

Title: Evolving Role of SACCOs: The Case of 14-Seat Transport SACCOs in Kenya

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Abstract

Paratransit is a mode of transport that operates parallel to an organized, usually large-scale government or government subsidized transport system. Paratransit is the main public transport in Kenya and it is estimated that it controls 80 per cent of the public transport. The number of „matatus“ is estimated at eighty thousand; twenty and sixty thousand, in Nairobi and upcountry, respectively. Seventy per cent of the “matatus” commonly referred to as “Nissans” and valued at ksh.50 billion /USD 625millions, are 14-seater vehicles.

The intention of the Legal Notices No. 161 of 2003, No. 83 of 2004 and No. 65 of 2005 was to regulate the public transport sector as part of the Integrated National Transport Policy (INTP).

The National Road Safety Action Plan (NRSAP) was meant to restore order, reduce accidents, increase passenger safety, reduce conflicts and safeguard private investment in the public transport sector. Other objectives were, to facilitate the transition of the paratransit business from the informal to the formal economy, increase employment opportunities and inculcate a culture of respect for the motor sector regulations.

The Government’s preferred strategy to tame this sector and reap the expected benefits was to direct all current and potential paratransit operators to upgrade their 14-seater vehicles to high capacity of more than 25 seats and to establish matatu SACCOs, as a condition for licensing of their vehicles to operate as public service vehicles.

The formulation and implementation of this policy was top down, rather than bottom up. However, inadequate stakeholder consultation and consensus building during policy formulation and implementation resulted in low understanding of the policy, low ownership and low implementation. Individual paratransit operators and existing matatu SACCOs that were operating predominantly 14-seater matatus started fiercely resisting these preconditions terming them, insensitive, draconian, too expensive to implement and likely to force them out of business.

The purpose of this study therefore, was to analyze the socio-economic impact of the 14-seat transport SACCOs in Kenya.