series of consultation between the government and the relevant stakeholders in the industry, matatus were finally not allowed to enter the CBD. This was aimed at decongesting the city centre hence the construction of Muthurwa, Globe Cinema Roundabout and City Bus station at the periphery of the city centre. However, some of the companies such as City Hoppa, KBS and Commuter Connections found their way into the CBD while others were forced to use the new terminuses and stages, thereby creating unfair competition. These council designated areas tend to discourage involvement of cartels into matatu operations as council askaris are employed to man the parks. This is a positive move towards elimination of cartels in the industry, although it has disadvantages to commuters who have to alight far away from their destinations.

The relationship between the cartels and public institutions in terms of how they regulate the industry; control competition and its viability is questionable. There is completely no relationship whatsoever between the cartels and public institutions.

The matatu industry in Kenya lacks a National regulatory body to govern its proper operations and provide security to the operators. The Draft National Transport Policy should be urgently passed by parliament to make it a reference for enacting relevant laws and regulations for the sector.

7.2 Conclusion

The matatu industry in Kenya lacks a national regulatory body to govern its proper operation. This has led to the entry of actors who have no tangible contribution to make for the benefit of the industry and whose main aim is to extort colossal sums of money from the rightful owners of matatus. The integrated national transport policy drafted by the government should be urgently passed by parliament to inform laws and regulations for managing the matatu industry.

Governments often remain unaware of the economic contributions of the informal economy and the problems faced by those who work in it. However, given the economic contribution of the sector, its vitality and permanence, government should develop policies that will recognize the importance of the sector, restrict and regulate the sector, but seek to increase productivity and improve the working conditions of the workers.

In line with participatory theory, a transport policy must provide a vision shared by all stakeholders barked by coordinated and integrated planning and decision making. Inter-modal coordination, corporation and sharing of information should be encouraged in both infrastructure provision and transport operation to maximize customer service, reduce cost, and maximize social and economic returns. Thus, appropriate government departments, private sector and users must be in the decision making process. This calls for a development a policy that is participatory in nature, nested in open and free consultations, including the informal stakeholders within the matatu industry. It is important that all stakeholders in the process build consensus around matters of mutual interest.

According to institutional framework therefore, a failure in one department leads to a failure in the whole system. With regard to cartels, failure of the police force has led to the failure to eliminate them from the transport sector including road networks.

The relocation of matatu terminus outside the CBD was a good move towards the decongestion of the CBD, and was also able to introduce law and order as the termini were manned by NCC personnel. This move will eventually remove cartels from managing matatu routes. In some quarters it was seen as a way of removing low capacity vehicles from the CBD in favour of high occupancy vehicles. The initiators of the relocation did not freely share all information with operators. Failure to involve the operators has led to clashes among the operators, NCC and the law enforcement arm of the government as many matatus still find their way into the CBD, albeit illegally.

With regard to road passenger transport operations and maintenance, legal and institutional framework for regulation, coordination of development and management of road passenger transport services is fragmented and uncoordinated. No road passenger survey has been undertaken as a basis of issuance of licenses by TLB. As a result vehicles assigned to particular routes are either too many or too few. The supervision of operations is left to the traffic police to whom this function does not constitute their area of operational priority. No law regulates public transport operations. Illegal gangs charging unauthorized fees inhibit operations along most routes purporting to regulate the number of vehicles plying a route and charging exorbitantly for this service.

The operations of cartels have thus led to high investment costs thus scaring away potential investors into the industry. There is also lack of a coordinated mechanism for raising and managing funds for road safety matters. As a result, the TLB allocates routes to operators who also have to register (after paying a fee) with the cartels to be allowed to operate on that route.

7.3 Recommendation

The study has provided information on cartels which is largely not documented, due its methodology which made it possible to interview some of the sect members. It is evident that registration, recruitment and membership of cartels is an elaborate, complicated and very secretive in nature. With the alarming increase in their numbers, there is an urgent need to understand the sector in order to address some of the issues raised in this study. In this respect, the study makes the following tentative recommendations for policy consideration.

7.3.1. Policy Recommendations

To be able to improve access to transport by all especially the poor, as well as promote choice and flexibility within the transport system, I recommend that the Government considers the following:

First, the Government should set up a central body to deal with all transport matters under one roof. This body will encompass the functions of TLB and other state institutions providing service to the public transport sector.

