

RESEARCH REPORT

PUBLIC TRANSPORT IN HARARE

THE ADMINISTRATIVE HISTORY of public transport in Zimbabwe's capital city is of interest because it includes *ultra vires* actions by a Governor and a local authority, two examples of central government intervention in local affairs and two (possibly three) examples of government legislating at the request of a local authority. There are, at present, three forms of public transport in Harare; the bus service, metered taxis and pirate (now 'emergency') taxis.

The bus service is operated by private enterprise under a monopoly granted by the City Council and it is of interest that the arguments advanced in 1952 for the establishment of a public bus monopoly are at least only partially valid in support of the present monopoly. The objective is still, as it was in 1952, to provide 'cheap continuous and reliable services for all sections of the community'.¹ In this connection, the operating efficiency of the bus service is high. In the conclusion to this article, however, I have distinguished between what could be called the economic or social efficiency of the system and its operating efficiency. There is little doubt that there is room for improvement.

Zimbabwean urban local authorities became involved in the provision of public transport in the 1930s. Since then, two aspects — monopoly and subsidy — have, again and again, been the subject of debate. In 1935 the Salisbury City Council, as it then was, asked the central government, through the Local Government Association, to amend the Municipal Act to give councils which had established a bus service the power to prohibit, for such period as the Governor approved, the carrying on by any other person (other than one with whom a council had an agreement) of any such service.² During the consequent passage of the Municipal Further Amendment Bill (Act No. 31 of 1937) in the House of Assembly in 1937, two backbenchers spoke. One spoke in support of the amendment but the other expressed doubts about whether a council should be allowed to enter a contract granting a monopoly to some other person or organization. The Minister replied:

If municipalities are to establish a bus service or grant concessions to others for the running of such a service there must be some protection against those who might come in and endeavour to compete on an uneconomic basis . . . There is to my mind some good reason for protecting the municipal service of the kind that is proposed to be set up.³

Meanwhile a City Council committee had reported:

On several occasions recently the Council has been approached by responsible parties for the grant of a concession to establish a bus service in Salisbury.

¹City of Salisbury, *Is a Bus Monopoly really Necessary?* (Salisbury, Municipal Circular to Ratepayers, 1952); there is a copy in Harare Town House, Arch[ives], 12/63/5 (Bus Monopoly), Jacket 2.

²See Nat[ional] Arch., [Zimbabwe, Harare], LG/93 [Local Government Archives: Salisbury Municipality, Minute Books], 38 [12 Aug. 1937 – 9 Feb. 1938], Finance and General Purposes Committee, 10 Sept. 1937, minute 14.

³Southern Rhodesia, *Debates of the Legislative Assembly . . . 1937*, XVII, 1956–8 (quotation at 1958).

All the applicants have sought a monopoly within the City's jurisdiction; all have anticipated a loss on operations, and all have asked for a cash subsidy for a term of years, as well as requiring the support of the Council with a view to securing certain remissions of Government taxation, etc.

The general purport of the offers made to the Council was, put bluntly, that losses were to be borne wholly by the Municipality, but small profits were to be appropriated by the concessionaires. Larger profits were to be shared between the concessionaires, the Municipality and the public . . . Experience the world over has shown, however, that the intrusion of private enterprise into the legitimate sphere of municipal and governmental activities has proved exceedingly difficult to eradicate, and Salisbury should beware of permitting such an intrusion at the present time.⁴

Consequently the Council decided to hold a public ballot amongst the ratepayers to ascertain the degree of support for the establishment of a municipal bus service. The result was 3,489 votes for and only 275 votes against the establishment of a municipal service; and so the decision was made to go ahead.⁵

EARLY DEVELOPMENT OF THE MUNICIPAL BUS SERVICE

In 1939 the Council ordered eight buses, at an estimated cost of £21,000 for delivery from the United Kingdom. However, owing to the intervention of the British Government as a result of the outbreak of the war, these buses were never delivered and it was not until 1942 that the Council was able, using buses from various sources, to begin operating a service.⁶ At this stage, no attempt was made to establish a monopoly as there was no competition.

