

Round Table Meeting Report
Improving the quality of Bus Transport in Zambia
July 16, 2015



Introduction

Consumer Unity and Trust Society- CUTS International Lusaka has been implementing a project entitled Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries (CREW Project) to better demonstrate how greater attention to competition reforms can help achieve tangible benefits for consumers and producers in developing countries. The project being supported by DFID (UK), BMZ (Germany) and facilitated by GIZ (Germany) is being implemented in four different countries namely, Ghana, India, the Philippines and Zambia mainly in two common sectors, that is, staple food and passenger transport sectors. The aim of the project is to develop an approach which can be applied in developing countries to assess tangible benefits of competition reforms in specific product markets and further competition reform processes in key sectors in select developing countries.

A Diagnostic study was undertaken with the aim of understanding and highlighting the key competition reforms that have been undertaken in the bus transport sectors in Zambia. Key specific issues were identified which could be taken up for further engagement to enhance welfare gains for both producers and consumers. These identified issues include; making the fare setting process scientific, inclusive and transparent; enhancing bus availability for consumers in Lusaka city and equitable distribution of bus service within the city through route rationalisation and enhancing standards for seats and occupancy in buses.

Welcoming Remarks by Mr Yusuf Dodia, Board Member, CUTS Lusaka

Mr Yusuf Dodia opened the meeting by thanking all the participants for taking time to attend the meeting. He further thanked the Director Transport from the Ministry of Transport, Works, Supply and Communication Mr Nelson Nyangu for taking time despite his busy schedule to attend the round table meeting. Mr Dodia began by giving a brief background of CUTS International Lusaka. He said the organisation has come a long way over the past decade. Our work spans a multi- pronged agenda targeted to the realisation of its Vision of consumer sovereignty in the framework of social justice, economic equality and environmental necessity, within and across borders. Consumer Sovereignty refers to a situation in which consumers influence what gets produced and, therefore, consumed. While businesses steer the economy through their actions they ultimately respond to demands from and influencing powers of consumers. CUTS thus makes it a point to support any initiative conceived towards addressing the bottlenecks halting business growth and economic development and ultimately dignified living for the consumer which in this instance refers to ensuring consumer safety in all spheres including the products and services that consumers are consuming.

He further added that one area which has commanded the interest of many stakeholders is the issue of safety in the public passenger transport sector. Studies even by the World Health Organisation estimate that, in Zambia, almost 1,900 fatalities are recorded per year making the country to have a high road traffic record in Africa at a cost estimated at 3% of the nation's GDP. Fundamentally, the issue of safety of passengers in intra-city buses also came out strongly in the CREW study as it ultimately hinges on the life and health of passengers. He mentioned that in the study it was shown that the materials used to make seats in Mini buses which are imported as vans prove to be hazardous as they are made of aluminium and steel bars with very little cushion available. When these buses meet an accident, the material itself proves to be more hazardous for the passengers causing more deaths than the accident itself.

Mr Dodia stated that CUTS felt there was need for quick intervention on this issue through development of a mandatory standard for seat occupancy in intra city buses. However, he added that such an intervention would be received by varied opinions from different stakeholders. He said, for business, it would entail incurring an extra cost in the running of their businesses, for consumers it would be an added advantage as they would be assured of more safety and quality of service while for government it would be an issue of ensuring they provide an enabling environment for the businesses to thrive.

In summation, he mentioned that there was no doubt that such a platform would enable us come up with a resolution pointing towards addressing this issue. He added that CUTS understands the benefits and importance of inclusive participation of all stakeholders in these processes through such dialogues.

Remarks by Mr Nelson Nyangu, the Director Transport, Ministry of Transport, Works, Supply and Communication (MTWSC)

In giving the key note address at the round table meeting on the “Cost and Benefits of migrating to a new standard (voluntary to mandatory) for seats for mini buses for ensuring passenger safety”, Mr Nyangu mentioned that the Ministry was proud to be associated with this project, which, once it is implemented will assist in pointing to where the successes and challenges are, as well as the kind of policy options we may need to consider.

He stated that the Public Passenger transport sector is a critical sector which remains high on Zambian government's policy agenda and it is encouraging to have a researched opinion identifying specific issues

that would require further engagement in order to better demonstrate the gains and or loses which have accrued from both old and contemporary reforms that have taken place in the sector.

