

NEW SERVICES AND DEMANDS IN URBAN MOBILITY: EXPERIENCES AND THOUGHTS ON TAXI IDENTITY IN BUENOS AIRES

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This paper combines three perspectives: one from the academic field, one from a regulatory agency and one from an experience within Buenos Aires city government.¹

First, we will introduce the role of taxis within Buenos Aires mobility system. Then, we will show how laws of supply and demand play in this particular situation, with its advantages and disadvantages. Next, we will explain how tensions after the economic crises of 2001/2002 opened opportunities for innovation. We'll also discuss some pending issues related to regulations, the need of academic studies and a more effective control system, as well as the convenience of including the taxi in future policies.

Buenos Aires has a large taxi fleet. There are about 39,000 licenses for a population of less than 3 million people². Metropolitan Buenos Aires also includes 9 more million people from 24 adjacent municipalities. Commuters travel everyday for jobs, health services, education facilities and other reasons. As a whole, there are about 20 million trips every day. A regional bus and railway network accounts for 39.6, cars for about 36.6 %. While railways and buses are under federal jurisdiction, each municipality has its own system of taxi licenses.

Taxis are a widespread option in Buenos Aires because, unlike other cities, it is relatively affordable. Travel figures estimated by public agencies and experts account for about a million taxi trips per day, about the same amount carried by the subway.

Because of its large share of passengers, taxis have a special status, although their relative

¹ We are thankful to Mariana Gutiérrez for her assistance in presenting it for a foreign audience.

² The latest figures show the total number of licenses is 38,340; 34,844 of them are active

importance is not necessarily reflected in public policies. Regulatory framework for this activity is only a minor issue on the public agenda. The result is a particularly unique situation. On the one hand, certain aspects of taxi activity are tightly regulated –e.g. fares, drivers professional licenses and registration, cars and industrial relations. On the other hand, they are inconsistent and a more organic approach is perceived as necessary.

Unlike other public services, taxis do not traditionally have direct subsidies for fuel or credit lines for replacements of vehicles. There is no official lending policy and other lines of credit are discontinuous. At this moment, for instance, there are advantageous plans for vehicle replacements from public banks but this is not always the case.

In Buenos Aires, the city government issues licences. Between the late 1980's and early '90's there was a dramatic increase from about 25,000 to its current figure³. Since then it has remained stable.

This increase produced a larger presence of taxis on the street. This originally created a problem. Supply being larger than demand, taxi stops became congested and long queues of empty taxis looking for clients at very low speeds became part of Buenos Aires urban landscape. Complaints from bus operators became frequent. On the other hand, this large supply partially explains the relatively lower fares in Buenos Aires vis-à-vis other cities.

Through the years, and with the introduction of new technologies such as GPS and radio networks, taxi services assimilated new functions and created new demands. For instance, radio taxi travels were usually perceived to be safer, creating the emergence of new possibilities: messages, youth oriented, scheduled travel, real time traffic information and fleet management services. Currently more than half of all operating taxis are associated with 100 radio taxi companies.

Other creative solutions were also proposed, as an outcome of 2001/2002 economic crises. At the peak, there was a severe shortage of passengers. As an emergency measure, the city

³ According to figures of the city, in 1985 there were 26,146 licenses and in 1995, 38,663, an increase of 47,8% .

government allowed taxi owners to postpone payment of traffic fines for acknowledged infractions. At the end of the crisis the amount due was high and there was a claim for forgiveness of the debts. Government authorities refused and instead negotiated with the taxi sector a pilot system of community service trips for users with special needs. The pilot program, consisting of hundreds of trips, was successful and is a positive example for future developments.

In fact, the system was developed by an official committee of government and taxi representatives working within the greater context of the development of the Pact of Mobility as part of a formal consultation process. It was promoted on behalf of the city government towards an improvement in Buenos Aires mobility issues by the traffic and transit department.

A Mobility Pact was signed on October 1st, 2004 by 28 institutions, 5 of them representing the taxi owners associations and driver's unions. It consisted of a document aimed at finding comprehensive solutions for city mobility issues. Taxi representatives held their ground on their claims but showed an attitude of compromise for a global negotiation.

Regulatory Framework

For many decades Buenos Aires has regulated taxis as a public service. In fact, it is the only public transportation service entirely in the hands of the city, not subject to the historical jurisdiction of federal control. There were attempts towards building a metropolitan transportation agency composed by a tri-jurisdictional command (federal, Buenos Aires City and Buenos Aires Province), but they have failed until now because of political obstacles.

The city continues in charge of the regulation of taxis. Even though the number of licenses granted by the city almost doubled between the late '80's and early '90's, its regulatory framework was not substantially modified. At the same time operational tasks such as authorization renewals, vehicle control and operator and driver's registries were given to a concessionary. Taxi regulation, like others concerning urban mobility (e. g. on street parking and photographic detection of traffic violations), is operated by a third party. It is the concessionaire's responsibility to check that taxi vehicles, drivers and owners have fulfilled

all legal requirements.

