

DECLARATION

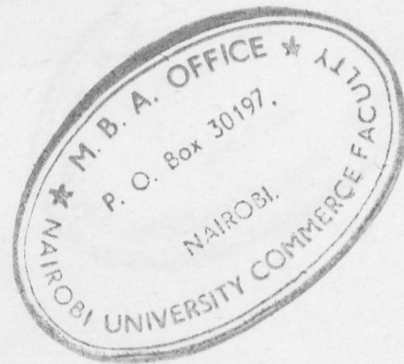
**PERCEPTION BY STAKEHOLDERS OF THE NEW TRAFFIC REGULATIONS IN
KENYA: A CASE OF MATATU OPERATORS AND COMMUTERS IN NAIROBI**

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Date 12/10/2005

BY

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A research project submitted in partial fulfillment of the award of Master of Business
Administration [MBA] Degree. Faculty of Commerce
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DECLARATION

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

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The project has been submitted for examination with my approval as the University supervisor.

Signed..... *J. Maalu* Date..... *24/10/05*
Supervisor: Mr. Jackson Maalu
Business Administration Department

DEDICATION

This Research Project is dedicated to my family. My wonderful husband Mumenya, who has been a symbol of wisdom and stability. My lovely children Nyawira and Gichuru. You are my reason for striving for excellence, always.

A number of people have contributed to the accomplishment of this academic project. First, I wish to acknowledge my supervisor, Mr. Jackson Maalu for his support and guidance from conceptualization of this project to the final draft. Your patience and valuable insights have been a great help to me.

Secondly, I would like to acknowledge the lecturers especially in Strategic Management who imparted valuable knowledge to me such as Professor Evans Aosa. My colleagues with whom we had lively group discussions made the study worthwhile. My research assistants Job and Wesley who contributed a great deal in data collection and analysis.

Finally, I would like to acknowledge my brothers and sisters for their support and encouragement. Special thanks to my sister Mary who always had my back. My friends Joyce and Rosemary for their assistance. May God bless you abundantly.

ACKNOWLEDGEMENT

The completion of this project has been through the love and mercy of Almighty God all through the course. All Glory and Honor be to you lord.

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ABSTRACT

This research project sought to identify the perceptions of operators and commuters in the matatu industry of the new traffic rules and regulations. In the background of the study, the concept of strategic management and management of strategic change were discussed. An overview of the transport industry and especially the matatu sub sector in Kenya was reviewed. The roles of the different stakeholders in the matatu sector especially the commuters and operators was covered. The aim of this project as detailed in the statement of the problem and the project objective was to determine the perception of the stakeholders of the new traffic regulations and their experience of the same.

The literature that is reviewed in this project is covered under various sub headings. Strategic management, management of strategic change, stakeholder management and analysis, the transport industry policies, management issues competitive conditions and perception.

The research project was carried out as outlined in the research methodology.

A survey of both commuters and operators on three routes within the city of Nairobi was conducted. These were route number 23, 111 and 44. This sample was convenient due to the large number of matatus operating in the city. Primary data was generated using a structured questionnaire. The questionnaires were administered at the matatu/bus termini in the city centre. From the sample of 40 commuters and 40 operators chosen, the response rate of the commuters was 100% while that of operators was 70%. After data collection and coding, its was analyzed by means of SPSS. Means and percentages were calculated the results displayed using Graphs and Charts.

Frequency tables and pie charts were also used to present and draw conclusions on the findings. This study revealed that there is a difference between the perception of operators and commuters. While majority of commuters welcomed the rules the operators showed mixed reactions. Owners had varying perceptions from drivers and conductors.

CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Strategic Management

Strategy is a general plan for the way a company can deploy its skills and resources in order to achieve its overall goals. Strategy also involves positioning a company relative to its markets and competitors in such a way which brings certain competitive advantages. A strategic plan states a general direction for the company to move towards hence strategic management involves the drawing up and implementation of a strategy.

According to Pierce and Robinson (1997), strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. Because it involves long-term, future oriented, complex decision making and requires considerable resources, top management participation is essential. Strategic management is a three tier process involving corporate, business and functional-level planners and support personnel. At each progressively lower level, strategic activities were shown to be more specific, narrow, short term and action oriented with lower risks but fewer opportunities for dynamic impact.

Strategic management is concerned with establishing objectives and goals for the organization while maintaining a set of relationships between the organization and the environment which enable it to pursue its objectives, are consistent with the organizational capabilities and continue to be responsive to the environmental demands. (Ansoff and McDonnell, 1990). Firms should create a strategic position which assures future environment viability of the organization. There should be internal structure and dynamics capable of continued responsiveness to change.

Managerial capability should be able to sense the environmental concerns and guide strategy. Logistical capabilities to conceive, develop, test and introduce new products and services as a product of strategic management.

1.1.2 Change Management

Stakeholders are a group or individual who can affect or are affected by the achievements of an organization purpose. (Jauch and Glueck, 1988). The stakeholders with more power have more influence over decisions because the organization is more dependent on these stakeholders. The matatu business in Kenya has varied stakeholders who have been impacted differently by the introduction of the new traffic rules and regulations. Stakeholders are concerned with both what they give up and what they get in return. (Neumann et al, 1989). Their behavior is influenced by goals, values and norms and hence the need to compromise and accommodate each other for the good of the organization. There is need to understand how certain stakeholders are likely to seek influence over an organizations purposes and strategies. External stakeholders will seek to influence a company's strategy through their link with the internal stakeholders (Johnson and Scholes, 2002).

If strategy is to be changed, it needs to be internalized by those it affects and those who have to implement the change. The likelihood of success in strategic change is low if the strategy is regarded as just something which they have to do rather than something which they relate to in their every day lives and for which there is ownership. This is one of the reasons why traditional planning approaches can be ineffective. Hence change can be managed through education and communication, collaboration and participation, intervention, direction and coercion (Johnson and Scholes, 1999).

Change can be managed through continuous improvement. Employees need to be continuously trained and developed particularly in techniques of methods improvement. There should be an efficient mechanism to handle improvement ideas. Change can be planned or occur due to outside pressure directed towards the organization. It can comprise a wide range of factors including mass demonstrations and civil disobedience where resistance reflects the magnitude of the change.

1.1.3 Transport sector

Transport is the key to productivity and economic development of any nation. Poor transport does not only cause congestion, delays and waste of time to individuals, but it also burdens businesses and the entire economy with inefficiencies and higher operating costs, leading to ineffectiveness in the economy. Transport is the wheel of economic activity. It's a service sector to all other sectors and is therefore a core element of the economy of any country (IPAR, 2004). Transportation is key to generating and enabling economic development, in determining the patterns of that growth, and in determining the competitiveness of businesses in the world economy. Transport is, thus, key to both economic and business success and quality of life of the people (World Bank Report, 1997)

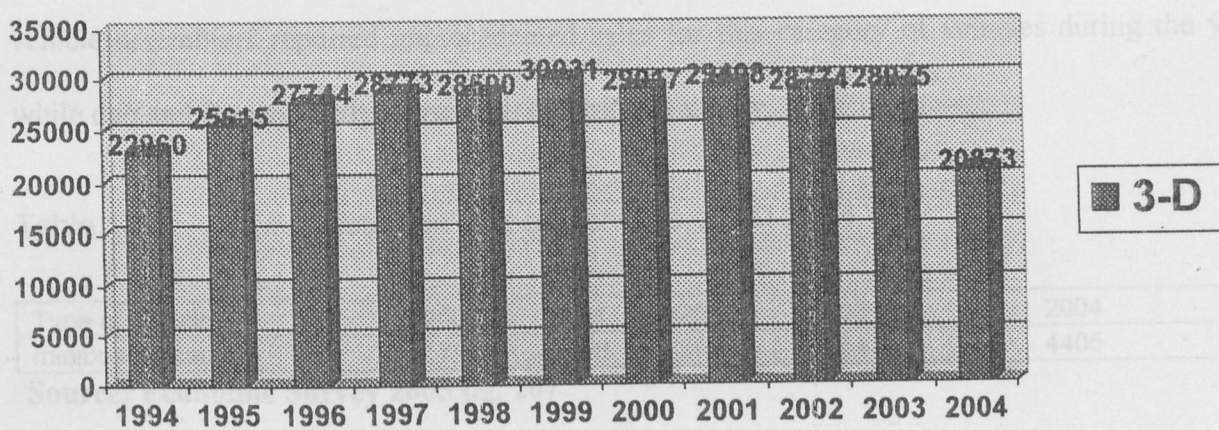
During the period 1998 - 2002, the transport sector contributed an average of 8.5% of Kenya's GDP. Road transport is the most dominant mode of transport in the country accounting for over 70% of freight and passenger transportation. Matatus alone control 80% of passenger road transportation. In the year 2002, matatus contributed Kshs 13 billion or 1.4% of Kenya's GDP (IPAR, 2004). The transport sector comprises several

modes of transport. Most widely used is road transport followed by rail transport. Air transport sustains tourism and horticulture while water transport is at the sea coast and inland waterways mainly Lake Victoria. There is also pipeline transportation for petroleum products as well as non motorized and intermediate modes of transport.

Traffic regulations

Kenyan roads have become much safer to travel on after strict road safety measures were passed to regulate public transport vehicles in January 2004. The number of accidents witnessed last year was the lowest in ten years.

Road crash and casualty patterns, 1994 - 2004



Source: Mugumo Munene. Daily Nation [29/07/2005] Road Safety Pg. 3

The Kenya Gazette Supplement, Legal Notice no. 161 [3rd Oct, 2003] shows traffic regulations amended as follows. [refer to appendix 3]. All PSV with effect from 1st November, 2003 would be fitted with safety belts. From 1st February, 2004 every PSV exceeding 3048kgs was to be fitted with a speed governor before it could be licensed to operate. The authorized route and owners details were to be indicated on the right side of the vehicle. Every driver and conductor of PSV would be required to wear a specified badge and uniform whereas the driver would undergo

retesting every two years. The driver who has charge of the vehicle shall have his photograph exhibited in the vehicle. Owners on the other hand were required to employ one driver and conductor on a permanent basis and pay them monthly. A continuous yellow band was to be painted on both sides of the vehicle and the rear.

Economic contribution by the sector

According to the Economic Survey 2005, the number of newly registered matatus rose significantly by 54.3% to 4,405 compared to 2,854 in 2003. The sharp rise was attributed to enactment and enforcement of the new road transport rules. The changes occasioned sharp demand for the minibuses which were deemed more economical to operate. Similarly, local vehicle assemblers reported unprecedented sales for this category of vehicles during the year while demand for new body fabrication outstripped supply.

Table 14.5: New registration of road vehicles, 2000-2004.

Type of vehicle	2000	2001	2002	2003	2004
minibuses/matatu	1751	3598	3996	2854	4405

Source: Economic Survey 2005 pg. 207

Transport and communications was the fastest growing economic sector last year at 10.3%. Last year alone the number of road licenses issued to matatu vehicles rose to 36,757 compared to 32,403 in 2003.

Table 14.6: Road Licenses issued 2000 - 2004

TLB Licenses	2000	2001	2002	2003	2004
PSV matatu	30675	26475	29403	32403	36757

Source: Economic Survey 2005 pg. 207

The economic contribution of the matatu sector is evident through the growth of the business. The highest growth of 9.7% in the informal sector employment was recorded in transport and communication industry [Economic Survey, 2005]. The sector alone contributes 1.9 billion per annum in taxes alone. In the year 2002, the matatu sector contributed 13 billion or 1.4 % of Kenya's GDP. (Asingo, 2004). A study by the World Bank stated that the motor vehicle fleet in Kenya increased by 3.3% per year over the past decade with the number of buses and small utility vehicles such as matatu's showing the largest increase. The World Bank report further indicated that road transport in developing countries is an important sector of economic activity and investment which functions as a catalyst to the overall economic and social development process. In Africa, road transport accounted for over 50% of all freight and passenger movement and therefore is essential for operation of African economy (UNCTACDA II, 1990). According to the Traffic commandant, the new reforms have seen an increase in government revenue by 49million in fines to violators by December 2004.

The Economic Review [2005] indicates that the new changes have led to a reduction in road accidents by 73% five months after the inception of the rules in February 2004. Strict enforcement of the regulations boosted investor confidence in passenger transport business. Road transport and communication industries remained the fastest growing sub sectors of the economy last year. The business is now attracting more investors into the sector. Workshops are being organized to bring together operators and other stakeholders such as importers, motor vehicle body builders, assemblers, commercial banks, insurance firms, garages and petrol stations. This has exposed the owners and operators to useful information on great offers on spares, credit facilities, insurance premiums and other possibilities

1.1.4 Public Transport in other countries

Public road transport in form of matatu is not unique to Kenya. In Tanzania we have the 'daladala' which are mostly old Toyota vans and buses. They provide transport services in the urban centre and are known to be driven recklessly. The public perception of this mode of transport is that they are convenient and affordable to most low income earners. They break rules, harass and overcharge commuters and are mostly blamed for the rising rate of accidents. Their schedule is also unreliable. Most of them have their route numbers painted at the front.