He added that one issue which has raised concerns even within the Ministry is that fatalities in road traffic accidents have been on the rise in the recent past. The major factors associated with fatalities in road traffic accidents are due to poor safety standards of motorists, bad road worthiness of vehicles, unlicensed drivers and lack of people's awareness on safe use of roads. This probability increases even more for mini-buses in Zambia due to the poor quality of seats, he added.

He further mentioned that the MTWSC is mandated to be responsible for the development, implementation and evaluation of the National Transport Policy of 2002. He added that the Transport policy had not been reviewed since 2002 however he was delighted that a new draft policy for 2015 has been developed and one of the priority areas in the policy is the issue of road safety. He stated that passenger transport is very dynamic. With the number of reforms undertaken in the sector overtime, a number of challenges have also ensued therefore it is important that we engage with all the stakeholders in the sector including the passengers and find long lasting solutions to these challenges.

In conclusion, he mentioned that even as we were discussing the development of a mandatory standard for seat occupancy in intra-city buses to safeguard the passengers, it is important to note that such a standard has its own ramifications on business therefore it ought to be discussed pragmatically. However, he welcomed all the positive recommendations that would come from the meeting and hoped that a resolution will be reached which will not only boost but also help in solving problems of sustainable consumption, social justice and overcoming poverty in this and other sectors

Presentation on Understanding the felt need for having a mandatory standard: Pros and Cons, by Faith Mwamba, Assistant Programme Officer (APO), CUTS International Lusaka

In her presentation, Ms Mwamba began by highlighting the role of the transport sector in a country such as Zambia. She mentioned that the public transport sector is one of the priority sectors earmarked to leverage achieving of sustainable economic development in Zambia and shoulders a great deal of economic burden of the country as most of its problems are directly or indirectly linked to the performance of the economy. Its versatile role ranges from promoting efficiency in businesses to meeting the social developmental needs of individual consumers/commuters. More specifically, public transport is the key medium of transport used by the majority of people in Zambia for meeting their economic and social obligations.

Ms Mwamba further alluded to some prevailing facts in the transport sector. She mentioned that road traffic accidents and road traffic injuries have become a major and growing public health problem that impacts on all sectors of society. According to the World Health Organization estimates, worldwide deaths from road traffic accidents increased from about 999 000 in 1990 to about 1.2m in 2002 and this number is projected to rise to 2 million deaths per year by 2020 as societies become more motorised. In Zambia, almost 1,900 fatalities are recorded per year and this makes the country to be among the worst road traffic records in Africa at an estimated cost of 3% of the nation's GDP.

Our recently concluded Diagnostic Country Report (DCR) for Zambia which focused on the public transport sector under the CREW Project indicated that materials used to make seats in Mini buses which are imported as vans prove to be hazardous. These Materials include aluminium and steel bars with little cushions used to make seats comfortable. Additionally, the 'first come first load' principle at bus termini

does little to give incentives to operators to invest in quality as they are assured of patronage regardless of the condition of the bus, she added. It is from this finding that the study recommended that the quality control system for public buses needs to be enhanced through development of a mandatory standard.

In summing up her presentation, she pointed out some of the costs and benefits of having such a mandatory standard to both consumers and the operators. She mentioned that among the costs to operators included; increased cost of doing business, loss of revenue due to reduced passenger number while the benefits include; attractiveness to customers, increased revenue, increased passenger satisfaction, optimise the design of the buses and reduced cost of compensation in the event of injury. Whereas for the consumers the cost would mainly be an increase in bus fares, a number of benefits would accrue such as minimised overcrowding in buses, efficient use of space within the buses, increased safety and quality of service and ultimately increased passenger satisfaction. She therefore stated that it was critical that a resolution be reached during these discussions so that a lasting solution can be found in addressing this issue.

Presentation on understanding the existing policy, legal and regulatory opportunities and challenges of developing a mandatory standard for seats for mini-buses in the current social and economic setup for operators by Mr Dingiswayo Shawa, Senior Standards Officer, Zambia Bureau of Standards (ZABS)

Mr Shawa began his presentation by explaining the mandate of ZABS. He stated that ZABS is a statutory national standards body established under the Ministry of Commerce Trade and Industry (MCTI) to develop standards through stakeholder consultative processes. ZABS has developed 2279 voluntary standards and 50 Mandatory standards with another 57 that has been proposed to be mandatory. He added that standards are often declared mandatory on consideration of Public Health, Public Safety and Environmental Protection reasons issues.

