

Abstract:

Paper presented at the 31st Annual Southern African Transport Conference 9-12 July 2012 "Getting Southern Africa to Work", CSIR International Convention Centre, Pretoria, South Africa. Nairobi's matatus – privately owned paratransit vehicles – are businesses offering a service to the public. Matatu owners adopt business strategies that they hope will ensure them a continuing place in the market and a reasonable reward for their efforts. Matatus operate within a regulatory regime that has the potential to promote or to thwart their strategic objectives. Using case studies of fifteen matatu businesses operating on selected routes in Nairobi, this paper examines the relationship between matatus' business strategies and the current or proposed regulatory regime. Research findings suggest a relationship between both overall and operating strategies and the nature and level of regulatory compliance. It also found that compliance is selective, with operators following regulations deemed to be reasonable and possible. The findings suggest that compliance may be enhanced by promoting cooperation between matatu owners and government in streamlining regulations and ensuring fair and consistent enforcement, as well as by recognising that matatus are legitimate transport businesses rendering a public service.