In Uganda the matatus known as 'taxi' are operated by private companies and individuals. These buses and mini buses ply all major routes in the country but the more one moves from major towns the less regular they become. No specific timetables are used and they take off as soon as they have enough passengers. They are a menace to private vehicle but are a lifeline to providing rapid access to all major urban centers. Taxis are people transport which are usually white in colour with a checkered blue band painted around the body. Fare are reasonable but more expensive than public buses. The taxis are fast, numerous and dangerous. They overload upcountry but within major towns are controlled by the police.

In Mozambique the matatu are called 'chapa' which are old buses that need to be push started in most cases. Their operation is mainly affected by the bad state of the roads in the country. In South Africa there are close to 127,000 mini bus taxi which count for 65% of the 2.5billion annual passenger trips in urban areas and a high percentage of rural and intercity transport. More than 480 taxi associations are operating throughout the country. The South African Taxi Council (SATACO) is the umbrella body for all provincial taxi organizations and strives to regulate, formalize and stabilize the industry. The Council acts as a mediator in disputes between taxi

organizations and plays a role in eliminating the causes of taxi violence. The Government is in the process of developing a R3-billion strategy to deal with the economic challenges facing the aged 126 000-strong taxi fleet. Most of these vehicles are more than nine years old. The aim of the Taxi Recapitalization Program is to replace, over a five-year period, the current aging taxi fleet with new, locally assembled 18 and 35 seater vehicles specifically designed to meet high quality and safety standards required for public passenger transport [Ministry of Transport, South Africa]

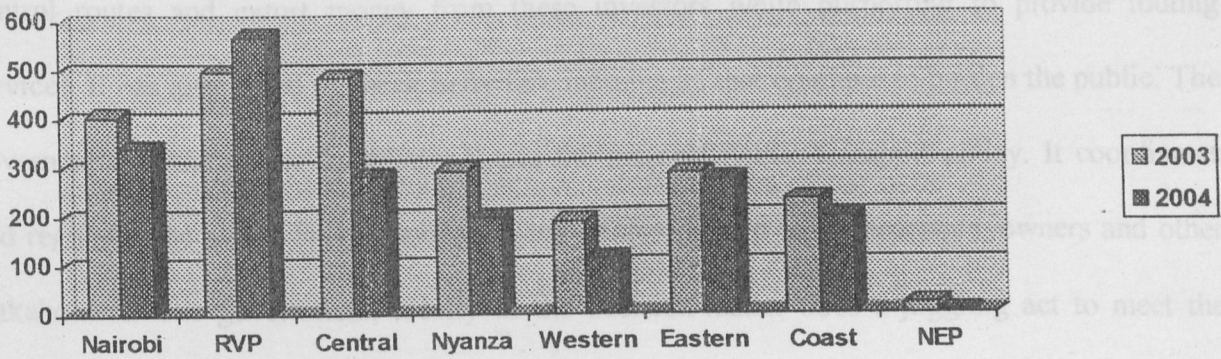
1.1.5 The matatu industry

The matatu business is a multi-billion business that makes up a big part of the Public Passenger Transport Industry in Kenya. These privately owned vehicles (Nissans, mini-buses and buses) operate either long or short distances and control 80% of passenger road transportation in Kenya. This study focuses on owners and operators of matatu business within the city center and its outskirts. The term 'matatu' emerged from a Kikuyu phrase 'mangotore matatu' meaning thirty cents which was the standard flat fare charged by the matatu's (Langat, 1996). Matatus came into the scene in the early 1960,s but were officially recognized in 1973. Today this mode of transport makes up part of a major transport sector with complex business relationships and linkages. With the revolutionization of the sector, matatu business has attracted a number of parties. Investors, the government and political groups have joined the sector for either economic advancement or political interest. Khayesi (2003) informs us that the sector has for long been associated with low educated unemployed youth has now attracted even graduates. A study carried out by IPAR, (2004) found that most of the officials in this sector have good academic background, mostly secondary education which is contrary to what is expected given the chaotic nature of operations

in the industry (Asingo, 2004). This has slowly changed the image of 'matatu' business since the sector is now being patronized by people of all walks of life.

Prior to the implementation of the new regulations, the matatu business had adopted a unique culture characterized by cutthroat business aimed at quick profits. The matatu sector has been regarded as lacking in management structure hence an empire of chaos, through cartels, conflicts and violence. [Muchilwa, 2004]. The business was seen as anarchic in nature and steered in so much lawlessness with operators being a law unto themselves. This culminated in reckless driving, speeding, obstructions and overloading providing potential grounds for increase in road accidents. According to the Khayesi [2003] over three thousand lives are lost on our roads each year with half being attributed to matatus. With the situation getting out of hand, the government issued the new regulations as control measures to curtail widespread decay. Three thousand matatus managed to comply with the January 31st deadline and the new changes were welcomed by the public especially in areas of overloading, speeding and negative attitudes towards passengers (Mbugua, Daily Nation 25/10/2004). The new reforms appear to have borne fruit in that relative sanity now prevails on the roads and the carnage is much lower than before.

FATALITIES



Source: Daily Nation, 6/12/2004, pg. 3

1.1.6 Stakeholders in the matatu industry in Kenya

Public transport in form of matatu does involve many stakeholders who play one role or the other in the survival grid of these companies. Internal stakeholders in the matatu industry are those who have more direct influence on strategy such as the owners and operators. Operators include the drivers and conductors some of whom maybe owners. External stakeholders are passive and have less direct influence on strategy development in an organization however; they play a complex role in the evolvment, formulation and implementation of strategy. In the matatu industry, the external stakeholders include insurance companies (Association of Kenya insurers), welfare associations (route based and national civil organizations), Transport licensing Board, Vehicle Inspection Unit, Traffic police, Civic Authority (city council), Automobile Association of Kenya, Spare parts dealers, Government (Ministry of Transport and Communication) commuters and other lobby groups (CESNUR, 2000). General agreement among stakeholders is difficult to achieve due to conflicts of expectations. This can spell doom for strategy/policy implementation in the sector.

The government is charged with providing vision to spur growth and empower the public transport service investors. However, it has failed in its duty to liberate owners from cartels that control routes and extort money from these investors while purporting to provide touting services. It has also failed to check hefty fare increments that continue to burden the public. The government as the policy formulator issues the national public transport policy. It coordinates and regulates the same. This is published and communicated to all operators, owners and other stakeholders. The government, ideally as the decision-maker does a juggling act to meet the demand of various stakeholders. Through political compromise, they attempt to match competing demands so that a coalition of interests emerges that will support the decision.

Through the TLB, the government issued a legal notice no. 161-3rd October 2003, which was published in the local dailies detailing the new rules and regulations to be complied with from February 2004. (Appendix 3). The government ensures compliance of the rules by empowering various bodies such as TLB, KRA and law enforcers to implement the rules and punish violators. Various institutions are involved in road transport sector falling under various government ministries and agencies.

Of these institutions we have the Transport Licensing Board which is the chief motor vehicle licensing authority. The Ministry of transport through the Transport Licensing Board officially regulates the Public Transport Industry providing PSV data, statistics reflecting the economical viability to the public and in particular the potential investors, historical background, capacity, profile and general status of the industry (IPAR 2003). It's supposed to conduct technical inspection and issues licenses, assign PSV routes, register and issue operation timetables. However, it has not been able to monitor compliance and allocate routes. This has been left to individual owners to decide. The TLB issues public notices in the local dailies warning violators against such acts while warning that the government shall not spare any effort to ensure that order is fully restored on our roads. Severe penalties imposed range from cancellation of licenses for tampering with speed governors to temporary suspension of six months and three months. Operators caught overloading or without full uniform will have PSV badges and certificate of good conduct withdrawn and hence have to undergo the full process again for reinstatement. Owners of the vehicles will have to undergo the compliance process again after suspension period to acquire competency documentation and badges from Kenya Revenue Authority (Daily Nation, 04/10/2004).

The Registrar of motor vehicles was formed under TLB to register and license all motor vehicles and drivers and to keep records. Its also supposed to determine and fix luggage and passenger capacity for all category of vehicles [IPAR, 2004]

The traffic police as the road transport policy implementing agency is responsible for enforcing the traffic rules, examining PSV drivers, issuing of driving licenses and certificate of good conduct to matatu crew. Due to the ever increasing number of violators, there has been lack of confidence in the police to enforce the rules. This maybe attributes to corruption, some officers owning vehicles hence complicity and lack of proper equipment and amenities to do their job. For example speed guns are not sufficient.

Other stakeholders in the Matatu sector are the national civil organizations. According to IPAR, (2004), after official recognition of matatu's in 1973, owners nationwide formed the Matatu Vehicle Owners Association (MVOA) whose responsibility was to allocate routes and control operations of the sector. This was however banned in 1988 since it was viewed as being used by opposition politicians to further their interests. In 2001 the Matatu Welfare Association (MWA) was formed and in April 2003, the Matatu Owners Association (MOA) was formed. These two associations do not see eye to eye and hence undermine their ability to adequately articulate the interest of matatu owners. Other route-based civil organizations have emerged such as the Sothlands-Otiende Transporters Sacco limited, which are affiliated to the national organizations either MWA or MOA as well as the Kenya Union of Saccos and Cooperatives (KUSCO). They provide credit and reinvestment opportunities to operators.

Very few insurance companies provide premiums to PSV since its considered a risky business. With the reduction of accidents by 73%, cost of underwriting in accident compensations has gone down. The TLB chairman has urged insurance companies to lower premiums for Public Service Vehicle. As per 2004 budget, insurance firms have cut their premiums by 21% as the rate of accidents has dropped after introduction of the new rules. This was a far cry from what was expected in the sector (Daily Nation, 14/06/2004). The local authorities also play a role in the Passenger Transport Industry and are empowered by section 72 of the Traffic Act to designate parking places for vehicles including matatu terminuses and stages. However they have been reduced to collecting fees at such termini since the owners fix the stages in the city center. According to Asingo (2004) matatus plying route number six and nine in Eastleigh in Nairobi lack designated terminuses. Some terminuses are inconveniently located and small in size compared to vehicle fleet encouraging picking and dropping of passengers outside the designated stages.

The chairman MWA therefore recommends that a official Transport Regulatory Board be set up that incorporates all the PSV stakeholders.

Different interpretation of the rules by owners and conductors can lead to incoherence during implementation of the new regulations. Whereas the owners are concerned with the returns they get from their vehicles, the conductors will be interested in safety, comfort, fare charges and lack of harassment from the crew depending on their age and gender. The countrywide matatu strike early last year was a clear indication of the dissatisfaction the matatu owners and operators of the new traffic rules and regulations. According to the chairman of the MWA Dickson Njugia, the government is killing the industry because of harsh penalties levied on rule violators such as suspension of road licenses. However the support by the public of the rules which they termed

1.2 Statement of the Research Problem

The initial enthusiasm that greeted the reforms is fast fading. The exercise as a whole is suffering from poor administrations as crews continue to tamper with speed governors, play loud music while passengers only tie seat belts at the sight of law enforcers. Prior to the implementation of the new rules, the Public Transport sector was characterized by lawlessness and disorder with high rate of accidents, unruly operators and extortion from illegal groups. According to the chairman of MWA, Dickson Mbugua, the safety rules and regulations implemented in February 2004, made a positive impact on passenger service vehicles particularly those that forbade overloading, speeding and rudeness towards customers. However, the sector risks falling back into anarchy due to mismanagement by local authorities and demoralized law enforcers rendering token enforcement of adherence. Since the matatu business is a private investment, it is critical therefore for these stakeholders to be represented in the regulation and management of the sector. The chairman MWA therefore recommends that a crucial Transport Regulatory Board be set up that incorporates all the PSV stakeholders.