The main source of statistical information about taxi transportation comes from the supply side: amount of licenses, owners, registered drivers, commercial firms, car models and year of fabrication, type of fuel, etc. There is not, however, direct and precise aggregated information about demand: passengers, average distance, times or empty kilometers traveled.

Only a few academic research papers about this subject have been recently produced. One of them, by Alberto Cidale, focuses on taxis and remises, the alternative transportation modes after 2001's economic crises.

Taxi's role is not taken seriously enough by decision makers as compared to massive public transportation or private cars. For instance, a new federal government regional study on trip origin and destination of public transportation for metropolitan Buenos Aires (INTRUPUBA) does not include the public service of taxis.

Even though taxi regulatory framework covers many details, it is fragmented and does not contemplate, for instance, some modalities of car renting. It is mainly based on what owners/drivers must fulfill in order to provide service. This could lead to a misunderstanding between service and vehicle quality.

During the peak of the 2001/2002 economic crises urgency lead to the establishment of special regulatory procedures regarding fares, fines, extensions of years a car could be in service, etc. At the outcome of the crisis, the government approached taxi representatives to look for a model able to introduce rationality and openness to an increase on passenger fares based on a return of invested capital that, being "fair and reasonable," could allow for fleet renewal.

To estimate this model a series of meetings held place. Latter, they were scrutinized from a different perspective by consumer associations and published on Internet. This allowed for periodical actualization and improvement based on feedback and remarks about the calculation criteria. This model is perfectible, but its own existence settled the basis for rational debate. The inclusion of public audiences from the city's services and utilities watch

dog (*Ente Unico Regulador de los Servicios Públicos - EURSP*) later introduced public participation, which is a step forward in disclosing information. It was clear that the fare calculation model must be improved and better controlled by users.

In effect, the two latest increases, from August 2006 and January 2007 respectively, were previously treated in public audiences called by the *EURSP*. This city agency, observed the need of improving procedures for considering wider aspects of public transportation including metropolitan coordination. However, enforcement attributions given to the *EURSP* have not been plainly fulfilled due to its own shortcomings and to general difficulties offered by the political and institutional environment of the city.

Community Service Vouchers for Taxi Trips: A Pilot Program.

By the end of the peak of the crisis, traffic fines were one of these divisive issues that had not been solved. The amount due was large and very difficult to pay, so based on the principle of “reflected/shared responsibility” the representatives of the owners requested the pardon of the debt. This would have created an unfair precedent, so it was out of question

Within the frame of the Taxi Committee, the authorities and representatives discussed a “fair solution” and proposed a tangible system of community service trips to voluntary give a back to the community.

Just prior to the launch of the agreement, a tragic fire burned down a night club trapping and killing scores of young people. The taxis and government, through hospital social services and other areas, set up a system similar to the proposed program. It consisted in trips for the victim’s families and friends.

It is important to highlight the attitude of solidarity by some of the taxi workers during that night and the first institutional responses by the leaders of the sector, both performing far beyond their formal duties.

This response was possible because they were already working on the Mobility Pact and on a specific committee for the sector. This allowed them to act quickly within a program that had originally been developed for other means. The value of pilot programs is to allow real world

experience and evaluation for the development and improvement of new and existing procedures.

One of the scopes of the public action behind the Pact was to bring to the public agenda the meaning of rules, regulations and policy options, and to dispute the underlying idea that fines have a strictly monetary collection goal. The perception that somebody should do something useful to pay its dues to society, as this experience has proved, is a factor that needs to be taken into account.

Mobility Pact.

The Mobility Pact was an answer to conflicts produced by competition for space on the street. The exclusive bus lanes proposed by the Federal Department of Transit when the city was still dependent on the central government, and later adopted by the city government, was one of these divisive issues. The general population accepted and respected the restriction but the taxi drivers claimed access to the lanes. The city then analyzed the taxis' position responding with a more flexible rule that allowed occupied taxis first, and later tolerating the presence of empty taxis in the lanes [1]. There was an argument that the presence of taxis without passengers was a cause of congestion and had repercussion in the buses' circulation. However, faced with a conflict of interest over the exclusive lane's use the government summoned the participants for a dialogue that ended with the signing of the agreement.

Due to the way the autonomy of the city was established, the city government's jurisdiction as a controlling authority is limited. On the one hand it is the direct mediator between taxi drivers, business owners, neighbors etc. But on the other, it doesn't control the police, who are under the federal government, and thus it has really undermined means of enforcement.

Therefore, when the government tried to enforce the restriction of empty taxis in the bus lanes, it had to deal with pressure from the taxi sector. There was a call to a wide dialogue process. And dialogue lead to the Pact of Mobility. Its initial step, still pending, was an agreement on the importance of respecting the prevailing rules. This pact, as previously mentioned, has an unprecedented feature: it gathered around the table the players

(stakeholders) and the atomized jurisdictions. The basis for the agreement was that whatever decision was taken, it had to be aligned with decisions within the government, so it could be effective, and that all the parts had to assume a commitment. The goal was to find dynamic and viable solutions within the frame of dialogue and participation of different sectors.