Secondly, with regard to stakeholders the government to facilitate active participation of all stakeholders in the policy development process. Periodically review retrogressive regulations, policies and by-laws through participatory process if the problems in the sector have to be minimized. This should enable registration of SACCOs, to manage specific routes. Further training should be provided to various stakeholders in relevant disciplines to ensure efficient operation in a conducive environment with minimum conflicts, lawlessness and disorder.

Thirdly, a special task force should be formed to deal with the issue of cartels managing various routes. The responsibility of the task force will be to ensure that there are no cartels managing routes, those members of the group who will be caught, will be arraigned in the court of law and charged. Although the study did not investigate the environment within which the Kenya Police operate, it is recommended that their terms of employment and discipline be addressed. This is because a number of respondents pointed a figure at their inefficiency and poor record of enforcement of laws.

Fourthly, to decongest the CBD there is need to establish terminal facilities approachable through transport corridors in line with vehicle entry into the CBD, i.e in Nairobi, the corridors should be defined as: Jogoo Road Corridor; Juja Road Corridor; Thika Road Corridor; Waiyaki way Corridor; Ngong Road corridor; Mombasa Road Corridor; Lang'ata Road Corridor and Limuru Road Corridor.

Finally, a change of attitude among different players in the industry must take precedence. Time has come when all parties in the industry must work together as partners. Public institutions, including government departments responsible for efficiency in matatu operation

must harmonise their roles and responsibilities to manage and regulate the industry and encourage the civil associations to work together in ensuring efficient operations.

With regard to cartels, the government must be seen to support the matatu industry and not just to benefit from it. The matatu industry should be seen as a resource to be nurtured, and should not be left to private investors alone but rather the government should oversee the industry. This transitory stage requires the commitment by the government, the City authorities and the support of all stakeholders.

7.4 Areas for Further Research

This study was limited to researching the origin, existence and involvement of cartels in the matatu industry, which still leaves a wide gap on required knowledge on cartels. Such gaps include: investigating their cultural, economic, social and political aspects, and how they thrive in almost every other sector of the economy.

Another area that require further research is the TLB as a licensing body. Research should focus on the number of vehicles plying routes for effective allocation of routes. This will enable the distribution of vehicles on routes effectively and regulate vehicles on particular routes.

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UNIVERSITY OF NAIROBI, INSTITUTE FOR DEVELOPMENT STUDIES
MANAGEMENT OF MATATU ROUTE IN NAIROBI
SCOPING STUDY FOR MATATU ROUTE OPERATORS
QUESTIONNAIRE

My Name is Stephen King'oina. I am a postgraduate student at the University of Nairobi undertaking a course in Development Studies. Currently I am researching on Management of Matatu routes in Nairobi. I would be grateful if you could spare some time to answer a few questions, relevant for my study. Any information given will be used only for academic purpose.

BACKGROUND INFORMATION

1. Name (*Optional*)
2. Gender
 - 1) Female []
 - 2) Male []
3. Age

GENERAL INFORMATION ON MATATU INDUSTRY

4. In the daily operation of the industry, what is your responsibility?
 1. Driver []
 2. Conductor []
 3. Route Manager []
 4. Route Controller []
 5. Other, specify []
5. At what time do you start and end your operations?
 1. Start
 2. End
6. How many days in a week do you work?
7. If seven days, do you get any breaks?
 1. Yes
 2. No
8. Please elaborate your answer

9. Do you know which institution (s) is responsible for the overall management of the matatu industry?

- 1. Yes
- 2. No

10. If yes, specify

11. What are the specific responsibilities of the institutions listed?

Institution (s)	Role

12. Do you know which institution (s) is responsible for the overall allocation of the matatu routes in Nairobi?

- 1. Yes
- 2. No

13. If yes, specify and indicate their role

Institution (s)	Role
*	

14. Do the institutions listed work together?

- 1. Yes
- 2. No

15. If yes, please elaborate their working relationship

16. Is there any relationship between the government institutions and associations managing the matatu industry?
 1. Yes
 2. No
17. Please explain your answer?

SPECIFIC INFORMATION ON ROUTES

18. Where does this route start and end?
 1. Start
 2. End
19. How many vehicles ply this route?
20. Are they required to be registered?
 1. Yes
 2. No
21. If yes, with what bodies?
 - 1.
 - 2.
 - 3.
 - 4.
 - 5.
22. To what extent do you think matatus on this route are registered with the bodies listed?