Different interpretation of the rules by owners and commuters can lead to incoherence during implementation of the new regulations. Whereas the owners are concerned with the returns they get from their vehicles, the commuters will be interested in safety, comfort, fare charges and lack of harassment from the crew depending on their age and gender. The countrywide matatu strike early last year was a clear indication of the dissatisfaction the matatu owners and operators on the new traffic rules and regulations. According to the chairman of the MWA Dickson Mbugua, the government is killing the matatu sector due to harsh penalties levied on rule violators such as suspension of road licenses. However the support by the public of the rules which they termed

long over due saw many walking to work. Taking into account the different opinions may help in formulating effective control measures. For effective Public Transport control it is prudent for the government to establish how key players feel about the changes that will affect their operations a great deal in order to ensure congruence. Owners and operators have had mixed reactions to these changes which directly affected the income generation from this sector [Muchilwa, 2005]. Whereas the speed governors have led to reduction in accidents and seatbelts have reduced overloading, operators who used to benefit from the chaos are tampering with the gadgets and overloading in order to make trips to earn extra money. Owners are adapting new strategies and reorganizing their internal capabilities to match the new working environment. Hiking of fares, operating longer hours and plying multiple routes are being used to cope with the reforms. According to Mwaura, [2002], unless the perception of both service providers and commuters are understood there will always be a gap in the delivered service. The expectations of commuters and operators are therefore different and their interest is never consistent. Enough is not being done to enforce the rules. Failure to check fare increases has led to vulnerability of the citizenry. Cases of overloading, tampering with speed governors and bribery are going on unabated. Impromptu police checks along major highways have led vehicles being suspended [Kamwaro 2004]. This confirms laxity by the regulatory bodies to monitor the changes to ensure order is maintained in the sector. Timing and hastily entering into the reforms without full stakeholder involvement has let down the reforms.

A comparative study of stakeholder perceptions is timely in view of the fragrant violation and failure of the new rules. Though they have contributed a great deal to curbing lawlessness in the sector, interpretation of these rules by different stakeholders has hampered their implementation. The operators and commuters have different interest which affects their perception and

experience of the reforms. By reviewing the concerns of these stakeholders the study would be resourceful in generating useful information for policy formulation. According to the chairman of Matatu Welfare Association, Dickson Mbugua, the reforms have been long overdue and it has overwhelmingly supported them (Daily Nation, 15/10/2004). Despite this great challenge, there is no research that has been conducted to compare the perceptions of owners and operators of the new traffic rules and regulations. Due to this fact, the current research will be carried out in order to make a breakthrough in discernment of stakeholders' perceptions of the new traffic rules and regulations. The study therefore seeks to answer the following question. What are the stakeholder's perception of the new regulations and their experience of the same?

1. External stakeholders involved in policy formulation that affects the matatu industry such as the Transport Licensing board and law enforcers.
2. Potential investors into the matatu sector who need a good understanding of the industry's operations.
3. Scholars and Researchers will use the study as a means of reference for future studies or academic investigations into the public transport sector.
4. Stimulate comparative studies in other sectors of the transport industry such as buses, shuttles or trans in the urban centers.

1.3 Research Objectives

This study seeks to address the following objective:

- To determine the perceptions of both operators and commuters on the new traffic regulations.

1.4 Importance of the study

The results of the study will be of importance to the following parties.

1. External stakeholders involved in policy formulation that affects the matatu industry such as the Transport Licensing board and law enforcers.
2. Potential investors into the matatu sector who need a good understanding of the industry's' operations.
3. Scholars and Researcher will use the study as a means of reference for future studies or academic investigations into the public transport sector.
4. Stimulate comparative studies in other sectors of the transport industry such as buses, shuttles or trains in the urban centers.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction to the literature review

Transport is the engine or wheel of economic activity. According to the Economic Recovery Strategy for Wealth and Employment Creation, 2003-2007, it is identified as the third pillar of Kenya's economic recovery efforts. During the period of 1998-2002, it contributed an average of 8.5% of Kenya's GDP (IPAR, 2004).

Matatu business emerged to fill a vacuum left by the bus transport system that did not serve the residential areas. On 1st June 1973, the then president Mzee Jomo Kenyatta issued a decree officially recognizing the sector and exempting it from taxation and insurance. This rendered matatu's officially part of the public transport system (Asingo, 2004). The entrance of matatus into the city transport system was treated as illegal and treated with harassment from the local authorities and Kenya Bus Services. It is characterized by informal operations where most of the owners do not keep formal records of business progress. A majority of operators possess a primary and secondary education with most of them being males (Aduwo, 1990). To differentiate their services, owners have modeled their vehicles with colorful body artwork and decorations and installation of music systems, which have been negatively viewed by most of the city residents due to their loudness and garish displays. This has culminated in the development of a unique culture, which has been frequently associated with anti-social practices. The sector has also witnessed rampant cases of bribery of traffic police officers, harassment of passengers and unlawful groupings like the outlawed sect of 'Mungiki' and 'route mafia'.

Reckless driving has also culminated to death and injuries of passengers as a result of road accidents [Mwaura, 2002].

2.2 Strategic Management

Strategic management is the process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans. It is the highest level of managerial activity, usually performed by the company's chief executive officer and executive team. It provides overall direction to the whole enterprise. An organization's strategy must be appropriate for its resources, circumstances and objectives.

The process involves matching the company's strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently. A good corporate strategy should integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole. According to Ansoff and McDonnell (1990), strategic management includes understanding the strategic position of an organization, making strategic choices for the future and turning strategy into action. The strategic position involves management of the environment by identifying threats and opportunities. Expectations and purposes of stakeholders according to their power and interest should be mapped. The firm's resources and competences will help determine its strengths and weaknesses. Strategic choices can be made based on corporate, business or functional levels of strategy. Strategy should be transformed into action through organising, enabling and change management.

2.3 Change Management

According to Porter (1996), strategy is the creation of unique and valuable position involving a different set of activities. For successful implementation of strategy, managers should forge a fit between the strategy and environment and ensure coherence in the internal organization variables as well as maintain consistency with strategy. Organizations must change to survive. Pressure for change comes from many sources. Inside the organizations, managers and employees at all levels push for change. In the external environment, legal, competitive, technological and economic changes create performance gaps and opportunities that cause organizations to change (Bateman and Zeithmal, 1993). All leaders must be obsessive about change. It must become the norm and not a cause for panic. One of the most important issues in organization's change programmes is the different perceptions that people have and how to manage them successfully as part of the change process. To understand and minimize the forces that could be detrimental to change, a constant sensitivity and check should be built into the process that considers how change is perceived. Issues of winners and losers as a result of change (Peters 1987).

Change should be managed effectively for success. The management of change relies on managers scanning their environment to discover what is happening, making sense of it and finally reacting and taking decisions. Management thinking and action is what ultimately determines an organizations characteristics and culture in which people work. Change implementation must be clearly understood by both senior and junior management groups so that philosophies and initiation are not out of step with what is happening at higher levels. There has to be a unified management vision with regard to change.

Government legislation can open up or close down entire markets and the organization must remain responsive to its effects. Change programmes can be successful if they tap into the energy, commitment and enterprise of people, which is a competitive advantage in the long run. Successful implementation of change occurs where there is a unified vision, a change in perception and reduction in resistance. The aim therefore of this research proposal is to find answers to the question on how matatu operators and commuters perceive and respond to the new changes in the sector. How does this influence the groups working together to ensure effective implementation or failure of the new rules?

Organizations must continuously adapt their operations to the constantly changing environment in order to succeed in business. Since the last quarter of the century to date several changes have taken place in world economies in particular the transport industry. In order to survive organizations need strategies that are focused on their activities and deal with the emerging environmental challenges accordingly. Organizations should be able to shift strategy with change in environment and match capability to selected strategies in order to survive, succeed and remain relevant. (Porter, 1985). The Public transport industry has undergone transformational changes with the onset of the new traffic regulations in February 2004.

Changes in the organizations' behavior are necessary if success in the transformation of the future environment is to be assured (Ansoff and Mcdonell, 1990). Cultural, political, economic, technological and legal frameworks within organizations are today liable to rapid and far reaching changes. Change in the environment is a source of opportunities and threats. According to Nadler (1981), change can be managed through major shifts in strategic orientation, revitalization or turn around strategies at various levels of the organization. Change in attitudes

and behaviors can build a culture based on open communication, interpersonal trust, constructive handling of conflict, teamwork and collaborative problem solving. Organizations' frameworks help managers in selecting forces most likely to affect a particular company. They provide cognitive frameworks for combining forecasts about those forces into statements of opportunities and threats basis of company strategy. (Neuman et al 1989). Organizations that have successfully managed change have been able to link strategic change with operational change and every aspect of the organization is in relation to dynamic external environment. In most organizations, operations are an internal function that is buffered from the external functions by other organization functions (Cheluguet, 2003).

According to Pettigraw and Whipp (1993), managing change calls for environment assessment, effective leadership, coherence and managing resistance. Ability to perceive change and take necessary action diverges considerably between and within firms. Three aspects of managing change that are interlinked are the analytical, educational and political. Individual resistance to change has sources in selective perception where everyone has a unique view of how their organization works and their role within it. Plans for change which seem to threaten some cherished element of this view or which appear misguided or unfair are likely to be met with resistance. Brown (1998). Personal habits, security, rewards and status or esteem also contribute in the way individuals view change.

2.4 Stakeholder Management.

According to the World Development Report (1997), The recipe for reform failure is no more susceptible to easy generalization than the recipe for success. The chief barriers will always be the powerful interest groups that stand to lose by it especially if prospective losers are among the political leadership core constituents. Politically desirable reforms can also fail due to constraint embedded in state institutions, which tilt the playing field in the opponents favour. Policy outcomes can easily be seen as the combined effect of the characteristics of the reforms themselves, political strengths of different actors and the design of the existing state institution.

Stakeholder support is essential for a change programme within an organization. Since stakeholders have different interests and power, achieving universal support for strategy is a challenge as politics set in. According to Hill and Jones, (2001), organization politics is tactics that managers and stakeholders engage in to obtain and use power to influence organizational goals and change strategy and structures and further their own interests. In this political view of decision-making, obstacles to change are overcome and compromise, bargaining and negotiation between managers and coalitions of managers and by the outright use of power settle conflicts over goals. Quinn, (1991) recommends broadening political support for emerging new trust as an essential and conscious proactive step in major strategy changes. Kanter (1992), states that the first step to implementation of change is coalition building involving those who matter.

Political priorities of stakeholders help us understand their expectations and power. Issues such as how interested each stakeholder is to impress his expectations on the organizations purposes and choice of strategy and whether they have the means to do so can be identified through stakeholder mapping. Power or the ability of individuals or groups to persuade, induce or coerce

others into following certain causes of action, can identify whether stakeholders are facilitators or blockers of strategy.

EXHIBIT 5.5 STAKEHOLDER MAPPING: the power/interest matrix

		Level of interest	
		C Keep satisfied	D Key players
Power	H		
	L	A Minimal effort	B Keep informed
		L	H

Source: Johnson and Scholes (1991). Exploring Corporate Strategy 6th Edition pg. 208.

Government regulatory activities can often force significant changes in industry practices and strategic approaches of companies. Sound analysis of an industry driving force is a prerequisite to sound strategy formulation. Without keen awareness of what external factors will produce the biggest potential change in the companies business over the next one to three years, management are ill prepared to craft strategy tightly matched to external conditions. Similarly, if management is uncertain about the implications of each driving force or if their views are incomplete or off base, its difficult for them to craft a strategy that is responsive to the driving forces and their consequences for the industry. (Thompson and Strickland, 2003).

2.5. Stakeholder Analysis

Stakeholders are those individuals or groups who depend on the organization to fulfill their own goals and on whom in turn the organization depends (Johnson and Scholes, 2002). Stakeholders in any given industry are likely to seek influence over organizations' purposes and strategies. Stakeholders have different personalities, values, attitudes and moods, which affect the way they

perceive a person or a situation. Stakeholder management is the process by which you identify your key stakeholders and win their support. Stakeholder analysis is the first stage of this where you identify and start to understand your most important stakeholders. The management of stakeholders has become a critical success factor for management in many industries today. There is need to recognize the complex web of relationships, diversity of opinion and conceptualization of people involvement in organizations to achieve success. Stakeholders can be viewed as individuals or groups. Stakeholder learning can be influenced through change in environmental conditions and psychology while group dynamics put pressure on individuals to conform to group norms.

Source: Johnson and Scholes (1999) *Exploring Corporate Strategy*, 5th Edition, Pg. 516

The strategy of an organization is not only affected by the environmental forces and resource availability, but also by the values and expectations of those who have power in and around the organization. The strategy emerging in any industry can be thought of as a reflection of the attitudes and beliefs of those who have most influence in the organization. Stakeholder analysis involves brainstorming to identify the stakeholders then prioritizing them in terms of their power. Powerful stakeholders can advance or block strategy. Understanding of key stakeholders by finding out what motivates them and how to win them over is important for effective management.

In the public transport sector, conflict of expectation can lead to savings in one area and spending in other areas. Stakeholders can play the role of blockers or facilitators of strategy (Johnson and Scholes 2002) depending on the impact the change will have on them. This underlies the need for management to carry out Impact- Support mapping to determine the support stakeholders are likely to give to new change efforts. It is not easy to achieve clarity on

strategic direction by all stakeholders in an organization especially in a fast changing environment. (Johnson and Scholes, 2002)

Exhibit 11.2 Types of change

		Scope	
Nature	Incremental	Evolution	Adaptative
	Big bang	Revolution	Reconstuctive

Paradigm shift.