The municipal service operated within the City boundaries and it was only in September 1948 that a proposal was made for a service to cover the peri-urban areas. These, at that time, had their own, independent, town councils or town management boards. The proposal came from Transrhodes Services Ltd which, having obtained the agreement of the peri-urban authorities, asked the City Council if it had any objection to its operating services between the City and Highlands, Meyrick Park, Hatfield, Cranborne, Ardbennie, Prospect and Parktown. The City Council replied saying that it had no objection provided the Company confined its services to passengers travelling to and from the peri-urban areas. Thereupon the Company established a service between the peri-urban areas and a bus stop on Third Street opposite Cecil Square.⁷

In 1950, however, it was reported to the City Council that the Company was setting down passengers at points other than at the authorized bus stop in Third Street and was picking up passengers within the City area *en route* to

⁴Reported in *The Rhodesia Herald*, 15 Mar. 1938.

⁵Natl Arch., LG/93/38, Finance and General Purposes Committee, 4 Feb. 1938, minute 12; 39 (11 Feb.–25 July 1938), Finance and General Purposes Committee, 13 May 1938, minute 6, and Council, 22 June 1938, minute 7; 41 (3 Jan.–30 May 1939), Council, 6 Feb. 1939, minute 1.

⁶*Ibid.*, 42 (1 June–21 Sept. 1939), Finance Committee, 21 Sept. 1939, minute 27; 47 (6 June–6 Oct. 1941), Council, 28 July 1941, minute 3; 49 (14 Jan.–14 May 1942), Council, 5 Feb. 1942, minute 1, and Public Works Committee, 30 Apr. 1942, minute 16; 50 (15 May–20 Aug. 1942), Council, 25 June 1942, minute 6, and Public Works Committee, 10 July 1942, minute 19.

⁷*Ibid.*, 81 (16 July–14 Sept. 1948), Public Works Committee, 17 Aug. 1948, minute 35; Harare Town House, Arch., 12/63 (Bus Service) and 12/63/9 (Monopoly re Council's Omnibus Services), Jacket 1, *passim*.

Third Street.⁸ In response, the Council applied to the Governor for the sole right to operate a service for all races within the City area and a service for Africans within a twelve-mile radius of the Salisbury Post Office (there were at this time three independent operators running services for Africans, in addition to the Municipal service and the Transrhodes service).⁹ In accordance with the terms of the Municipal Act, the Council advertised its intentions and, as a result, a variety of objections were received.¹⁰ More importantly, the peri-urban authorities refused to agree to the proposed African service.

MONOPOLY OF MUNICIPAL BUS SERVICE ESTABLISHED

Nevertheless the Governor approved a monopoly within the City area for bus services, for White persons only; but the Council did not, as required by the Act, advertise the new proposals, nor did it subsequently appoint separate buses or parts of buses for different races. It continued to provide, within its own area, a universal service.¹¹ The monopoly became effective only as the licences of other buses operating within the area expired. Services operating from outside the City, and the African services, were unaffected.

However, by June 1952, Transrhodes was running buses on an inner-circular route around the central business district and was operating a bus (S31327) for which the licence had expired and had not been renewed. On 26 June 1952, therefore, the Council obtained a *rule nisi* in the High Court calling upon the Company to show cause why an order restraining it from operating S31327 within the area under the Council's jurisdiction should not be issued. A month later the Court held:

- (a) that the Council had not followed the prescribed procedure in that it had not advertised its intention to pass a resolution establishing a service for Whites only; in other words that the Council's resolution establishing the monopoly was *ultra vires*;
- (b) that the Governor's power was restricted to approval of the period of the proposed monopoly and he could not vary the conditions; in other words, he also had exceeded his powers; and
- (c) that the Council was only able to prohibit 'such service' as it itself provided which was a universal service; the Company provided a Whites-only service.¹²

The Council appealed against this decision but lost, the Appeal Court considering the first ground only.¹³ Meanwhile the Council proceeded to re-process the monopoly as a universal service within its area of jurisdiction.¹⁴ The Officer Administering the Government, in the absence of the Governor, approved the new monopoly on 8 November 1952 for a period expiring on 30 June 1966. The Council passed a resolution imposing the new monopoly which was published in November 1952.¹⁵ The licences of the Transrhodes

⁸LG/93/97 (19 July-7 Sept. 1950), Public Works Committee, 11-12 Aug. 1950, minute 28.

⁹Ibid., 101 (8 Jan.-14 Feb. 1951), Public Works Committee, 15 Jan. 1951, minute 15.

¹⁰Ibid., 102 (9 Feb.-15 Mar. 1951), Public Works Committee, 12 Mar. 1951, minute 26.

¹¹Ibid., 110 (1 Feb.-13 Mar. 1952), Public Works Committee, 14 Feb. 1952, minute 24.

