‘Double Capture’ and De-Democratisation: Interest Group Politics and Uganda’s ‘Transport Mafia’

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‘Double Capture’ and De-Democratisation: Interest Group Politics and Uganda’s ‘Transport Mafia’

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ABSTRACT This article analyses problems of interest representation and democratic consolidation, using a case study of the Uganda Taxi Operators and Drivers Association (UTODA). It shows how apparently representative organisational forms can exploit the majority of their members, bolstering the power of political-economic elites who straddle the state-society divide, as well as how such organisations can undermine the foundations for democratic consolidation more broadly. Challenging conventional understandings of ‘state capture’, the paper argues that UTODA’s organisational power instead evolved through processes conceptualised as ‘double capture’: first, the government infiltrated the informal transport sector, but subsequently the transport organisation came to wield disproportionate influence over the state itself, with detrimental effects on both urban services and popular representation. The long-term domination by this authoritarian organisation meant that even after its downfall in 2011 there was little organisational capacity to build on in the sector, facilitating the reassertion of top-down governmental control.

1. Introduction

It has long been acknowledged that democratic deepening and consolidation depends on the creation of effective organisations for the aggregation and mobilisation of group interests (Finer, 1958; Harriss & Törnquist, 2004; Schedler, 1998; Truman, 1951). Such organisations allow for the generation of horizontal linkages that may enable groups of people with similar interests, who would otherwise be dispersed and disorganised, to articulate their voice and exert collective power. In countries emerging from authoritarian rule, these kinds of organisations – which include trade unions, pressure groups and workers’ associations in addition to political parties – proliferate as part of the effort to build the social foundations for democracy. Yet such organisations can also come to fulfil the opposite function, creating new structures of authoritarianism and elite collusion while also undermining autonomous organisational capacity in the sectors of society they are supposed to represent.

This article explores how organisational forms expected to be conducive to democratisation can sometimes provide fertile ground for authoritarian pseudo-representative organisations to emerge, eroding efforts to consolidate and deepen democracy. To understand this phenomenon involves more than examining intra-organisational dynamics; it also requires analysis of the relationship between organisation leaders and the state. Effective interest representation requires sustained engagement with the state, but if this is not reasonably transparent then the personal relationships between...
interest group leaders and politicians can undermine representation, marginalising the majority and bolstering the position of a political-economic elite that straddles the state-society divide.

These dynamics and their consequences are explored through a study of the Uganda Taxi Operators and Drivers Association (UTODA). Uganda’s informal minibus-taxi sector is a hugely important and lucrative component of the urban economy, especially in the capital city Kampala, where it employed upwards of 100,000 people in 2014. UTODA emerged from the political and economic conflict in the 1980s as the key organisation in the sector, ostensibly designed to represent a range of stakeholders. However, as its numbers swelled and potential as an instrument of rent capture grew, it became an effective monopoly dominated by a tight web of political and economic interests that exploited drivers and other workers in the sector rather than representing them. It also began to exert substantial influence over government policy. UTODA’s dominance was further cemented when it was contracted by the city government to provide services including the collection of fees on behalf of the council and maintenance of vehicle parks. For the most part it spectacularly failed to fulfil these tasks, which instead provided new rent-seeking opportunities. Despite this, the council proved unable to sanction the organisation. By the end of the 2000s UTODA was neither effectively representing its membership nor fulfilling its obligations to the state, yet was so closely imbricated with political power as to be unassailable from either above or below.

The case of UTODA invokes the idea of ‘state capture’, which has been theorised in various ways to explain the subversion of liberal democratic norms regarding the proper relationship between private and public interests. In the most common formulation, private interest groups ‘capture’ state agencies, which then become incapable of acting in the public interest. Yet the unidirectional emphasis on societal interests ‘capturing’ the state fails to account for the way in which UTODA was, from the very beginning, closely linked to political authority in Uganda – or the way it developed both collusive and conflictual relationships with different parts of the state over time. The relationship between UTODA and public authority in Uganda is instead best understood as a process characterised by two distinct phases of capture. The first involved the capture of an emergent representative organisation by government interests, while the second was essentially the reverse: the development of independent interests on the part of the organisation, which then came to dominate over government policy. Understanding this two-step process, which is here termed ‘double capture’, can help to explain why the organisation became so powerful that the city government repeatedly failed in its efforts to revoke UTODA’s contract to manage services in the city.