Source: Johnson and Scholes (1999) Exploring Corporate Strategy. 5th Edition. Pg. 536.

Stakeholders need to be intellectually and emotionally ready for change. Buy-in can be enhanced through training, involvement and negotiation. This however depends on the level of stakeholder interest in the new changes. (Brown et al, 2000) highlights the need to train and equip people to make a contribution to the operational competencies of the organization and on the other hand an integration of this role into of line or work group management. The value of team working will lead to increased productivity and flexibility. Commitment to people as strategic resources can be achieved through shared purpose, enabling structures, shared learning and development and shared involvement. Shareholder focus and involvement is therefore crucial in ensuring success of implementation of new strategies. Different perceptions bring about conflicts due to change in human behavior. Organizations should not only be able to deliver high levels of customer service but also manage cultural changes.

The Public transport industry has been undergoing re-organization from 1989. A national welfare association was officially registered in August 2001. The association has been instrumental in

spearheading the plight of operators. However each route has its own association, which tries to streamline operations on that route. Nairobi alone has sixty-three route-based associations. These associations have been instrumental in championing the rights of the owners and operators. These associations are formidable and were able to paralyze public transport with the infamous matatu countrywide strike protesting the implementation of the new regulations.

The traffic police are charged with enforcing traffic rules, examining PSV drivers and issuing of certificate of good conduct to matatu crew. The rampant cases of matatu operators violating the new rules have left a lot of doubt as to whether the police are being effective. Failure has been attributed to corruption, ill equipment and impracticability of some rules such as section 66 of the Traffic Act, which prohibits continuous driving of public service vehicles for more than eight hours when there is no way of detecting this. (IPAR, 2004).

Owners in conjunction with the government and security officers have been instrumental in bringing sanity to the industry. However, some operators are violating the rules lagging the reform process. Speed governors are being tampered with, passengers no longer bother with safety belts, some vehicles do not have the mandatory yellow band and some operators do not often wear their official uniforms. This has led the Transport Licensing board to issue a legal notice no. 161 warning violators on their need for compliance. Several vehicles have had their licenses revoked, licenses suspended and operators badges withdrawn following crackdowns by traffic police on major roads. According to the chairman of the Transport Licensing board regulation of the industry is a must to avoid the decay that resulted in the sector due to many years of neglect. The role of the board is to implement the new regulations and facilitate

restoration of law and order in this sub sector. According to (IPAR 2004), the board does not incorporate stakeholder representation and hence not conversant with routes. Publishing of public notices in local dailies to warn violators as well as publishing vehicles that have been suspended are some of the the ways the governments is using to bring order to the sector. Despite the then minister, John Michuki being voted the public servant of the month in July 2004, his efforts are being ruined by matatu crews conniving with corrupt officers to break the rules. (East Africa Standard, 30/07/2004

2.6 Transport Industry

Introduction

The economic Recovery Strategy for Wealth and Employment Creation 2003-2007 identifies the transport sector as the third pillar of Kenya's economic recovery efforts, which targets an annual GDP growth rate of 7% by the year 2006. The transport sector comprises several modes of transport. Most widely used is road transport followed by rail transport. Air transport sustains tourism and horticulture while water transport is at the sea coast and inland waterways mainly Lake Victoria. There is also pipeline transportation for petroleum products as well as non motorized and intermediate modes of transport. (IPAR, 2004).

Management Issues

Road transport services and its associated infrastructure have long been regarded as key ingredients for the rate and patterns of economic growth. Industry conditions change because important forces are driving industry participants, competitors, customers or suppliers to alter their actions. The driving forces in an industry are the major underlying causes of changing

industry and competitive conditions (Strickland, 2003). Despite being the dominant mode of transport in Kenya, road transport is not adequately linked to the modes of transport. Similarly, large urban centers like Nairobi are increasingly experiencing heavy traffic jams due to inadequate road infrastructure network and lack of a clear policy guideline on whether the government favours public or private transportation. This has led to poor road space utilization. Private vehicles take the lion's share of the road yet they transport very few people compared to public vehicles.

Different institutions are 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 Center, the Motor Vehicle Inspection Unit, the Traffic Police, the Driving Test Unit, Kenya Roads Board (KRB) and the District Roads Board. These institutions alone are irrespectively distributed among the Ministries of Transport and Communication, Roads, Finance, Local Government and Office of the President. This gives rise to overlaps and duplication of duties which maybe a factor in the sectors' poor performance in maintaining the network. This is further compounded by the existence of different actors such as cartels that have no legal role in the industry (Khayesi, 1999).

Policy

The dialogue between good policies and strong institutions facilitates efficient transportation. In Kenya however, there is no coherent policy and clear direction for the entire transport sector. This has led to weak institutions incapable of facilitating efficient road transportation. Due to fragmentation of the institutions makes coordination difficult. In addition, most of them are

improperly structured and without proper stakeholder representation. From the independence to late 70's, transport was managed as a common service to the three East African countries under the framework of the East African Communities. After the collapse of EAC, sub-sectoral fragmentation widened. Parastatals were created to manage various transport sub sectors. This led to political interference in the management of transport sector and too much government involvement through numerous boards and authorities. Current trends however show that the government role is being confined to creating an enabling policy, legal and institutional framework for ownership, market entry, competition, regulation and enforcement to protect incomes and safety of citizens (IPAR, 2004).

Lack of sufficient data on the scale and pattern of road transport demands has led to road transport planning without adequate relevant data such as the actual road network in the country. Poor road transport policy harmonization has resulted from institutional fragmentation in the sector. The Ministry of Transport and Communication is responsible for planning, formulation, design and management of all rail, road, air and water transportation policies but in practice has little involvement in road sector. The Ministry of Roads Public works and Housing is responsible for the entire classified road network while the rest is overseen by higher local authorities as well as the Kenya Wildlife Services and Forestry Department. A committee comprising of government officials and key stakeholders including officials of the Matatu Welfare Association was set up by the Ministry of Transport and Communication on 2nd April 2003 to develop an integrated national transport policy. According to IPAR (2004), although there is no comprehensive road transport policy, there are fragments of policy statements issued from time to time to guide the sector. An example is the Kenya Gazette Notice No. 161 of 3rd October 2003, which proposed far reaching reforms in road transport, guidelines on the required gadgets

like speed governors and their sourcing. Implementation was hampered however as no adequate time was given for their implementation.

Political and legal factors

The direction and stability of political factors is a major consideration for managers on formulating company strategy. Political factors define the legal and regulatory parameters according to Pierce and Robinson (1997). Political constraints are placed on firms through monopolies legislation, political stability, environmental protection and regulation, taxation policy, trade regulations and tariffs, pricing regulations, government law and regulation of competition. The laws and regulations are mostly restrictive and tend to reduce the potential profits of firms. However, some political actions are designed to benefit and protect firms.

2.7 Perception

Road transport in Kenya is currently afflicted by several problems. According to Asingo (2004), inadequate road safety measures contribute significantly to high rates of road accidents. Failure of the government to arbitrate in the case of increasing fuel prices affects performance in the sector. Poor road infrastructure and road design is attributed to inadequate funding and general lack of fiscal accountability in handling infrastructure development. Poor regulation and coordination of road transport services lead matatu owners to decide on their own which route to operate leading to imbalance in vehicle distribution by routes. Lack of a coherent road transport policy has led to weak institutions incapable of facilitating efficient road transportation. The TLB, Registrar of Motor Vehicles, Local Authorities and the Traffic Police Department are generally fragmented across government ministries and agencies, making coordination of their work difficult.

Structural drivers of change are forces likely to affect the structure of industry, sector or market within which an organization operates. With regard to this study, political and legal aspects bear more focus when establishing the reactions of stakeholders to the new traffic regulations. The legal factors point towards labor related matters and road welfare of workers (Khayesi, 1999). Institutions such as the Ministry of labor and manpower development, Transport and communication, Local government, National Hospital Insurance Funds, Industrial court, COTU are well involved. Legislature in terms of the Employment Act and Transport and Licensing Act chapter 404 has implemented changes that have had an impact on the matatu business. The council has also issued government policy guidelines on management of bus stops in an attempt to end conflicts between civic authorities and matatu owners

2.7 Perception

According to Jones and George (2003), Perception is seen as the process through which people select, organize and interpret what they see, hear, touch, smell or taste to give meaning and order to the world around them. It is not always possible to readily determine in advance how people or nations will react to a particular event or incident. Often ones reaction to an event will be strongly influenced by both ones perception and ones expectations for the occurrence (Kenyon, 1993). Perception is interdependent on how the message is communicated. According to Sekaran [2003], the failure of many new technologies, well meant benefit policies, strategic plans, and marketing or production practices is often due to misunderstanding and misperception of the cherished goals and motives of top administrators rather than any inherent fault in mechanism. According to Mwaura (2002), perception is the process by which we attribute meaning to the incoming stimuli received through our five senses. It can also be defined as the process of

interpreting diversity through our senses. It is the entire process by which individuals become aware of the environment and interpret it to fit in his frame of reference. It is affected by the individuals' characteristics, past experience, motivation and expectations. Studies on perception can be explored using survey research methods involving research instruments such as questionnaires. The surveys are based on a simple principle, i.e. if we wish to know what people think about certain things, we must ask them. Perception data can also be analyzed through computer processing.

Lehmann (1989) concurs by contending that surveys are the only known ways to get measures of thoughts and attitudes.

3.2 Population

The population of the study included all matatu operators and commuters within Nairobi City. There are about 14,000 matatus operating in Nairobi, and over 60 routes (BBC website, 2002). However, according to the national chairman MOA (Mr Simon Kibuka), there exist no record of all matatu owners in Nairobi City. This is due to the fact that not all owners are members of the national civil organizations (MWA or MDA). A study by the Institute of Policy Analysis and Research (IPAR), recommends further research on types and number of routes as well as the number of matatus on each route.

3.3 Sample size

The sample for this study was selected from the routes operating within the city. Three routes were chosen where a sample of 40 operators and 40 commuters was selected using a non-probability sampling technique without taking into account their type of matatu (buses, minibuses or Niomas). The respondents' perceptions of the new rules were not likely to be significantly influenced by the make of their matatu. This method is best when the population is

3.1 Research Design

The research study was carried out as a survey. This is considered the most suitable method since it involves getting views and perceptions of matatu operators and commuters within Nairobi. Tull and Hawkins (1993), indicate that surveys can provide data on attitudes, feelings, beliefs and descriptive items. Lehmann (1989) concurs by contending that surveys are the only known ways to get measures of thoughts and attitudes.

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large and generalizability of the findings to the whole population is the main objective of the study. [Sekaran, 2003].

4.1 Introduction

3.4 Data collection

Only primary data was collected for the study. The data was gathered through structured questionnaires where both open-ended and closed-ended questions were employed. (Refer to appendix 2). The questionnaires were administered through personal interviews with the respondents at the termini.. This methods is likely to realize a higher response rate (Mwaura 2002). The questionnaire were divided into two sections: Section A which was used to generate general information while section B will addressed the objective. There were specific questionnaires to be filled by operators and commuters accordingly.

3.5 Data analysis

On collecting all the filled questionnaires, the data was analyzed using descriptive statistics. This is the most suitable method for this study since the responses will involve the respondents' perception. The survey enables collection of data from a large sample thus allowing quantitative. Description of the perceptions was analyzed by means of SPSS package. The data was presented through percentages, means, standard deviations and frequencies. Descriptive statistics such as the arithmetic mean was used to determine the most common responses to discern the extent of the challenge. Graphs were used to display the information. By using graphs to create a visual representation of data, the researcher can communicate data more effectively (Nachmias and Nachmias, 2003). Conclusion of the study was drawn from the analysis. Descriptive analysis is the best in a comparative study when a researcher is able to investigate the relationship between two or more variables.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

This research was a cross sectional survey, which is a suitable method of obtaining answers to the same questions from several firms or individuals in the same industry, or in different industries at once. The population in this study was three routes 23,111 and 44. This is primary data collected by way of a questionnaire. The questionnaire was administered to the respondents at the matatu and bus terminus (commuters, operators and drivers), and matatu owners with the kind assistance of matatu owners association (MOA).

Category	Gender	Frequency	Percent
Commuters	Male	40	100.00
	Female	0	0.00
Operators	Male	30	75.00
	Female	10	25.00
Total		70	100.00

From our sample size of 40 commuters and 40 operators, the questionnaire response rate was very positive given that in the case of commuters we received response from 40 commuters hence a 100% response rate while in the case of operators we received 30 representing 70% response rate.

The data from the survey was first and foremost checked for correctness and validity to facilitate data analysis, after which data management was done to take care of outliers and missing values. The SPSS package was used to capture the data, build a database and analyze the data to produce frequency tables and descriptive statistics. Frequency tables, means, standard deviations and percentages were used, extensively, to present and draw conclusions on the findings.