23. Please specify the type and carrying capacity of matatu plying this route

Type	Carrying Capacity

24. Is there any specific timetable that is used by matatu operators on this route?
 1. Yes
 2. No

25. If yes, do operators comply with it?

1.Yes

2.No

26. Please elaborate your answer

27. If No, to question 25, briefly explain how the operations are conducted?

28. Please describe your day, yesterday, beginning from when you began work to when you stopped?

29. Is everyday like the day you have described?

1.Yes

2.No

30. Please elaborate your answer

Yes

No

31. Is there any unique day of the week in your operations?

1.Yes

2.No

32. If yes, please elaborate your answer

33. Averagely, how many trips does each vehicle on this route make per day?

34. Are all of these trips complete trips?

1. Yes

2. No

35. If No, how many of them are partial trips?

INFORMATION ON CARTELS

36. Are there any cartels on this route?

1. Yes

2. No

37. If yes, please name them?

1.

2.

3.

4.

5.

38. Are any of them responsible for the management of this route?

1. Yes

2. No

39. If yes, specify which >>>nes are responsible for the management of this route and indicate their role?

Cartels	Role

40. Do you know how many members they have?

1. Yes

2. No

41. If yes, specify the number

42. Do they know each other?
1.Yes
2.No
43. Do you know how these groups recruit members?
1.Yes
2.No
44. If yes, please explain the recruitment process
45. Do they have registered members?
1.Yes
2.No
46. If yes, what criteria do they use to register their members?
47. Do they work together?
1.Yes
2.No
48. If yes, briefly describe their working relationship
49. Do you know the services they offer?
1.Yes
2.No
50. If yes, list them
1.
2.
3.
4.
5.
51. Is there any fees charged for these services?
1.Yes
2.No
52. If yes, specify the charge for each service?

Services	Charge

53. In your opinion, do you think they have effectively provided the services they charge fees for?

- 1. Yes
- 2. No

54. Please elaborate your answer?

- 1. Yes

- 2. No

55. What are the advantages and disadvantages of these cartels?

Advantages

- 1.
- 2.
- 3.
- 4.

56. Disadvantages

- 1.
- 2.
- 3.
- 4.

57. What are your general comments on cartels manning the matatu industry?

58. Could you suggest how matatu routes could be effectively managed?

Key Informant Guideline: Transport Licensing Board (TLB)**Introduction**

My Name is Stephen King'oina. I am a postgraduate student at the University of Nairobi undertaking a course in Development Studies. Currently, I am researching on Management of Matatu routes in Nairobi. I would be grateful if you could spare some time to answer a few questions, relevant for my study. Any information given will be used only for academic purpose.

Thank You

Stephen King'oina

Region_

District_____^

IntervieweeName&Position_

Interviewer_

Moderator_

Date_____»

r

General Information

1. According to the vision of the Ministry, the ministry wants to transform the transport sector into world class transportation system that will contribute and improve the quality of life. What is your vision for management of matatu routes of public transport?
2. How has the Ministry engaged itself in the management of routes in the matatu industry?
3. Which specific unit or department in the Ministry of Transport is charged with dealing with matatu industry?

Management and Operations

4. In terms of operations, how does the ministry carry out its operations in the matatu industry?
5. How does the ministry allocate and manage routes in the matatu industry?

Cartels

- 9 Are you aware of the existence of cartels in the matatu industry? (Describe its role and performance in the industry)
- 10 What activities are these cartels supposedly involved in?
- 11 What services do these cartels offer in the matatu industry?
- 12 How can you describe the working relationship between the cartels, the ministry and other groups or actors in the matatu industry?

Achievements and Challenges

- 13 In your opinion, what has the ministry achieved in relation to the matatu industry?
- 14 What challenges does the ministry face in relation to the matatu industry?
- 15 What policy direction on the industry guides the management of the matatu industry?
- 16 What mechanisms have you put in place as a government to address the issue of cartels in the matatu industry?
- 17 What should be done to improve the operations of matatu industry and who should be responsible for each suggestion.
- 18 In your opinion, how can the management of matatu routes help to realize the goal of the world class transport system?

Key Informant Guideline: Matatu vehicle Owners Association (MVOA)**Introduction**

My Name is Stephen King'oina. I am a postgraduate student at the University of Nairobi undertaking a course in Development Studies. Currently, I am researching on Management of Matatu routes in Nairobi. I would be grateful if you could spare some time to answer a few questions, relevant for my study. Any information given will be used only for academic purpose.