¹²*Salisbury Municipality v. Transrhodes Services Ltd*, 1952 (4) S.A. 14 [S.R.].

¹³1953 (1) S.A. 319 [A.D.].

¹⁴Natl. Arch., LG/93/113 (26 June-5 Sept. 1952), Council, 1 Aug. 1952, special meeting minute.

¹⁵Southern Rhodesia. *Government Gazette* (21 Nov. 1952), 940.

Services Ltd buses had varying times to expiry, the last seven being due to expire on 31 December 1953, which became the date from which the monopoly would be effective.

The argument over the establishment of a monopoly was essentially between the City Council and Transrhodes; other operators and members of the public did object when the Council's intention as advertised, but the main dispute was between the Council and the Company and at times became most acrimonious. On the Council side, staff were deployed to board the Company's buses and note contraventions of the no-setting-down and no-picking-up rule and to make notes regarding new routes introduced by the Company. Allegations were made that the Company's double-decker buses were damaging street trees and road surfaces. The Council refused to improve the Third Street bus stop. Company and Council buses could, on some routes, be seen racing each other for passengers. Surprisingly, the Company never challenged the monopoly in terms of the High Court interpretation of 'such service'.

The Council put its point of view in a pamphlet addressed to ratepayers on 7 October 1952:

Is a Bus Monopoly really Necessary?

Many people have asked that question in recent times, and the purpose of this article is to explain the circumstances in which monopolies are essential, not only for the suppression of wasteful competition, but because the establishment of certain monopolies are based on a genuine desire to serve the public interests.

FORMS OF MONOPOLY

Examples of that form of monopoly which are vested in a public authority are postal, telephone and telegraph services. The generation and supply of electricity is also a form of monopoly because it can be carried on only under a licence issued by a statutory authority. The supply of water is a virtual monopoly because it would not be feasible for private enterprise to obtain the rights over land which are entailed in the distribution of water to thousands of consumers.

THE COUNCIL'S SERVICE

It is also public policy in this Colony and other countries to grant sole rights of bus operation to public authorities . . .

It is of interest to mention that in Great Britain, as recently as 1930, the lack of method in licencing and regulating omnibuses was responsible for chaotic conditions in road transport, and the position of local authorities operating transport was both uncertain and unsatisfactory. Licences were granted frequently with little thought of wasteful competition, and the practice arose of operators choosing only the remunerative routes, thereby reducing the ability of the regular operators to supply services on unremunerative routes . . .

'Racing', 'cutting-in' and fare-cutting were also commonly practised in Great Britain, thereby causing an increase in traffic dangers, and financial losses to local authorities . . . The Council

estimates that during the current financial year the loss on the existing municipal service will amount to £16,000 and that no less than £10,000 of that total is directly attributable to the services which today operate in competition with the municipal buses. As more and more buses are put into competitive uses on the routes which are remunerative to the Council, the loss to ratepayers will correspondingly increase.

ARE MULTIPLE SERVICES NECESSARY?

A local authority has a duty to provide cheap, continuous and reliable services for all sections of the community, and it is not every route which can be made to pay its way . . .

BUS SERVICE LOSSES

Since the inception of the Municipal service in 1942 the accumulated loss has grown to £44,000 . . .

It is estimated that the bus services which run in competition with the Council travel over 1¼ million miles per annum over the city roads. It is unquestionable that the size and weight of the vehicles and their frequent stopping and starting have a direct bearing on the damage done to road surfaces. What is not generally known, however, is that the Council does not receive one penny by way of licences or other revenue from these competitive services. The ratepayers are thus not only bearing a greater financial loss than is necessary, but are compelled to make money available for the provision and maintenance of the roads . . .

THE 'CREAM' ROUTES

An additional reason for creating monopoly conditions in the hands of a public authority is that the ever-present problem of supply and demand is capable of a more satisfactory solution when it is definitely known that no other operator is likely to step in and convey a portion of the traffic. Capital expenditure can be more accurately ascertained and restricted to the point of maximum return, while a steady income is assured . . .