4.2 Demographic Data of Respondents: Gender, age, ownership, occupation, preference, type, route and duration in business.

Section A of the questionnaire, requested the respondents to indicate their demographic details. These included gender, age, ownership, occupation, preference, type, route and duration in which they have been in business.

This was captured by use of a self administered questionnaire to the respondents at matatu terminus for the commuters and operators, and the offices of the MOA for the owners.

Table 4.1: Distribution of respondents by gender

Category	Gender	Frequency	Percent
Commuters	Male	16	22.85
	Female	24	34.85
Operators	Male	17	24.28
	Female	13	18.02
Total		70	100.00

Source: Research Data

The respondents were requested to state their gender which were summarized and tabulated as findings as shown in the above table. They were categorized in terms of commuters and operators. In the case of commuters, women were the majority with 34.85%; while men were the majority in the operators' category 24.28%. In overall, female formed the majority of the respondents 52.87%, while male were 46.33%.

Since the matatu industry has always been male dominated, this survey has confirmed this to be true. Aduwo (1990), concurs that majority of operators are male. While on the other hand the

number of commuters are expected to be the same in terms of gender; However, In the case of this survey ladies were more than men may be because ladies were more cooperative in answering the questionnaires.

	Frequency	Percent
Owner	18	60.0
Operator	6	20.0
Both	6	20.0
Total	30	100.0

Table 4.2: Distribution of commuters by age

Age	Frequency	Percent
21	3	7.5
22	3	7.5
25	4	10.0
26	5	12.5
27	3	7.5
29	4	10.0
30	3	7.5
34	1	2.5
35	6	15.0
40	3	7.5
41	3	7.5
43	1	2.5
50	1	2.5
Total	40	100.0

Source: Research Data

Table 4.2 summarizes the ages of the commuters interviewed. It is evident from the above table that majority of the respondents are between the ages of 21 and 30 (67.5%), while the mode in this study is age 35. This is as expected since most of the commuters of this age group would be working in the city.

Table 4.3a: Classification of operators

Category	Frequency	Percent
Owner	18	60.0
Operator	6	20.0
Both	6	20.0
Total	30	100.0

Source: Research Data

The operators comprised of owners and operators and those performing both jobs. Owners were the majority at 60% while the operators who comprised of both the drivers and conductors formed 20% of the respondents. This maybe attributed to their attitude which is usually non cooperative. On the other hand, owners were easily approachable at the MOA offices.

Table 4.3b: Distribution of operators by the number of matatus they own

Matatus owned	Frequency	Percent
None	6	20.0
1	14	46.7
2	6	20.0
3	2	6.7
4	2	6.7
Total	30	100.0

Source: Research Data

The operators were expected to indicate whether they are matatu owners or operators and as depicted by Table 4.3a, the owners formed the majority of the respondents 60%, operators were 20% while the remaining 20% confirmed that they are both matatu owners as well as operators.

The owners were further asked to indicate the number of matatus they own and as summarized in Table 4.3b, majority of them owned one matatu 46.7%, followed by those with two 20%.

However, it was evident in this study that most of the respondents did not want to indicate the exact number of matatus they own especially where they have more than two.

Table 4.4: Distribution of commuters by occupation

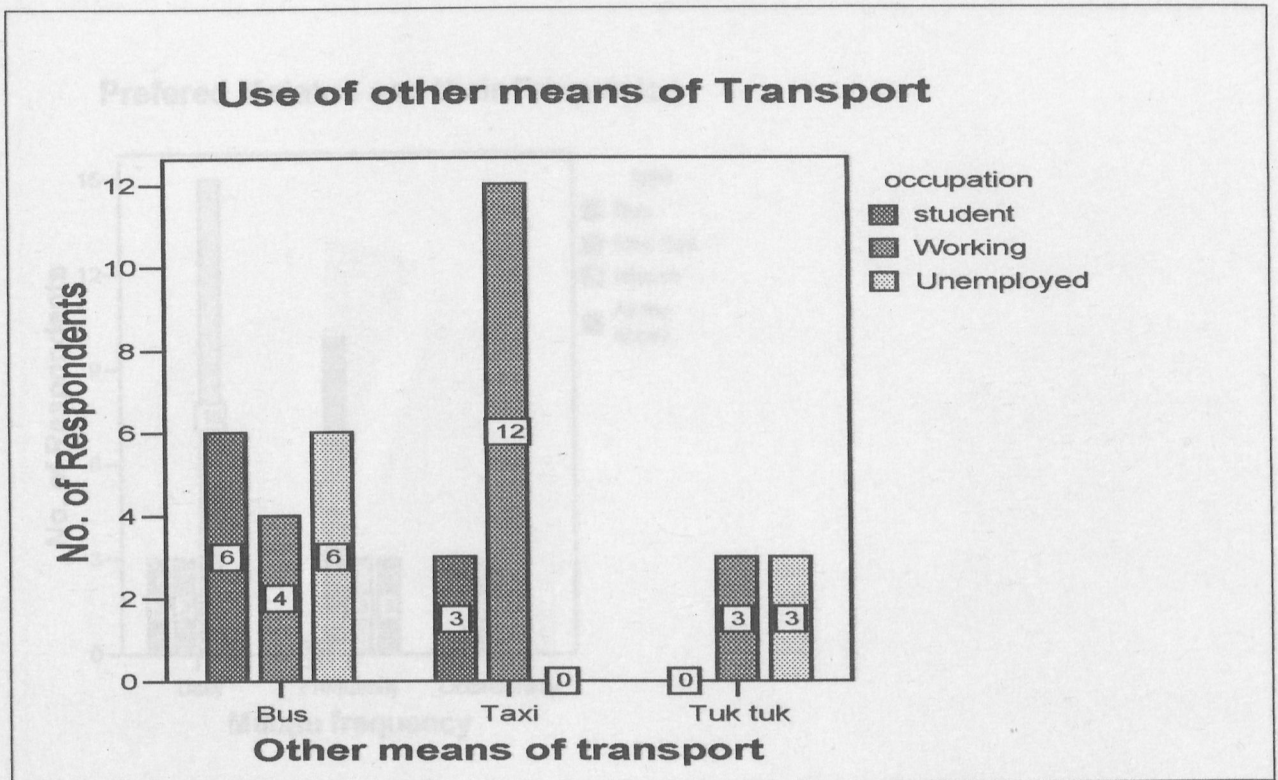
Occupation	Frequency	Percent
student	9	22.5
Working	19	47.5
Unemployed	12	30.0
Total	40	100.0

Source: Research Data

From the above table it is evident that most of the respondents (commutes) were employed 47.5%, followed by unemployed 30% and students formed 22.5%. This in effect has direct correlation with their use of other means of public transport.

This is clearly demonstrated in the figure below, whereby majority of the working use taxi services (12), while the students and the unemployed (6) use buses and tuk tuk (These are three wheeled motor cycles).

Figure 4.1 Respondents' use of other means of transport

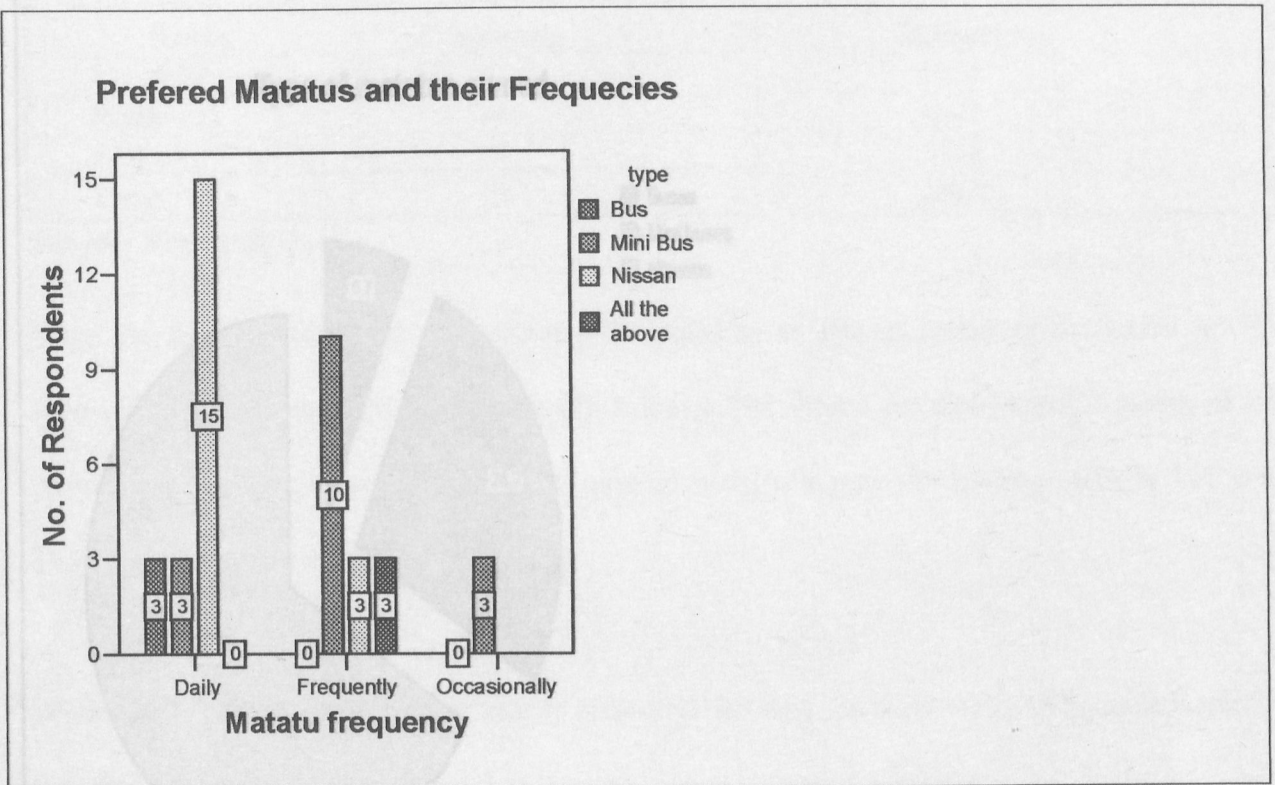


Source: Research Data

The students and unemployed use tuk tuk or buses due to the cost. These means of transport are affordable while taxis which are relatively expensive seem to be used by the working commuter.

The figure also indicates that majority of the respondents use the transport as a daily basis (15), followed by the mini buses of which of they use frequently (10). Furthermore, those who indicated that they use taxis were comparatively more as a daily basis. This may be due to availability since as expected since driving of the motor such as of our 101 have many Nissan. From the point of view of the respondents, Nissan go 101 really have the worst their time when queuing especially during rush hours.

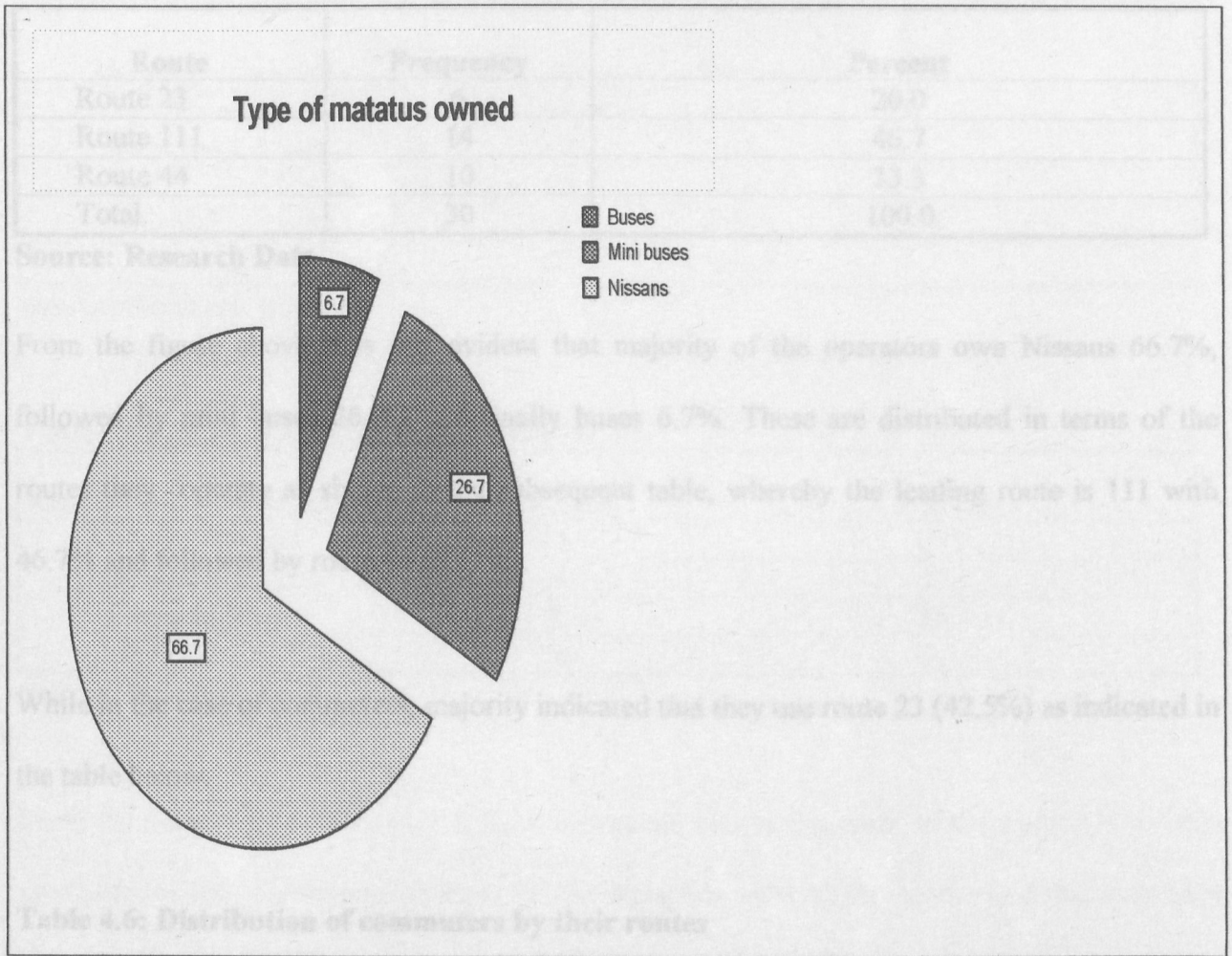
Figure 4.2: Respondents preferred matatus and their frequency