UTODA’s dominance over a period of several decades contributed to a range of urban problems including poorly maintained infrastructure, the obstruction of efforts to introduce bus transportation, and the withholding of taxes, all of which exacerbated a broader crisis of urban management and service delivery. This eventually led to a major restructuring of urban governance, which centralised power in the city and led eventually to the disempowering of UTODA in 2012. However, rather than institutionalising more democratic practices in the sector, the removal of UTODA from the scene left an organisational vacuum which the new city government rapidly filled from the top down. The process of ‘double capture’, by facilitating the dominance of a monopolistic and internally authoritarian organisation for so long, thus helped to undermine foundations for democratic deepening with the effect that drivers went from being poorly represented to barely represented at all.

In examining the challenges of representation in the case of Ugandan minibus-taxi drivers, this paper has three interlinked aims. The first is to analyse how UTODA managed to maintain its monopolistic position and apparent invincibility over two decades, despite the fact it was not representing the majority of its members’ interests and was failing to fulfil its contractual duties to the city government. The second is to explain why at a particular moment in time the situation changed suddenly and quite dramatically, with UTODA’s fall from grace in 2012, and how the organisation’s longstanding dominance had stifled the potential for a new and more democratic organisation to emerge once it had gone. Finally, the paper provides a new analysis of processes of organisational co-optation and ‘capture’ in weakly-institutionalised democracies and the effects of this on the prospects for democracy, with broader implications for the study of state-society relations and democratic consolidation. The analysis in this paper is based on interviews with a range of stakeholders including
national and local politicians (government and opposition), city officials, taxi drivers and owners, UTODA representatives, private bus companies, senior policemen, transport advisers and consultants. These interviews, which took place over multiple visits from 2009–2014, are complemented by media and documentary analysis.

2. Interest group organisation and the dynamics of ‘capture’

The discussion that follows serves two purposes. The first is to distil some key themes in the scholarship on the relationship between interest groups and the state, with the aim of situating the case of UTODA against long-standing debates on interest representation and democracy. The second is to consider the main ways in which ‘capture’ has been conceived in various relevant literatures, both with respect to the internal capture of organisations by their leaders and the ways state and societal organisational forms may be seen to capture one another under certain political-economic circumstances. Linking these themes is the issue of how putatively representative organisations do or do not promote the deepening of democracy both internally and in society more broadly.

The centrality of interest or pressure groups to the functioning of democracies has been acknowledged at least since the pioneering work of De Tocqueville (1835) and Calhoun (1851), who argued that securing agreement among organised interests was crucial in democratic societies to safeguard against the ‘tyranny’ of the numerical majority. The role of interest groups lobbying for their sectional interests is not without its dangers, however. Some interests are better organised and resourced than others, and groups representing producers can inflict greater political damage on domestic governments than those representing consumers (Finer, 1958). The degree to which particular interest groups are effective also depends on the nature of the government itself, including whether government officials are formally or informally members of the interest group in question (Truman, 1951).

In exploring how relationships between interest groups and the state are institutionalised in a given setting, a distinction has traditionally been made between pluralism and corporatism. While the former refers to a situation where interest representation involves a theoretically infinite number of voluntary, competing and self-determining organisations, the latter has been defined as a system in which interest associations are ‘large, singular, noncompetitive, hierarchically ordered [and] sectorally compartmentalized’, exercising ‘representational monopolies’ in a given sector (Schmitter, 1974, p. 100). A further distinction can be made between societal corporatism, in which the non-competitive, monopolistic and hierarchical nature of organisations emerges through intrinsic processes in society, and ‘state corporatism’ where these characteristics are a product of deliberate state policy including both inducements and constraints on interest group activity (Collier & Collier, 1979; Schmitter, 1974).

Applying ideas from the classic literature on corporatism and interest representation to countries such as Uganda is not unproblematic. The rootedness of this literature in the experience of Europe and Latin America involves assumptions about the ease of analytically separating state from society (and thus societal from state corporatism), when there has been an important strand of literature focused on developing countries that challenges the very idea of a clear and fixed state-society divide (Migdal, 2001; Migdal, Kohli, & Shue, 1994; Mitchell, 1991). The European and Latin American cases that were analysed through the lens of ‘state corporatism’ tended to involve authoritarian regimes in contexts characterised by long histories of independent statehood, as well as relatively established and well-organised labour movements. ‘Societal corporatism’, meanwhile, was considered a manifestation of advanced democratic capitalism in countries with active but non-pluralist civil societies such as Switzerland and the Netherlands (Schmitter, 1974, pp. 106–7).