MONOPOLY SUMMARISED

The arguments in favour of the municipal service being protected against competition in the manner provided for by the legislature may be summed up as follows:

- (a) Since passenger transport has a real and vital social significance in the life of modern towns, it is more suited for civic than private operation;
- (b) Passenger transport services are instruments in town planning, which is one of the most important functions of a local authority; co-ordination of the two functions is more likely to be achieved by both being under one control;
- (c) Passenger transport is a practical necessity of life, particularly to the poorer classes of the community; if social justice is to be

done to them the profit motive must be wholly eliminated and this cannot be done by private enterprise;

(d) Passenger transport is most efficiently and economically operated under monopoly conditions;

(e) Under municipal operation greater attention tends to be given to efficiency, safety and convenience of service and to the welfare of employees;

(f) As municipalities borrow on the security of all their assets, rates and revenues they can raise loans at lower rates than private enterprises;

(g) Municipalities are models of economy in the operation of trading undertakings of this nature, as they have in effect unpaid and public-spirited boards of management.

The Council went on to acknowledge, in the penultimate paragraph of its pamphlet, the effect of establishing a municipal monopoly might be to put Transrhodes Services Ltd out of business and thereby deprive the peri-urban areas of their bus services,¹⁶ but the Municipal Act was nevertheless amended (No. 34 of 1952) to increase the penalty for infringing a bus monopoly from £10 to £100.

RETURN TO PRIVATE ENTERPRISE

Despite this vehemence in public against a bus service run by private enterprise, the Salisbury City Council in private was nevertheless prepared to consider alternatives to its shouldering the responsibility of providing a monopoly bus service. In Bulawayo, Gweru and Mutare at this time, the Councils had established monopolies but were not operating the bus service themselves, as envisaged by the Salisbury City Council. Instead they had concluded agreements with private-enterprise companies to operate services on their behalf. All three agreements provided for a fixed subsidy which was reduced if the company made a profit in excess of 5 per cent. None in fact had, but in 1950 the Bulawayo Omnibus Company Ltd proudly announced its lowest loss up to that time (£11,960)¹⁷ — a fact which possibly prompted negotiations between that company and the Salisbury City Council in June and July 1951 which led to a provisional agreement to the terms proposed by the Company for a take-over of the municipal fleet and bus service. These negotiations were later broken off, for reasons that are not clear but perhaps derived from the opposition of the Trades Union Congress to the employment of African drivers and conductors (as was the practice in Bulawayo). Feeling in the Council then swung towards an alternative to both private enterprise and a municipal service — namely the establishment of a national non-profit-making transport authority along the lines of the London Passenger Transport Board which had been established in 1933 and had incorporated all the smaller operators in the London area.

Then in March 1953, only four months after the municipal monopoly had been established, and nine months before it would become entirely effective, the pendulum had swung back to private enterprise. On 16 March 1953 the Council invited tenders for the establishment, maintenance and operation of an omnibus service. One tender was received, from United Transport (Africa)

¹⁶City of Salisbury, *Is a Bus Monopoly really Necessary?*, *passim*.

¹⁷*The Bulawayo Chronicle*, 27 Mar. 1951.

Ltd; this company had absorbed Transrhodes and had finance and staff available as a result of the nationalization of its operations in the West of England. Preliminary agreement between the Council and the Company was reached in October 1953 but it was not until September 1954 that the Officer Administering the Government approved the terms and period of the Franchise Agreement.¹⁸

Part I of the Agreement provided for a monopoly within a sixteen-mile radius of the Salisbury Post Office but exempted the two remaining African services until 30 June 1966. The Agreement itself covered the period up to 30 June 1975. The Company was to continue to operate the Transrhodes services, purchase the municipal fleet and expand services generally within its franchise area. Routes and schedules required Council's approval, as did fare increases above 2½d. per passenger mile on first-class services and 1½d. per passenger mile on second-class services. For both services a minimum fare of 3d. was fixed. There was also provision for a concessionary fare for schoolchildren to be fixed by mutual agreement and, in the following year, a 10 per cent concession was agreed for schoolchildren travelling on the first-class services (i.e. those serving the low density residential areas). Part II of the Agreement established a committee, with members nominated by the peri-urban local authorities, which had power to negotiate with the Company regarding the operation of services in the peri-urban areas.

The Council sold its fleet of eighteen buses, together with spares and other accessories, to the Company for just over £30,000 and on 9 September 1954 the Company took over eleven first-class routes and two second-class routes; 9 bus shelters and 125 bus seats (street benches), which the Company was to provide in the future, were handed over by the Council during the following month. There followed a period of rapid expansion with new services being added at approximately three-month intervals.