Source: Research Data

The figure above indicates that majority of the commuters prefer using Nissans on a daily basis (15), followed by the mini buses of which of they use frequently (10). Furthermore, those who indicated that they use buses were comfortable using it on a daily basis. This maybe due to availability since as expected since some of the routes such as 44 and 111 have many Nissans. From the point of view of the commuters, Nissans get full quickly hence this saves them time when queuing especially during rush hours.

Figure 4.3 Type of matatus owned by the operators



Source: Research Data

According to the above table, majority of the operators own Nissans 66.1%. This may be due to their affordability in comparison to mini buses. However, according to the Economic Review (2005), there has been a sharp rise in demand for minibuses which are deemed to be more economical to operate. Vehicle assemblers reported unprecedented sales for this category of vehicle during the year while demand for new body fabrication outstripped supply.

Table 4.5 Distribution of operators by their routes.

Route	Frequency	Percent
Route 23	6	20.0
Route 111	14	46.7
Route 44	10	33.3
Total	30	100.0

Source: Research Data

From the figure above it is self evident that majority of the operators own Nissans 66.7%, followed by mini buses 26.7% and finally buses 6.7%. These are distributed in terms of the routes they operate as shown in the subsequent table, whereby the leading route is 111 with 46.7% and followed by route 44 (33.3%).

While in the case of commuters, majority indicated that they use route 23 (42.5%) as indicated in the table below.

Table 4.6: Distribution of commuters by their routes

Route	Frequency	Percent
Route 23	17	42.5
Route 111	10	25.0
Route 44	13	32.5
Total	40	100.0

Source: Research Data

The majority of commuters were from route 23 which comprised 42.5%. This may be attributed to the fact that most of these commuters were students or youthful and very cooperative in answering the questionnaires.

Table 4.7 Length of time as operator

Duration as operator	Frequency	Percent
Less than 2 years	18	60.0
Between 2-5 years	10	33.3
Total	28	93.3
Missing	2	6.7
Total	30	100.0

Source: Research Data**Table 4.8 Length of time in matatu business**

Matatu business duration	Frequency	Percent
Less than 2 years	18	60.0
Between 2-5 years	4	13.3
More than 5 years	8	26.7
Total	30	100.0

Source: Research Data

From the above set of tables (4.7 & 8), it comes out clearly that most of the owners have been operators for less than two years 60%. On the same line 60% of the owners said that they have been in operation for less than two years. This may be explained by the

High increase in the number of road licenses issued to matatu vehicles last year, 36, 757 compared to 32,403 in 2003. According to the Economic Review (2005), Transport and communications was the fastest growing economic sector last year at 10.3%.

4.3 Respondent's level of education

Both the commuters and operators were required to indicate their level of education. From the following tables (4.10 a & b) below, it is evident that majority of the commuters had college education 42.5%, while majority of the operators had only secondary education 46.7%.

Table 4.9a Distribution of commuters' by level of education

Level of education	Frequency	Percent
Primary	4	10.0
Secondary	6	15.0
College education	17	42.5
University	13	32.5
Total	40	100.0

Source: Research Data

Table 4.9b Distribution of operator's by level of education

Education Level	Frequency	Percent
Primary	3	10.0
Secondary	14	46.7
College education	10	33.3
University	3	10.0
Total	30	100.0

Source: Research Data

Khayesi (2003) informs us that the matatu sub sector has for long been associated with low uneducated youth but now attracts even graduates. Table 4.9b, indicates that majority of the operators have at least a secondary education 46.7%. This is contrary to general expectations due to the chaotic nature of operations in the industry which would be expected to be characterized by school drop outs. However, a study carried out by IPAR (2004) found that most of the officials in this sector have a secondary academic background.

4.4 Commuter's monthly income

The survey also sought to determine the level of income of the respondents. The commuters indicated their monthly incomes within the following categories as shown in the table below.

Majority of them indicated that their incomes were within the range of

0 – 10,000 (37.5%)

Table 4.10 Distribution of respondents by their income

Income	Frequency	Percent
Not indicated	4	10.0
0 - 10,000	15	37.5
10,001 - 20,000	9	22.5
20,001 - 50,000	8	20.0
Above 50,000	4	10.0
Total	40	100.0

Source: Research Data

According to the findings in Table 4.10, it would be assumed that most of those earning above 10,000 are able to use other means of transport such as taxi or private vehicles. Matatu transport is however affordable to the low income earners and this sub sector caters for 80% of passenger public transport.

4.5 Perception and experience of respondents on the new rules

as given below.

The objective of this research proposal was to determine the perceptions of both operators and commuters on the new traffic regulations. The operators and commuters filled their preferences on the likert scale in the questionnaire in section B. This was on a scale of 1-5 from 1 strongly disagree to 5 agree. The respondents indicated their perceptions of the new traffic regulations and their experience of the same.

Statement	1	2	3	4	5	Total	Average	Standard Deviation
All motorists should have a continuous yellow band on their left hand spectacles.	3	7.5	0	0	0	7.5	2.5	29
All drivers and conductors of PSVs should wear the specified badge and uniform.	0	0	0	0	0	0	0	40
All PSV names should appear last their seat and employed on a permanent basis and on monthly basis.	0	0	4	10.0	0	0	14	3.5
All PSVs should clearly display a recent photo of the driver when they change of the license.	0	0	0	0	0	0	0	39
All PSV owners should indicate the last detail of the vehicle license and make authorized on the right side of the vehicle.	0	0	3	7.5	3	15	5	34
All PSV drivers will be required to change retaining after every two years.	3	7.5	3	7.5	0	0	4	39
The rules have made vehicles more comfortable.	0	0	0	0	0	0	0	40
Seat belts have improved safety amongst.	3	7.5	0	0	0	15.0	5	30
The government was right in coming up with the rules.	0	0	0	0	0	0	0	42.5
The new rules and regulations have had a negative impact on the industry.	16	40.0	7	17.5	7	70.5	21	33
Vehicle business is now a viable investment option.	0	0	0	0	0	0	0	37
More people are thinking about own drivers.	10	25.0	3	7.5	0	15.0	5	19
There is less congestion on national road.	0	0	3	7.5	3	15	5	30
National rules are needed.	7	17.5	0	0	10	25.0	7	17.5
The rules have improved performance in the industry.	0	0	0	0	3	7.5	2.5	30
Local music is great for motor business.	10	25.0	0	0	0	15.0	5	17.5
The rules are good but implementation was poorly done.	0	0	0	7.5	3	7.5	2.5	34
Speed cameras have increased the confidence of vehicle operators.	0	0	0	7.5	4	15.0	4	29
Motor buses are reasonable as compared to taxis.	16	40.0	3	7.5	4	50.5	15	30.5
The uniforms and badges are not necessary if the operators are disciplined.	17	42.5	14	35.0	0	100.0	30	31
Gratuity on vehicles is needed to commuters.	12	30.0	0	0	0	30	10	19
Fares should be regulated by the government.	7	17.5	3	7.5	0	15.0	5	35.0

Source: Research Data.

Table 4.11a and 4.11b summarizes the findings for both the operators and commuters as given below.

Table 4.11a Commuters perception and experience on the new Rules

Statements	Strongly disagree		Partly disagree		Disagree		Undecided		Agree	
	f	%	f	%	f	%	f	%	f	%
All PSVs should be fitted with safety belts	0	.0	6	15.0	0	.0	4	10.0	30	75.0
All PSVs and commercial vehicles exceeding a tare weight of 3040kg should be fitted with a speed governor.	0	.0	3	7.5	0	.0	0	.0	37	92.5
All matatus should have a continuous yellow band as per laid down specification.	3	7.5	0	.0	3	7.5	8	20.0	26	65.0
All drivers and conductors of PSVs should wear the specified badge and uniform	0	.0	0	.0	0	.0	0	.0	40	100.0
All PSV owners should ensure that their staff are employed on a permanent basis and on monthly basis.	0	.0	4	10.0	0	.0	10	25.0	26	65.0
All PSVs should clearly display a recent photo of the driver who has charge of the vehicle.	0	.0	0	.0	0	.0	4	10.0	36	90.0
All PSV owners should indicate the full detail of the vehicle owners and route authorized on the right side of the vehicle.	0	.0	3	7.5	3	7.5	0	.0	34	85.0
All PSV drivers will be expected to undergo retesting after every two years.	3	7.5	3	7.5	0	.0	4	10.0	30	75.0
The rules have made matatus more comfortable	0	.0	0	.0	0	.0	0	.0	40	100.0
Seat belts have improved matatu transport.	3	7.5	0	.0	6	15.0	3	7.5	28	70.0
The government was right in coming up with the rules.	0	.0	0	.0	0	.0	3	7.5	37	92.5
The new rules and regulations have had a negative impact on the industry.	16	40.0	7	17.5	7	17.5	7	17.5	3	7.5
Matatu business is now a viable investment option.	0	.0	0	.0	0	.0	13	32.5	27	67.5
More people are now using matatus than before.	10	25.0	3	7.5	6	15.0	6	15.0	15	37.5
There is less harassment on matatus now.	0	.0	3	7.5	0	.0	7	17.5	30	75.0
Harsher rules are needed.	7	17.5	0	.0	10	25.0	7	17.5	16	40.0
The rules have improved performance in the industry.	0	.0	0	.0	3	7.5	11	27.5	26	65.0
Loud music is good for matatu business.	19	47.5	0	.0	6	15.0	8	20.0	7	17.5
The rules are good but implementation was hastily done.	0	.0	6	15.0	3	7.5	10	25.0	21	52.5
Speed governors have increased the confidence of matatu commuters.	0	.0	3	7.5	4	10.0	4	10.0	29	72.5
Matatu fares are reasonable as compared to buses.	10	25.0	3	7.5	4	10.0	10	25.0	13	32.5
The uniforms and badges are not necessary if the operators are disciplined.	17	45.9	11	29.7	6	16.2	0	.0	3	8.1
Graffiti on matatus is needed to commuters.	12	30.0	0	.0	0	.0	0	.0	28	70.0
Fares should be regulated by the government	7	17.5	3	7.5	0	.0	4	10.0	26	65.0

Source: Research Data

The commuters had mostly positive reactions to the new rules and regulations which have gone along way in promoting and bringing sanity in the matatu industry. The respondents agreed 100% with the following two statements:

- The rules have made matatus more comfortable and
- all drivers and conductors of PSVs should wear the specified badge and uniform.

The commuters' perception of the new traffic rules and regulations according to the findings on Table 4.11a above are discussed below.

1. All PSVs and commercial vehicles exceeding a tare weight of 3040kgs should be fitted with a speed governor.

92.5% of the respondents concurred with the rule that all PSVs and commercial vehicle exceeding a tare weight of 3040kg should be fitted with speed governors. In addition majority of them suggested that the speed governor should be increased for long distance vehicles from 80Km/h to 100km/h, on top of ensuring continuous discipline in the force in implementation of the new rules and penalties for offenders.