Pending issues

Observance of the current rules is a cultural issue that, because it entails habits, it is very complex. In his book "A Country At the Edge of the Law" ("Un País al Margen de la Ley"⁴), Carlos Nino provides many traffic examples that illustrate the weakness of the rule of the law. This problem goes back to the time when the country was a colony. It was said that "the king's commands are observed, but not followed". This is an issue of habits and attitudes that goes right through Argentine culture and needs to be addressed. The solution is neither fast nor easy. The quality of the information to the citizens is crucial. It is very important to produce a quality message to support public policies and education campaigns. It should express clearly to the public the reasons and collective benefits of the observance of rules and the choice of choosing policy options. It is also important that the authorities act accordingly supporting these campaigns through consistent enforcement.

Part of the problem is that officially it has not been fully accepted that there are two issues involved: one related to the rules themselves and the other with the enforcement. Even the most suitable rules are insufficient if there is no effective way to enforce them. That's why in the current circumstances it is a necessary condition to involve the ones that are the object of the regulation in the making of the rules. Specific committees to treat the conflict, as the Pact of Mobility and the pilot experience of the community service trips described above have shown, are examples that it is possible to reach consensus and settle conflicts through dialogue. However, as happened in this mentioned case, the potential of this experience was not exploited and the opportunity to improve the Pact, support the institutional commitments, debate public decisions and widen the base of the 28 institutions originally involved to other

⁴ "Un país al margen de la ley", Buenos Aires, Emece, 1992 (reedición: Ariel, Barcelona, 2005).

sectors was somehow lost. The commitment of the government and its persistence is basic in order to reach further results with these initiatives.

It is an illusion to think that making a rule can, by itself, solve a problem. National laws, like the one for creation of a tripartite authority for transportation in the metropolitan area, have been waiting for years to be more than wishful thinking. The same situation exists with several projects approved or funded by World Bank. The power of a positive environment for dialogue should not be underestimated as a transition. In effect, the Pact was in some sense a transitory compromise towards the inter-jurisdictional agency. Moreover, it involved stakeholders participation from different ways of using the streets and added value as a precedent.

In this context, the city government should develop a more accurate regulatory system for the taxis. The current number of licenses should be analyzed from different perspectives to see if it is functionally adequate for the community. In this regard, the city could manage the existing license pool. It could find a way to better balance the presence of taxis on the street. It could also improve the regulation of the transfer of licenses.

Another pending regulation issue has to do with the companies that group several taxis in shops or garages. Although this is not a specific of taxi activity, but one of urban planning codes and rules of use, it requires a better regulation due to the conflict created in residential zones. In fact, the link between transportation, urbanism and use of the land has not been sufficiently developed.

Finally, the long procrastinated creation of the Metropolitan Transportation Authority, with a comprehensive conception of the issues of transit and transportation, would allow to better coordinate the transportation system.

Conclusion

As we mentioned above, due to the proportion of its presence on the streets, the taxi has a

peculiar situation in the city of Buenos Aires. It plays an important role in daily mobility but is not officially recognized as a part of the metropolitan system of passenger transportation.

This almost massive nature of taxis in the city can be capitalized to alleviate congestion if the right decisions are made. In a comprehensive plan of mobility the taxi can represent solutions to the demand of inter-modal connections, movement of goods and people and other services that their flexible nature allow to fulfill. To fully recognize and promote the new demands is a pending task.

The taxi has an enormous potential derived from its intrinsic flexibility. To be able to explore it properly it is necessary to understand it. You cannot manage what you don't know.

As a starting point, the taxi needs to be integrated to a metropolitan mobility system and be part of the studies that deal with the issue. This will provide better information regarding service, demands, trips and costs so that the quality of decisions for the public and the taxi sector can be improved.

The creation of a metropolitan transportation authority, with a comprehensive conception of the issues of transit and transportation, would help to avoid restrictions stem from dispersion of information and actions. However, there is no warranty. Experiences like the Mobility Pact, the establishment of procedures for conflict resolution of street issues, articulation with the players have been delayed in the name of an ideal situation. It is time to take tangible forward action.

Policy options must be product of dialogue and not technocratic impositions. They must also be above specific group's interests. Users should also be incorporated to the dialogue in a more active pursuit of a regulatory system. The university here has a lot to give to nourish the action from a reflexive perspective.

It is the task of the government to recognize and incorporate the new ideas into the planning of transportation. The commitment among players is a necessary condition so these factors can produce a favorable contribution to the city. This commitment supposes to reach

consensus and to accept common principles and objectives.

The Mobility Pact was the precedent that showed it is possible to propose a set of rules for the use of the street to solve space assignment priorities. The future agenda should include it as steps of consultation mechanisms for a metropolitan authority.

It should also include the promotion of committees with more continuity on time, studies of quality of service, evaluation of cost and fees, stimulation to academic production and better social orientation of taxis as a public service.

[1] Traffic measurements at rush hours on some of the main exit arteries of the city show that almost a ¼ de all the vehicles (1000/3776) run on the two exclusive lanes. 90% (900/1000) of them are taxis. (Source Anexo técnico preliminar del Pacto de la Movilidad p. 12) The massive presence of taxi on the streets has a very big influence in the general state of traffic.

[\[MG1\]](#)

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