Mr Shawa added that ZABS' mandate is to facilitate the standards development process. He however mentioned that for ZABS to develop a standard there has to be a need established by stakeholders and a proposal for such standard presented to ZABS. The standards development process takes about 90 days to allow all the relevant stakeholders to participate in the process before the standard is finally gazetted. He however noted that the quality culture in Zambia is very low as consumers do not often demand for quality and hence producers do not feel the need to adhere to the set standards. He added that this inadequate appreciation of the importance of standards is often the cost associated with having voluntary standards in most instances resulting in loss of lives and property.

He therefore appreciated CUTS for bringing the need to develop a mandatory standard for seat occupancy in intra city buses to ensure passenger safety to the attention of ZABS. He mentioned that in considering addressing this concern there are two options. He stated that in the first instance we need to have a comprehensive look at what needs to be addressed and contained in the standard. One option of addressing the issue would be to bring in an international standard which will mean industry players acquiring new buses that meet the standard taking into account Materials and service to modify buses to meet the standard, testing and enforcement and the actual cost of enforcement, he said. The other option would be to use the **“as is intended standard”** which entails accepting only buses designed to be used as PSV to ply on the routes. However, with this option a mechanism to facilitate the fading away of the existing buses would have to be put in place by the Ministry of Transport.

In conclusion, he stated that ZABS together with all the stakeholders present can facilitate the development of this standard and its implementation

Presentation on Public, Private drivers perspectives on migrating standards of seats from voluntary to mandatory; what are the key benefits and loses to industry by Mr Josiah Majuru, President for the Public Private drivers Association (PPDAZ)

In his opening statement, Mr Majuru stated that interventions to address this concern are long overdue and should not be delayed any further. He added that discussions centred on the lives of people needed to be taken seriously. He further said as we were discussing the development of this standard, we should not only look at the safety of the passenger but the condition of those operating the buses.

Mr Majuru raised five critical points in his discussion. He mentioned that first, we need to describe the motor vehicles we are targeting in this standard. He stated that vehicles like the Nissan Caravan, Toyota Haice, Isuzu or Mazda and the Toyota Noah which are currently being used to carry passengers between 12 and 16 are not manufactured to serve this purpose. Secondly, when policies are formulated, Mr Majuru called for massive sensitisation to ensure every stakeholders view is taken into consideration. He added that in the past good policies have been developed which would have helped in addressing some of these concerns however these policies were shot down and did not materialise. Thirdly, Mr Majuru alluded to the need to have effective monitoring of the implementation and enforcement of these policies. Fourthly, if we were going to see results on this issue, he advised the Ministry of Transport and ZABS to identify one specific manufacturer to provide the materials to be used for the seats in these buses. Lastly, Mr Majuru said government should depoliticise the sector and differentiate between policies and politics.

In conclusion he mentioned that what is needed is a policy that will be workable and benefit all stakeholders and this will only be achieved by setting a mandatory standard. It is through such a standard that operators will also be compelled to employ qualified drivers. Mr Majuru however pointed out that there are possibilities of illegalities with having such a standard in place. He mentioned that some operators may continue to operate illegally therefore the ministry ought to put in place countervailing measures for addressing such illegalities in the event that they occurred.

Presentation on the Commuters Perspectives on migrating standards of seats from voluntary to mandatory; what are the key benefits and loses to commuters Mr Dismus Banda National Coordinator, Commuters Rights Association of Zambia (CRAZ)

While making his presentation, Mr Banda began by stating that public transport has been a thorny issue for many years now. He stated that this crisis emanated from the social fabric of our country. He added that majority of people managing this critical institution lack the necessary training and only rely on the “cash in” based approach. Mr Banda indicated that the companies that manufacture these vehicles, for instance Toyota and Nissan have branches in Zambia and it would be ideal to approach these companies and obtain the standard specifications on how these buses should be operated.

He further stated that currently passengers are deprived of comfort compared to the fares that they pay to board these buses. There is no quality competition and the passengers are robbed of their dignity due to the conduct of the drivers and the conductors. It should be realised that having a mandatory standard in place to regulate the nature of buses that passengers use will also result in increased revenue for the operators.

In summing up his submission he stated that migrating to a mandatory standard was long over-due. Our economy has moved from a low income country to a middle income country and this has to be reflected even in the way some of the sectors are operating such as the public transport sector.