SUBSIDIES AND FARES

The arguments advanced by the City Council in favour of a monopoly are only partially valid when related to a private monopoly. However, two factors — the need to provide services on unremunerative routes and the need to plan capital expansion — are strong arguments for a bus monopoly whether it is run by private or public enterprise. The arguments for subsidizing a public transport service are essentially different and the decision usually a political one. In 1982 Hedley¹⁹ pointed out the degree to which services are subsidized:

<i>City</i>	<i>Subsidy as Percentage of Costs</i>
New York	72
Milan	71
Brussels	70
Berlin	61
Paris	56
London	46*

* reduced to 12 per cent in mid-1982

¹⁸Natl. Arch., LG/93/120 (11 Sept.–11 Nov. 1953), Council, 26 Oct. 1953, minute 2; 127 (6 Sept.–18 Oct. 1954), Council, 9 Sept. 1954, minute 3.

¹⁹R. Hedley, 'GLC chief seeks fares classification', *Local Government Chronicle* (5 Mar. 1982), 228.

In all these cities the decision to subsidize was taken essentially as an income-redistribution measure. In Harare, the decision could hardly be put in this category but it was nevertheless a political one.

In 1956, the Company, with the agreement of the Council, announced increases in the second-class bus fares. The announcement was followed by a bus boycott and rioting. The government responded, after order had been restored, by appointing the Commission of Inquiry into the Transport Services of Greater Salisbury and Greater Bulawayo. The Commission recommended a change in the fare structure for the second-class services and this was brought into effect in February 1957. The new fares were based on 2d. per passenger mile for the first mile, and 1d. per passenger mile thereafter, with a maximum fare of 7d. (as compared with the existing highest fare of 10d.).²⁰

The maximum fare remained at 7d. until 1969 when higher fares were introduced on extended routes.²¹ The immediate effect was that the Company incurred a deficit; but also, almost immediately, an increase in bus usage by Africans was reported,²² which was eventually to contribute towards the phasing out of the subsidy.

Initially, the subsidy of urban transport was seen as a central government responsibility and in 1958 the Employers' Levy Bill was passed through the House of Assembly to provide the machinery to collect revenue to pay it. However, before the Governor had given his assent to the Act, the Government fell. The new Government felt that transport subsidies should be a local responsibility and appointed the Commission of Inquiry into Urban and Peri-Urban Omnibus Passenger Services to investigate the matter. Whereas the previous Commission had recommended a reduction of subsidy when the return on share capital exceeded 8 per cent, the new Commission recommended a reduction only when the return exceeded 12 per cent. It also recommended that the cost of subsidization should be borne by those members of the community who could be said to obtain a reasonably direct benefit from the location of the African townships and the availability of their residents as workers. Specifically, the Commission proposed that half the cost of subsidizing the buses would be borne by residential rates and the other half by a differential rate on industrial properties.²³

The Salisbury City Council opposed this proposal (in particular the omission of commercial ratepayers and the inclusion of domestic employers) and suggested instead that the cost of the subsidy should be met by a levy to be paid by the employers of commercial and industrial labour. As a result, the Services Levy Act (No. 47 of 1960) was promulgated in February 1961, empowering the Council, amongst others, to collect a levy from employers of non-domestic workers which was to be used to subsidize transport and low-cost housing. The Act empowered the Minister to require a local authority to subsidize bus services. Bus subsidies had thus effectively become a local responsibility, and the Salisbury City Council paid subsidies for the second-

²⁰Southern Rhodesia, *Report of Commission of Inquiry into the Transport Services of Greater Salisbury and Greater Bulawayo* (Sessional Papers, C.S.R. 24, 1956).

²¹Harare Town House, Arch., Finance Committee Minute Book, 31 Mar. 1969 - 11 Mar. 1970, 20 Oct. 1969, minute 4.

²²Rhodesia United Transport Ltd, *Annual Report, 1957* (Salisbury, The Company, 1957); this company was the parent company of the franchise holder, which had now changed its name to Salisbury United Omnibus Co. Ltd.

²³Southern Rhodesia, *Report of the Commission of Inquiry into Urban and Peri-Urban Omnibus Passenger Services* (Sessional Papers, C.S.R. 8, 1960).

class services from 1961 to 1965 when the service, because of increased passenger usage, became once again economic.