2. All PSVs should be fitted with safety belts.

Majority of the commuters were in favour of this rule 75%. However, commuters were of the opinion that the owners should ensure that the belts are clean and in good working order at all times. Alternatively, belts that recoil inwards could be introduced.

3. All matatus should have a continuous yellow band as per laid down specifications. Although 65% of the commuters agreed with this rule, some argued that the yellow band had no effect at all hence an unnecessary cost to the operators. Others also suggested that instead of the yellow band matatus should have one colour according to the route or region.

4. All drivers and conductors of PSVs should wear the specified badge and uniform. 100% of commuters agreed with this rule. The uniforms and badges have gone a long way in instilling discipline among the operators as well as weeding out members of cartels amongst them. This has led to a decline in harassment of commuters. Further, 45.9% also disagreed about operators needing uniforms and badges if they were disciplined.

5. All PSVs owners should ensure that their staff are employed on a permanent basis and paid on a monthly basis. Most commuters 65% felt that this was a good rule since it would eliminate idleness among staff while increasing accountability. The commuters felt that the staff should have a legal union and be included in decision making as well as having representation at the government level.

6. All PSV should clearly display a recent photo of the driver who has charge of the vehicle. 90% of the commuters agreed with this rule. They perceived this as a means of identifying any driver who contravenes the traffic rules. However, they were also of the opinion that all operators should employ qualified drivers who are over 30 years.

7. All PSV owners should indicate the full detail of the vehicle owner and route authorized on the right side of the vehicle.

The commuters 85% agreed with this rule since owners details would be useful in case of accidents or where the staff were violating the rules. Some however suggested that the 14 passenger matatus should be abolished and replaced with bigger vans to ease congestion.

8. All PSV drivers will be expected to undergo retesting after every two years

Majority of commuters 75% agreed with this rule. They were also of the opinion that retesting should be done annually to avoid complacency.

The findings of this research indicate that the commuters were overwhelming in support of the rules. Their perception of these rules is that they have gone a long way in returning sanity on the roads. Despite this however, some statements elicited strong negative responses from the commuters. 47.5% strongly disagreed that loud music is good for matatu business while 45.9% disagreed about operators needing uniforms and badges if they are disciplined. All in all, most commuters felt that more stringent rules are needed as well as more effort in implementation of the rules.

Source: Research Data

Table 4.11b Operators perception and experience on the new Rules

Statements	Strongly disagree		Partly disagree		Disagree		Undecided		Agree	
	F	%	F	%	F	%	F	%	F	%
All PSV should be fitted with safety belts.	6	20.0	3	10.0	0	.0	0	.0	21	70.0
All PSV and commercial vehicles exceeding a tare weight of 3048kg should be fitted with a speed governor.	5	16.7	6	20.0	0	.0	0	.0	19	63.3
All matatus should have a continuous yellow band as per laid down specifications.	9	30.0	4	13.3	6	20.0	0	.0	11	36.7
All drivers and conductors of PSV should wear the specified badge and uniform.	3	10.0	0	.0	0	.0	0	.0	27	90.0
All PSV owners should ensure that their staff are employed on a permanent basis and paid on monthly basis.	5	16.7	10	33.3	0	.0	2	6.7	13	43.3
All PSV should clearly display a recent photo of the driver who has charge of the vehicle.	3	10.0	3	10.0	0	.0	0	.0	24	80.0
All PSV owners should indicate the full details of the vehicle owner and route authorized on the right side of the vehicle.	14	50.0	0	.0	0	.0	0	.0	14	50.0
All PSV drivers will be expected to undergo retesting after every two years.	5	16.7	0	.0	5	16.7	0	.0	20	66.7
There are too many rules and regulations.	3	10.0	4	13.3	5	16.7	0	.0	18	60.0
All the rules and regulations are useful.	10	35.7	0	.0	6	21.4	3	10.7	9	32.1
The government was right in coming up with the rules.	0	.0	5	16.7	3	10.0	2	6.7	20	66.7
The new rules and regulations have had a negative impact on the industry.	14	46.7	2	6.7	3	10.0	0	.0	11	36.7
The rules have made matatu business more profitable.	9	30.0	5	16.7	2	6.7	2	6.7	12	40.0
We have reduced staff after the rules.	0	.0	7	23.3	8	26.7	2	6.7	13	43.3
The rules have led to longer working hours.	2	6.7	7	23.3	5	16.7	3	10.0	13	43.3
We have changed to longer routes after the rules.	8	28.6	3	10.7	12	42.9	2	7.1	3	10.7
The rules have improved performance in the industry.	6	20.0	0	.0	4	13.3	3	10.0	17	56.7
Police harassment has reduced after the rules.	0	.0	5	16.7	10	33.3	3	10.0	12	40.0
The rules are good but implementation was hastily done.	0	.0	3	10.0	3	10.0	2	6.7	22	73.3
Fitting of speed governors has led to savings.	6	20.0	4	13.3	0	.0	0	.0	20	66.7
Fitting of speed governors has boosted matatu business.	11	36.7	0	.0	4	13.3	2	6.7	13	43.3
The rules have eliminated harassment by cartels.	0	.0	2	6.7	6	20.0	8	26.7	14	46.7
The uniforms and badges are not necessary if the operators are disciplined.	4	14.3	6	21.4	4	14.3	4	14.3	10	35.7
Uniforms, badges and certificate of good conduct are affordable to operators.	9	30.0	10	33.3	5	16.7	2	6.7	4	13.3
Permanent employment and monthly salary is better than temporary employment.	3	10.0	2	6.7	11	36.7	4	13.3	10	33.3
All the rules and regulations are expensive to comply with.	7	23.3	5	16.7	0	.0	4	13.3	14	46.7

Source: Research Data

Operators on the other hand had mixed reactions to the rules. The findings of this research study show that when the perception of the commuters is positive it's almost the direct opposite for the operators as exemplified below.

1. All PSVs and commercial vehicles exceeding a tare weight of 3040kgs should be fitted with a speed governor.

Most agreed that fitting of speed governors had boosted matatu business 43.3% while 66.7% agreed that this has boosted savings. They claimed that low repairs have been attributed to significant decrease in accidents and wear of their vehicles due to speed governors. For long distances, most advocated for the governors to be set at 100km per hour.

2. All PSVs should be fitted with safety belts.
- 70% of the operators agreed with the fitting of safety belts but they too advocated for a type that recoils inwards to avoid dirt.

3. All matatus should have a continuous yellow band as per laid down specifications.
- Majority of the operators disagreed with the rule that all matatus should have a continuous yellow line as per laid down specifications. This is exemplified by the fact that 30% strongly disagreed, 13.3% partly disagreeing and 20% disagreeing.

4. All drivers and conductors of PSVs should wear the specified badge and uniform.

There was a lot of support for this rule. 90% of operators agreed that badges and uniforms have helped instill order in the industry giving them better control of staff. However, 33.3% disagree with uniforms and badges being affordable to their staff.

5. All PSVs owners should ensure that their staff are employed on a permanent basis and paid on a monthly basis.

33.7% of the operators disagreed with employing their staff on a permanent basis. According to them, this would prove too expensive since giving their staff substantive appointments would in effect require them to provide other benefits such as NSSF contributions or medical cover.

6. All PSV should clearly display a recent photo of the driver who has charge of the vehicle.

80% of operators agree that the drivers should display their photos in the vehicle however they also called for strict measures to be taken against police officer for harassing drivers. Photo displays enable operators to control errant drivers.

7. All PSV owners should indicate the full detail of the vehicle owner and route authorized on the right side of the vehicle.

Indicating of owner's details and route number on the vehicle elicited mixed reactions from the operators. 50% were against this which they saw as being used to victimize them by either police or cartels.

8. All PSV drivers will be expected to undergo retesting after every two years

Majority 66.7% agreed with this rule since they reasoned that incompetent drivers lead to more accidents hence they incur a lot of cost due to unnecessary accidents.

Despite welcoming the new rules, most operators felt that there is a need to include them by the government in decision making when coming up with these transport policies. 46.7% of operators also agreed that the rules were expensive to comply with. However in order to save cost of repair; they suggested that proper maintenance of roads, availability of cheap fuel, lower insurance and TLB charges. To make the business more affordable, the operators advocated that the government should avail access to credit and empower them through establishment of a strong union to articulate their needs to the government.

As indicated in the previous chapter, each of the respondents was to gauge their level of perception on the new traffic regulations using a five point likert scale ranging from 1 (strongly disagree) to 5 (Agree).

From the research findings, the perception of commuters to the new traffic regulations was an equivocal yes i.e they agreed with them. This is supported by the following statements:-

All drivers and conductors should wear the specified badge and uniform (100% of the commuters, and 90% of the operators agreed.) The rules have made markets more comfortable (100% of the commuters agreed) The government was right in coming up with the rules (72.5% of the commuters agreed). All this imply that the government did the right thing with these policies as an attempt to strengthen the motor industry and encourage investment in this neglected sector of the economy.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary.

In this section, we discuss a summary of the main findings, draw conclusions and make recommendations emanating from the study. Furthermore, highlight the limitations encountered in an attempt to achieve the objectives of the study. The objective of this study is to determine the perceptions of both operators and commuters on the new traffic regulations. As seen in the findings, there was mixed reactions from the respondents. However, it was quite evident that the commuters supported the new rules and regulations while the operators were divided, especially between the owners and the operators/drivers on their perception and experience on the new traffic rules. As indicated in the previous chapter, each of the respondents was to gauge their level of perception on the new traffic regulations using a five point likert scale ranging from 1(strongly disagree) to 5 (Agree).

5.2 Conclusion

From the research findings, the perception of commuters to the new traffic regulations was an equivocal yes i.e. they agreed solely with them. This is supported by the following statements:-

All drivers and conductors should wear the specified badge and uniform (100% of the commuters, and 90% of the operators agreed.). The rules have made matatu more comfortable (100% of the commuters agreed). The government was right in coming up with the rules (92.5% of the commuters agreed). All this imply that the government did the right thing with these policies in an attempt to streamline the matatu industry and encourage investment in this neglected sector of the economy.

However, in the case of operators, there was almost a clear distinction between the operators/drivers and the owners on their perceptions and experiences on the new traffic rules. 90% of the operators agreed with the statement that all drivers and conductors of PSV should wear the specified badge and uniform. While 50% of the respondents disagreed with the fact that all PSV owners should ensure that their staff are employed on a permanent basis and paid on a monthly basis, only 43.3% agreed. In addition, 13.3% of the operators agreed that uniforms, badges and certificate of good conduct are affordable while 63.3% disagreed. Furthermore, 43.3% of the respondents agreed that fitting of speed governors has boosted matatu business, while 50% disagreed.

5.3 Limitations of the study.

The findings of this study show that when the perception of the commuters is positive it is almost the direct opposite for the operators. This is exemplified further by the recommendations they made as elucidated below.

5.2 Conclusion

In conclusion it was evident that the perception of commuters to the new traffic rules and regulations was positive i.e. the commuters were comfortable with the new traffic regulations. This is because the new traffic rules and regulations have brought sanity and order in an industry which was previously chaotic and ungovernable. Speed governors and safety belts have reduced accidents by 70% a year from implementation. Furthermore, traveling in matatus is now more comfortable since there are no more standing passengers, no harassment from people pretending to be touts yet they are not since they can be easily identified. This can be summarized by the

fact that 92.5% of the commuters agreed that the government was right in coming up with the rules.

The operators on the other hand embraced the rules but they had some reservations mainly because they were not consulted in formulation of the rules. However, there were divergent reactions to the rules by owners on one hand and driver and conductors on the other hand. Owners did not favour giving their staff substantial appointments while the conductors preferred permanent employments and monthly salary as opposed to temporary employment.

5.3 Limitations of the study.

It was evident from this study that some respondents might have withheld information that might have affected our findings. For example, majority of the owners were comfortable indicating that they own one or two matatus while this might have not been the truth.

Some respondents did not respond to certain questions. This may have introduced some bias in the study.

5.4 Suggestions for further Research.

This research looked at the perception by stakeholders on the new traffic regulations in Kenya: a case of matatu operators and commuters in Nairobi. Given that this is a wide topic, there is need for a specific research focusing on only either the commuters or operators.

Furthermore, there is need for a comparative study or replication of this study in other parts of the country. This would generate generalization that could inform policy decisions (government) and sustain further academic interest and debate.

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APPENDIX 1

QUESTIONNAIRE

LETTER OF INTRODUCTION

July 2005

Anastasia .T. Mumenya,
c/o University of Nairobi,
P.O. BOX 30197 00100,
NAIROBI

Dear Sir/madam,

RE: PERCEPTION BY STAKEHOLDERS OF THE NEW TRAFFIC REGULATIONS IN KENYA: A CASE OF MATATU OPERATORS AND COMMUTERS IN NAIROBI.

I am a postgraduate student at the University of Nairobi, Faculty of Commerce. I am undertaking the above research project in partial fulfillment of the requirements of the award of the MBA degree.