Plenary Discussions

- Mr Chilufya Sampa, the executive Director CCPC stated that the CREW study focused on two important sectors which are critical to the economy of the country. He added that CCPC has been advocating for the implementation of the recommendation from the study and called on all other stakeholders to do the same. Mr Sampa mentioned that from the study we have seen that the price setting mechanism is not free and if measures were put in place to ensure effective competition in the sector prices/ fares would go down and the quality would improve. He further said at it is currently the sector is acting like a cartel. All the operators import the same kind of vans, use the same material for seats thus there is no incentive for one to be different from the other. For inter-city buses CCPC has noted that customers often prefer certain buses over the others however, this is not the case with intra-city buses, he said. He thus implored the media to also play their role and bring out these concerns in the open and not wait for government or other stakeholders to do so. If the road traffic accidents are accounting for 3% of the Nation's Gross Domestic Products (GDP) then a solution is needed now.
- Mr Nyangu, the director transport stated that we have a crisis in this country beyond the seats. He said a few years back importation of panel vans had been banned and operators were encouraged to purchase good quality buses. The operators at the time did not seem to grasp the benefits of such a policy. Similarly, machines to inspect the fitness of the vehicles were purchased however this was received by varied opinions from stakeholders and upto now inspections are done manually. He therefore called upon stakeholders to be proactive and tell the government what needs to be done and make sure such recommendations are taken up by relevant ministries.
- It was also stated in the meeting that there's been an increase in the number of unlicensed drivers. The reason behind this is that operators generally do not want to spend huge amounts of money from employing qualified personnel and this is slowly proving to be a problem in the sector. In response Mr majuru indicated that the law provides that the age limit for Public Service Vehicles (PSV) licenses is 25 years and RTSA has a list of people prosecuted for assuming fake licenses. For this reason the standard should include conditions for the individuals operating the buses.
- The participants also felt that RTSA needed to put the quality of the vehicles as their priority. They wondered why RTSA was still certifying these buses to be fit to carry passengers and whether they were still basing the certification on necessity rather than quality.
- Mr Nyangu encouraged operators to take this as a career. The sector has been largely affected by bad political decisions. He therefore requested ZABS to explain as to whether there was a way in which the process can be expedited for the standard to be developed. He said a more immediate solution was needed especially with regard to accidents and the president had actually made a statement to that effect. He added that with equal voices speaking out on these issues definitely there should be a way forward.

- The participants were of the view that since government initially had provided incentives for individuals to purchase buses, government can still provide incentives to allow people to acquire quality buses and give a time line for the current buses to phase out.
- The participants also inquired as to whether there were no standards prior to independence. In response the Director Transport Mr Nyangu indicated that the challenge after liberalisation of the economy was that there was proliferation and issues of compliance were highly compromised. The participants thus advised the Ministry and ZABS to research on whether there could have been an existing standard at the time that can be built on.

Conclusion and Way Forward

In closing the discussions, the Director Transport Mr Nyangu thanked CUTS for conducting such a research which has clearly caught the hearts of everyone and indicated how public transport can contribute to the GDP. He stated that the Ministry and ZABS will work hand in hand without any further delays and develop a standard for PSV. He further asked CUTS to work together with the Ministry and ZABS in pushing this agenda forward.

Mr Nyangu added that we need to de-politicise the sector and this can only be done if we have a strong civil society that can resist opposition and push government ultimately resulting in an efficient transport network. The passenger transport sector should be commensurate to the middle income country. He lastly advised CUTS to present the recommendations from the study to the Sector Advisory Group (SAG) at the Ministry.

On the other hand Mr Simon Ng'ona CUTS Lusaka Centre Coordinator stated that we are indebted to have had the ministry present throughout the meeting. Despite RTSA not being present, we are grateful that using your own resources you reminded the CEO for RTSA on the importance of such discussions.

As the way forward, it was agreed in the meeting that;

- We need the mandatory standard to be developed at the earliest possible time. This standard however should not be linear but has to take into account a lot of issues in the sector.
- The Ministry has pledged to take up the coordination role of all the discussions pertaining to this sector in moving forward.
- A breakfast meeting should be held and we should ensure that there is participation from other stakeholders such as the operators, the police service and RTSA.

Mr Ng'ona further stated that there was nothing impossible if we all spoke with one voice. These resources are not CUTS resources but the donors have given us an opportunity to engage and bring about change in this sector. He mentioned that ZABS was candid enough and encourages us to engage in dialogue. 3% of the GDP is too huge a figure in terms of cost to the economy. It is from such meetings that a solution can be found and we are indeed taking this forward.