NEW AGREEMENTS

The Franchise and Subsidy Agreements between the City Council and the Company expired on 30 June 1974 and were replaced by new Agreements. The new Agreements were to last to 30 June 1987 and provided for the Council to approve routes, frequencies and fares, and for arbitration if there was disagreement on these aspects. Terminal points and bus stations were to be provided by the Council and leased to the Company. The Company had the right to submit revised fare tables if the return on capital employed (not, as previously, the share capital) appeared likely to fall below 30 per cent; and a subsidy was to be paid, by the Council, if the return fell below 20 per cent. Payment was to be made monthly. Second-class fares were to be based on a formula starting at 1.02 cents per passenger kilometre and falling to 0.60 cents per passenger kilometre 26 kilometres from the Post Office. In fact, this formula was found to bear too heavily on the long-distance commuters and all fares were raised 1 cent above those in use in June 1974. This was followed by additional 1 cent 'blanket' increases, in response to rising fuel and labour costs, in September 1976, May 1977, March 1978 and April 1979, and a 1 cent increase on short journeys together with a 2 cent increase on long journeys in July 1979. Although the fixed maximum of 14 cents (the 7d. of 1957) had been abandoned in 1969, the manner in which fares were later fixed has perpetuated a relatively low maximum fare.

In 1976, the Salisbury United Omnibus Company's service was extended to cover the Zengeza Township which was then under the jurisdiction of the City Council.²⁴ However, on 1 January 1978 the Chitungwiza Urban (now Town) Council was established with Zengeza as part of its area. The question now arose as to which authority was responsible for the provision of bus termini in that part of the franchise area which fell under the Chitungwiza Urban Council. This question was further complicated by the granting of a franchise for the remainder of the Chitungwiza area, by the Minister of Local Government and Housing in terms of the Urban Areas (Omnibus Services) Act (No. 6 of 1977), to Zimbabwe Express Motorways.

The City Council provided and leased facilities within its own area to Zimbabwe Express Motorways and, ultimately, the government took over the financial responsibility of providing facilities in Chitungwiza. A tripartite Agreement was entered into between the government on behalf of the Chitungwiza Urban Council, the Salisbury City Council and Salisbury United Omnibus Company. Neither this Agreement nor the Zimbabwe Express Motorways Franchise Agreement provided for subsidies; the latter did, however, require governmental approval of fare increases which,²⁵ until 1980, was given in line with the increases approved by the City Council for Salisbury United Omnibus Company.²⁶

Meanwhile, at the end of 1978, the 10 per cent concessionary fare for schoolchildren travelling on the first-class service was withdrawn.

²⁴Rhodesia Government Notice, 988 of 1975 (supplement to Rhodesia Government Gazette, 24 Oct. 1975).

²⁵Harare Town House, Arch., Finance and Development Committee Minute Book, 23 July 1975 - 3 June 1976, 21 Aug. 1975, minute 33.

²⁶See, for example, *ibid.*, 14 Mar.-8 Sept. 1977, 9 May, minute 44.

In October 1980 the City Council received a request from the Salisbury United Omnibus Company for a further fare increase to meet rising costs. In the usual way, this was referred by the Council to the Minister of Local Government and Housing so that he could make simultaneous arrangements with Zimbabwe Express Motorways. However, the new Government did not think the time appropriate for a fare increase and no increase was authorized until October 1981 when a 2 cents 'blanket' increase was introduced.²⁷ Meanwhile, in terms of its Agreement, the Council began paying a subsidy to the Company.²⁸

In mid-1981 the Government directed the Council to cease paying the subsidy with effect from the end of June and pending the result of negotiations with the Company. The subsidy paid for the first half of 1981 was Z\$977,710. This was paid from Services Levy funds accumulated between 1964, when a subsidy had last been paid, and the phasing out of the Act by the previous Government in 1978-9.

Thus on 1 July 1981, at the beginning of its financial year, the Council was faced with the probability of having to pay, despite the Government's direction, and in terms of its legally binding Subsidy Agreement, ever increasing amounts to the Company without having a corresponding revenue source. If any subsidy is paid in the future it will be paid from the general revenues of the Council. The fare increase in October 1981 improved the situation but did not eliminate the subsidy liability — or, to put it differently, was not sufficient to enable the Company to continue financing expansion from its own resources.²⁹

To return to that position, there are three alternatives: to pay subsidies once more; to raise fares; or to improve efficiency. In respect of the last, the recent 'Diagnostic Study of Traffic and Transport Conditions in the Salisbury Region' by the World Bank³⁰ regards both companies as efficient and comments on their low ratio of employees to vehicles. The most promising avenue, both to reduce the need for subsidies and to reduce fares, is to reduce the peak-hour requirement for buses. This requires an examination of the public transport system as a whole.