Thank You

Stephen King'oina

Region

District

Interviewee Name & Position

Interviewer

Moderator

Date

General Information **

1. When was the association formed?
2. Is it registered, if registered, when did this take place?
3. How does one qualify to be a member of the association?
4. How many members does the association have currently? (please elaborate)
5. What is the mission/ vision/ objective of the association?
6. What obstacles does the association face in trying to achieve its objective?
7. What activities is the association involved in, with regard to the matatu industry?
8. How do the members get involved in the activities of the association?
9. How do you deal with members who do not comply with rules of the association?
10. How can you describe the relationship between the association and the government in the management of the matatu industry?

Cartels

11. Are you aware of the existence of cartels in the management of matatu industry?

1) Yes

2) No

Describe its role and performance in the industry

12. How are these cartels responsible for the management of the matatu industry?

13. What activities are these cartels manning the routes supposedly involved in?

14. What services do these cartels offer in the matatu industry?

15. How can you describe the relationship between the cartels, your association and other groups or actors who are managing the matatu industry?

Achievements and Challenges

16. In your view, what are some of your achievements in relation to the matatu industry?

17. What are some of the challenges you face as an association in relation to the matatu industry?

18. What strategies have you adopted to address the issue of cartels in the matatu industry?

19. Could you please suggest ways in which matatu industry could be more effectively managed?

APPENDIX 4

Key Informant Guideline: Cartels

Introduction

My Name is Stephen King'oina. I am a postgraduate student at the University of Nairobi undertaking a course in Development Studies. Currently, I am researching on Management of Matatu routes in Nairobi. I would be grateful if you could spare some time to answer a few questions, relevant for my study. Any information given will be used only for academic purpose.

Thank You

Stephen King'oina

Region

District

Interviewee Name & Position

Interviewer

Moderator

Date

General Information

1. When was the cartel formed?
2. Is it registered, if so, when did this take place?
3. How does one qualify to be a member of this group?
4. How many members does the group have currently? (Please elaborate)
5. Does the group carry out a recruitment Process?
 1. Yes
 2. No

Describe how you recruit your members

6. What are the goals/ objectives of the group in relation to matatu industry?
7. What obstacles does the group face in trying to achieve its objectives?
8. What activities is the group involved in, in the matatu industry?
9. How do the members get involved in the activities of the group?
10. What are the rules, norms and principles that govern you as a group?

Management and Operations

11. What is the coverage area of your group in relation to matatu industry?
12. How do you operate these areas? (Please explain the criteria used in operations)
13. How effective are you in controlling and regulating competition in the matatu industry?
14. How can you describe the relationship between your group and other groups or actors in the matatu industry?
15. What services do you offer in the matatu industry?
16. What fees do you charge for these services?
17. How effective do you think are the services you offer?

Achievements and Challenges

18. In your view, what are some of your achievements?
19. What are the challenges you face as a group in managing the industry?
20. What strategies have you adopted to ensure that you are still in existence in the matatu industry despite efforts to get rid of your group?
21. Could you please suggest ways in which the industry could be more effectively managed?

APPENDIX 5

Key Informant Guideline: Kenya Police

Introduction

My Name is Stephen King'oina. I am a postgraduate student at the University of Nairobi undertaking a course in Development Studies. Currently, I am researching on Management of Matatu routes in Nairobi. I would be grateful if you could spare some time to answer a few questions, relevant for my study. Any information given will be used only for academic purpose.

Thank You

Stephen King'oina

Region

District

Interviewee Name& Position

Interviewer

Moderator

Date

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General Information

1. What is the mission /vision of the police force in relation to matatu industry?
2. What role do you play as a police force in relation to matatu industry?
3. What activities is the police force currently involved in, in the matatu industry?

Cartels

4. Are you aware of the existence of cartels who are manning the matatu industry?
 - 1) Yes
 - 2) No

Describe its role and performance in the industry

5. What activities is the group supposedly involved in, in the matatu industry?
6. Do these cartels offer any services in the industry?
 - 1) Yes
 - 2) No

Please elaborate

7. How can you describe the relationship between the Cartels and the Kenya Police?
8. How has the police force managed to control these groups?

Achievements and Challenges

9. In your view, what are some of the achievements in relation to effective management of the matatu industry?
10. What challenges do you face?
11. What policies and strategies have been adopted by the Kenya police in managing the matatu industry?
12. What mechanism have you put in place as a police force to address the issue of cartels in the matatu industry?
13. Could you please suggest ways in which matatu industry could be effectively managed?

Thank you

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