In order to achieve this, I humbly request your assistance in filling the attached questionnaire to generate data for the study. Any information you provide will be treated with utmost confidentiality and shall not be used for any other purposes apart from its intended academic use. In no instance will your name be mentioned in the report. A copy of the research report will be availed to you upon request. Your assistance in this regard will be highly appreciated.

Thank you in advance,
Yours sincerely,

.....
Anastasia .T. Mumenya
STUDENT

.....
Mr. Jackson Maalu
SUPERVISOR

Appendix 2: QUESTIONNAIRE

TO BE FILLED BY MATATU OPERATORS ONLY

SECTION A: BIO DATA

1. Name [optional]

.....

2. Gender

Male []

Female []

3. Are you a matatu owner or owner cum operator?

Yes

4. How many matatus do you own? []

5. Which type of matatus do you own?

a}. Buses

b} Mini buses

c}. Nissans

c}. All of the above

6. Which route does your matatu operate?.....

7. If you are both an owner cum operator, how long have you been an operator?

a). Less than 2 years []

b). Between 2 – 5 years []

c). More than 5 years []

8. How long have you been in matatu business?

a). Less than 2 years []

b). Between 2 -5 years []

c). More than 5 years []

9. If you are both an owner cum operator, are you a driver or conductor?

Driver

Conductor

10. Have you ever done both jobs?

Yes

No

11. What is your highest level of education?

- a). Primary []
- b). Secondary []
- c). College education []
- d). University []

SECTION B:

This section is meant to identify the perception and experience by owners of the new traffic regulations. Please indicate your views by ticking the number that closely matches your opinion.

No.	Issue	Strongly disagree	Partly disagree	Disagree	Undecided	Agree
		1	2	3	4	5
	Rules and regulations					
12	All PSV should be fitted with safety belts					
13	All PSV and commercial vehicles exceeding a tare weight of 3048kg should be fitted with a speed governor					
14	All matatus should have a continuous yellow band as per laid down specifications					
15	All drivers and conductors of PSV should wear the specified badge and uniform					
16	All PSV owners should ensure that their staff are employed on a permanent basis and paid a monthly basis					
17	All PSV should clearly display a recent photo of the driver who has charge of the vehicle					
18	All PSV owners should indicate the full details of the vehicle owner and route authorized on the right side of vehicle					
19	All PSV drivers will be expected to undergo retesting after every two years					

	Experience	1	2	3	4	5
20	There are too many traffic rules and regulations					
21	All the rules and regulations are useful					
22	The government was right in coming up with the rules					
23	The new rules and regulations have had a negative impact on the industry					
24	The rules have made matatu business more profitable					
25	We have reduced staff after the rules					
26	The rules have led to longer working hours					
27	We have changed to longer routes after the rules					
28	The rules have improved performance in the industry					
29	Police harassment has reduced after the rules					
30	The rules are good but implementation was hastily done					
31	Fitting of speed governors has led to savings					
32	Fitting of speed governors has boosted matatu business					
33	The rules have eliminated harassment by cartels					
34	The uniforms and badges are not necessary if the operators are disciplined					
35	Uniforms, badges and certificate of good conduct are affordable to operators					
36	Permanent employment and monthly salary is better than temporary employment					
37	All the rules and regulations are expensive to comply with					

38. If given an opportunity which of the regulations would you change for the better of matatu sub-sector?
.....
.....
.....
39. In your opinion, how can the matatu owners/operators be empowered to play a better role in the industry?
.....
.....
.....
40. In your opinion, how can matatu business be made profitable to owners while remaining affordable to the commuters?
.....
.....
.....
.....

Appendix 2: QUESTIONNAIRE

TO BE FILLED BY MATATU COMMUTERS ONLY

SECTION A: BIO DATA

6. Name [optional]

.....

7. Gender

Male []

Female []

8. Age []

9. What is your occupation?

a]. Student

b]. Working

c]. Retired

d]. Unemployed

10. Which type of matatus do you prefer?

a}. Bus

b} Mini bus

c]. Nissan

c]. All of the above

6. What is your normal route?.....

7. Do you use other means of public road transport?

Bus []

Taxi []

Train []

Tuktuk []

8. How often do you use matatu transport?

a]. Daily

[]

b]. Frequently

[]

c]. Occasionally

[]

d]. Scarcely

[]

9. What is your highest level of education?

a]. Primary

[]

b]. Secondary

c]. College education

d]. University

10. Is your income between?

a]. 0 – 10,000

b]. 10,001 – 20,000

c]. 20,001 – 50,000

d]. above 50,000

SECTION B:

This section is meant to identify the perception and experience by owners of the new traffic regulations. Please indicate your views by ticking the number that closely matches your opinion.

No.	Issue	Strongly disagree	Partly disagree	Disagree	Undecided	Agree
	Rules and regulations	1	2	3	4	5
11	All PSV should be fitted with safety belts					
12	All PSV and commercial vehicles exceeding a tare weight of 3040kg should be fitted with a speed governor					
13	All matatus should have a continuous yellow band as per laid down specifications					
14	All drivers and conductors of PSV should wear the specified badge and uniform					
15	All PSV owners should ensure that their staff are employed on a permanent basis and paid on a monthly basis					
16	All PSV should clearly display a recent photo of the driver who has charge of the vehicle					
17	All PSV owners should indicate the full details of the vehicle owner and route authorized on the right side of the vehicle					
18	All PSV drivers will be expected to undergo retesting after every two years					

	Experience	1	2	3	4	5
19	The rules have made matatus more comfortable					
20	Seat belts have improved matatu transport					
21	The government was right in coming up with the rules					
22	The new rules and regulations have had a negative impact on the industry					
23	Matatu business is now a viable investment option					
24	More people are now using matatus than before					
25	There is less harassment in matatus now					
26	More harsher rules are needed					
27	The rules have improved performance in the industry					
28	Loud music is good for matatu business					
29	The rules are good but implementation was hastily done					
30	Speed governors have increased the confidence of matatu commuters					
31	Matatu fares are reasonable as compared to buses					
32	The uniforms and badges are not necessary if the operators disciplined					
33	Graffiti on matatus is needed to attract commuters					
34	Fares should be regulated by the government					

35. If given an opportunity which of the regulations would you change for the better of matatu sub-sector?

.....
.....
.....

36. In your opinion, how can the matatu owners/operators be empowered to play a better role in the industry?

.....
.....
.....

37. In your opinion, how can matatu business be made profitable to owners while remaining affordable to the commuters?

.....
.....
.....

12 days to go

LEGAL NOTICE NO.161-3RD OCTOBER 2003

NOTICE OF DEADLINE

To All Owners and Operators of Public Service (PSVs)
and Commercial Vehicles

To avoid disruption of your business services, ensure that the following regulations are met by the 31st January 2004.

- All PSVs (Public Service Vehicles), including Omnibuses and matatus shall be fitted with safety belts.
- All PSVs vehicles (except taxicabs and private hire vehicles) and Commercial vehicles exceeding a tare weight of 3048kg should be fitted with speed governors.
- All drivers and conductors of PSVs should wear the specified badge and uniform.
- All PSV owners should ensure that their staff are employed on permanent basis and paid a monthly salary.
- All taxicabs and matatus should have painted on both sides and on the rear, a continuous yellow band as per the laid down specifications.
- All taxicabs and matatus should clearly display a recent photograph of the driver who has charge of the vehicle at a specified time.
- All PSV owners should indicate full details of the vehicle owner and the route authorised on right side of the vehicle.
- All PSV drivers will be expected to undergo retesting after every two years.
- All private commercial vehicles should fit seat belts on the front seats.
- Passengers are reminded to start using seat belts.

Remember, these laws have been
enacted to protect and save lives.



For more information call
N 122729200 Ext. 40226 or 40010
122729200 (TLN section)



Kenya Gazette Supplement No. 79

3rd October, 2003

(Legislative Supplement No. 50)

LEGAL NOTICE NO. 161

THE TRAFFIC ACT

(Cap. 403)

IN EXERCISE of the powers conferred by section 119 (1) of the Traffic Act, the Minister for Transport and Communications makes the following Rules:—

THE TRAFFIC (AMENDMENT) RULES, 2003

1. These Rules may be cited as the Traffic (Amendment) Rules, 2003.

2. The Traffic Rules are amended—

(a) in rule 22A—

(i) by deleting the class of vehicles and the manner of fitting of seat-belts specified in subparagraph (ii);

(ii) by inserting the following new paragraphs (6) and (7) immediately after paragraph (5)—

“(6) With effect from the 2nd November, 2003, every public service vehicle including motor omni-buses, *matatu* and private hire vehicles shall be equipped and fitted with a seat-belt in the manner specified in this paragraph—

MANNER OF FITTING

A seat-belt per seating position in the motor vehicle, and if seating accommodation is provided for more than two persons abreast, whether by means of a continuous seat commonly known as a “bench seat” or by separate seats, the seat-belts for the persons other than those seated next to the body of the car, may consist only of the cap-strap position of the seat-belt.

(7) No public service vehicle including motor omni-buses, *matatus* and private hire vehicles shall be used or driven on a road after the 2nd November, 2003, unless it is fitted and equipped with seat-belts in accordance with paragraph (6) and the owner of any vehicle driven in contravention of this paragraph shall be guilty of an offence and liable to a fine of five hundred shillings in respect of each seat-belt that is not fitted or which is fitted but is not of the proper standard or specification.”

(b) by deleting rule 41A and substituting therefor the following new rule—

“41A. (1) With effect from 1st February, 2004, the engine of—

(a) every public service vehicle except taxis and private hire vehicles;

(b) every commercial vehicle whose tare weight exceeds 3,048 kg: shall be fitted with a speed governor which—

(i) is of a type approved in writing by the Minister; and

(ii) is adjusted so that at all times and in any load condition the vehicle cannot exceed 80 kph.

(2) In this rule “governor” means a device to control the speed of the engine by any method.

(3) Every public service vehicle purchased after 31st December, 2003, shall be fitted with a speed governor before can be licensed to operate.”

(c) in rule 55 by renumbering the existing paragraphs (b) and (c) as paragraph (c) and (d) and inserting the following new paragraph (b)—

“(b) the route number the vehicle operates on;”

(d) by inserting the following new rule 65A immediately after rule 65—

“65A (1) With effect from 31st December, 2003 every driver and every conductor of a public service shall wear a special badge and uniform.

(2) The badges will be provided by the Registrar of Motor Vehicles upon payment of a prescribed fee.

(3) With effect from 1st February, 2004, every driver of a public service vehicle shall undergo compulsory testing after every two years to ascertain his or her competence.

(4) Every owner of a public service vehicle shall employ one driver and one conductor who shall be security vetted.

(5) Every conductor or driver of a public service vehicle shall only take up employment as such upon being vetted pursuant to paragraph (4) and shall be paid a permanent salary by the owner of the public service vehicle.

(e) in Part VII by deleting Part VII and substituting therefor the following new Part VII—

“PART VII—SPECIAL PROVISIONS RELATING TO TAXICABS AND MATATUS

70. (1) With effect from 1st January, 2004, every taxicab or matatu shall have painted on both sides and on the rear a distinctive

(2) If the main body-work of a taxi-cab or matatu is so coloured that the yellow band required under this rule does not contrast prominently therewith so as to be clearly visible at a distance of at least 275 metres, then the main body-work, or so much of it as runs parallel to and at a distance of not less than 75 millimetres on either side of and contiguous to the aforesaid yellow band, shall be painted a dark colour of sufficient consistency to enable the yellow band to be clearly visible at the distance aforesaid.

71. There shall be prominently exhibited in every taxicab or *matatu* a recent photograph of the head and shoulders of the driver who for the time being has charge of the taxicab or *matatu* and the photograph shall be taken full face without hat, of postcard size and such photograph shall be—

Photographs.

- (a) of such nature and so displayed as to enable any person riding in the back of the taxicab or *matatu* clearly to identify the driver thereof with the photograph; and
- (b) approved by a police officer of or above the rank of Assistance Superintendent and having endorsed on the reverse of the photograph the particulars of the driver's identity card, public service vehicle licence and taxi driver's or *matatu* driver's licence, and the signature of such police officer signifying such approval as aforesaid.

72. Any person who—

Penalties under this Part.

- (a) contravenes or otherwise fails to comply with the provisions of this Part; or
- (b) owns, drives, causes to be driven or has charge of a taxi-cab or *matatu* other than in accordance with the provisions of this Part, shall be guilty of an offence and liable to a fine not exceeding six hundred shillings or, in default of payment, to imprisonment for a term not exceeding two months or to both."

3. Legal Notice No. 351 of 1987, is repealed.

Dated the 24th September, 2003.

JOHN MICHUKI,
Minister for Transport and Communications.