EFFICIENCY OF PUBLIC TRANSPORT IN HARARE

In Harare, 74 per cent of industrial workers and 61 per cent of central-business-district workers start work between 6.00 and 8.00 a.m. Morning school starts within the same period. In the afternoon, 83 per cent of industrial workers and 67 per cent of central-business-district workers end work between 4.00 and 6.00 p.m. In both peak periods approximately 440 buses are on the road, whereas at the other times there are only 150. For most of the day, two-thirds of the buses stand idle.

During the morning peak, 10 per cent of the buses are used on the school service. One simple possibility, therefore, is to change school hours so as to achieve a better usage of the existing fleet and, if possible, to reduce it by 10 per cent. This would have the effect of improving the profit margin and reducing

²⁷Ibid., Council Minute Book, 30 Aug. 1979 - 10 Dec. 1981, 29 Sept. 1981, minute 10.

²⁸Ibid., Finance and Development Committee Minute Book, 27 July 1981 - 25 Feb. 1982, 14 Sept. 1981, minute 34.

²⁹Ibid., Council Minute Book, 28 Jan. 1982 - 25 Mar. 1982, minute 6.

³⁰World Bank, 'Diagnostic Study of Traffic and Transport Conditions in the Salisbury Region' (Nairobi, World Bank East Africa Projects Dep., 1981).

the capital employed (the base figure from which subsidy is calculated) and because the school service operates at peak hours only, and therefore must be costed at marginal cost, would reduce the subsidy to be paid by a much larger proportion (approximately 35 per cent).

Similarly savings could be achieved by staggering shop hours. A change in the shop hours in the City centre would spread the peak and reduce the requirement for buses not only because the shop workers would not require buses at the same time as the industrial and office workers but also because other workers would shop during the present peak hours.

A further possibility, which has been under investigation since 1978 is the legalization and development of the use of what used to be called 'pirate' taxis.³¹ There are, at present, three forms of public transport in Harare, buses, 'emergency' taxis and metered taxis. Their characteristics can be summarized:

	<i>Buses</i>	<i>Emergency Taxis</i>	<i>Metered Taxis</i>
Routes and times	Fixed	Flexible	Flexible
Cost per passenger kilometre	0.95c	1.01c	18.6c (1 passenger)
Fares	Lowest and fixed	Negotiated (usually 25c where bus is 13-17c and 20c where bus is less than 13c)	Highest and metered 40c per kilometre
Licence, etc.	Public Service Vehicle	Class 1	Public Service Vehicle
Insurance	Full	Third Party	Full
Health of driver	Annual test	No test	Annual test
Number of passengers and whether controlled	110 Yes	Average = 7.66 No	Average = 1.47 Yes
Number of vehicles in operation	75 (Z.E.M.) 590 (S.U.O.C.)	685	558

The 'emergency' taxis form a low-cost mode of transport, intermediate between buses and metered taxis. They cost the passenger more to use than a bus but are more flexible and they are both less expensive and less flexible than a metered taxi. They have operated illegally for many years without apparently affecting the operation of the other two modes except to supplement them. Their role is on the uneconomic bus routes and in the dispersal of passengers from bus termini at a reasonable cost. Their low cost of operation can be attributed to low purchase prices (second-hand cars), low depreciation, minimum insurance cover, do-it-yourself repairs and second-hand parts, the lack of a road service permit and public service vehicle licence, and the practice of always travelling full. In its simplest form an 'emergency' taxi is merely a 'lift club' (also illegal) carrying a group of workers to and from work and usually doing this during the peak hours. The effect is to reduce the number of buses required during the peak hours. Legalization, entailing the control of

³¹The first steps have been taken; see *Zimbabwean Government Gazette*, 20 Dec. 1983, General Notice, 986B of 20 Dec.

the number of passengers and roadworthiness, would probably mean an increase in the numbers of both the 'lift club' sort of taxi and the full-time 'emergency' taxi with consequent beneficial effects on the economics of the bus service.

CONCLUSION

The public transport system in 1983 is providing a fairly continuous and reliable service, but it is not doing so as cheaply as is possible. The reason for this is the uneconomic use of capital by the bus service — which in present circumstances is forced on the Company by the need to provide buses to service the exaggeratedly high peak-requirements.

Harare City Council

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