In contrast with all these countries, corporatist organisation in many parts of Africa is commonly neither a product of formal state policy nor clearly driven by organisation in ‘society’. Such corporatist practices instead evolve when the lack of strong autonomous organisation in civil society enables elites in certain sectors of the economy, often with the vigorous but highly informal support of politicians and other state actors, to represent their interests through corporatist-style structures. These processes undercut the capacity noted by Shadlen (2004) for corporatism to promote internal organisational
cohesion and representation, because they are driven not by the effort to create a rationalised, manageable structure for interest aggregation but by informal bargaining between economic and governing elites. It is difficult to define such situations as either ‘state corporatism’ or ‘societal corporatism’ in the ways theorised by Schmitter.

Many countries display a range of interest formations that vary substantially by economic sector or type of activity, rather than being wholly corporatist or pluralist. In Uganda, UTODA exhibits all the main characteristics of a ‘large, singular, noncompetitive, hierarchically ordered [and] sectorally compartmentalised’ representational monopoly (Schmitter, 1974, p. 100), as will be shown below. However, other spheres of activity even within informal transport are characterised by markedly different forms of interest representation: Uganda’s boda-boda motorcycle taxi sector has a large array of competing and voluntary organisations, thus appearing much more pluralist than corporatist – perhaps because it is a much easier sector to enter due to low capital costs, making it more diffuse and less amenable to monopolistic representation (Goodfellow, 2015). Moreover, having adopted widespread liberal democratic reforms (often under pressure from donors), Uganda and similarly ‘new’ and donor-dependent democracies often have nominally pluralist systems. Yet these compete with corporatist tendencies in certain sectors and widespread representational failures, producing something that is far removed from normative ideals of pluralism in practice.

These failures of pluralist representative organisation can be considered in relation to organisational and elite ‘capture’. The idea of capture is, however, a deceptively simple one, masking several distinct uses. Broadly speaking, three main applications of the idea can be found in the literature. The first relates to the internal capture of organisations by their leaders, which is common and some would say inevitable. The most famous expression of this view is Michels’ (1915) ‘iron law of oligarchy’. While Michels believed that organisation was politically and economically essential for the masses, he was convinced that the reins of power would always fall into the hands of a small elite within any organisation. Organisations require leadership, and leaders become reluctant to renounce their position, instead developing sophisticated means of co-opting and incorporating rivals while instilling obedience in the rank and file. It is not always obvious where one should draw the line between capture and strong leadership; what is seen by some as capture may be interpreted as a genuine attempt to promote a certain vision of the collective interest of the organisation (Brett, 2009). Nevertheless, the risk of leaders pursuing their own interests at the expense of other group members is obviously high when internal mechanisms of voice and accountability are limited in this way.

A further two conceptions of capture relate not so much to internal dynamics of organisations but relationships between organisations and the state, and these are therefore of particular interest in view of the question of how monopolistic and corporatist formations emerge informally. On the one hand there is the ‘theory of regulatory capture’, commonly found in the literature on state-firm relations and based on the idea that producer organisations offer bribes or other kinds of support to government in exchange for favourable regulations (Hellman, Jones, & Kaufmann, 2003; Laffont & Tirole, 1991). Private firms or interest groups are thus seen to have ‘captured’ the state in the sense that they exert substantial control over policy and regulation. Yet there is a third application of the idea of capture which frames ‘captor’ and ‘captive’ more or less in the opposite way, considered particularly relevant in contexts of what Iliffe – writing about Africa – termed ‘parasitic capitalism’ (1983). Here, state organisations are thought of as parasitic on the private sector, ensnaring private organisations as soon as they come into being in order to guarantee a stream of rents to those in public office. Viewed in this way, state capture has been defined as ‘the extraction of private benefits by incumbent officeholders from the state’ (Grzymala-Busse, 2008, p. 238).

In reality, these two conceptions of capture can be seen as different ways of interpreting the extraction of economic rents by public officeholders, based on different assumptions about the ultimate location of power. In other words, some analyses present corruption and rent-seeking as being a result of domineering government ‘big men’ with the coercive power to extract bribes from weak and prostrate societal organisations, while others suggest that these practices reflect ‘strong’ societies buying control over ‘weak’ states (Gray & Whitfield, 2014; Hyden, 1983; Migdal, 1988; Rothchild & Chazan, 1988). To make sense of such contrasting interpretations, it is useful to invoke Foucauldian conceptions of power as something that is enacted rather than possessed, manifesting in relationships
rather than being located in a particular place or ‘held’ by certain individuals (Foucault, 1980). Thus rather than trying to understand whether the (weak) state has been ‘captured’ by a particular (powerful) non-state organisation, it may be more useful to explore how particular organisations are used to facilitate mutually beneficial arrangements among elite groups who ‘straddle’ the state-society divide (Rothschild & Chazan, 1988). Huntington (1968) noted that the challenge for what he termed ‘traditional societies’ was to first concentrate power before proceeding to democratise through expanding and distributing power. This focus on concentration versus distribution, however, obscures the way in which power relationships may replicate themselves under the surface of shifts in weight between different organisational structures in response to pressures to distribute power. Representative organisations that appear to be vehicles of power distribution can use this appearance as a façade to intensify power concentration.

The way in which these configurations of power emerge and consolidate across the state-society divide merits consideration as a temporal process. This article offers an analysis suggesting that there can be successive phases that broadly correspond to the second and third concepts of capture noted above. The analysis of UTODA explores how first there was a period of ‘parasitic capitalism’ in the minibus-taxi sector, whereby government actors infiltrated and came to dominate the business as owners and profiteers. This was then overlain by a process through which, over time, the organisation set up to represent the sector developed its own interests and power base that allowed it leverage over the state, leading to a second phase that echoes theories of ‘regulatory capture’. This narrative presents the state capturing a societal interest group before subsequently that group recaptures the state – a temporal process that I here term ‘double capture’. Underpinning this process was a third, Michelsian progress of elite capture within UTODA itself, which – while analytically distinct from the double capture posited above – facilitated it by enabling the transformation of the organisation into a profit-making machine embodying powerful vested interests.

This process of double capture is, I argue, central to explaining how UTODA became a pocket of informally-engineered corporatism within a generally more diffuse (and nominally pluralist) representational realm, and also explains why the organisation exhibited both collusion and conflict with the state simultaneously. The two-faced nature of this relationship with the state also accounts for the mounting tension that culminated in the eventual turning point in 2011–2012, which resulted in the breaking of UTODA as an organisational form. Moreover, the way in which double capture created a long-term mutually beneficial (if fractious) relationship between elites in the sector and the government, to the exclusion of the drivers, conductors and touts, helps to explain the organisational vacuum that resulted from UTODA’s downfall. The tight embrace between UTODA and government was such that once the organisation had gone, the new city government could easily replicate its structures and practices, while the exploited majority had little by way of autonomous organisational foundations to fight back.

3. Rents under a veil of representation: The Uganda Taxi Operators and Drivers Association

In Africa, as elsewhere, state-provided transport services set up at independence generally failed due to underfunding (Kumar & Barrett, 2008; Pirie, 2014), while rapid urban growth meant that demand was intensifying just as supply was collapsing. Informal ‘paratransit’ services in the form of minibuses, microbuses and motorcycles proliferated to fill the gap, offering services that could respond flexibly to changing markets and were able to enter cramped informal areas without adequate roads (Cervero & Golub, 2007; Pirie, 2014). These forms of transport proved a magnet for informal entrepreneurs seeking fast returns due to the relatively low capital outlay and potential for guaranteed profits. In much of Africa, the importation of second hand minibuses as a central mode of public transport accelerated in the early 1990s (Kumar & Barrett, 2008, p. 8). Active liberalisation and deregulation of the sector was also being actively encouraged by the World Bank around this time, following the experience in the developed world (Gómez-Ibáñez & Meyer, 1993), and many countries – including Uganda – officially adopted this approach in the 1990s (Benmaamar et al., 2002).
The abandonment of regulations in the sector brought a host of new problems to many cities, including erratic scheduling, overloading, congestion, traffic fatalities, labour abuses and lack of accountability (Cervero & Golub, 2007; Kumar & Barrett, 2008; Mauder & Mbara, 1996; Rizzo, 2002). The way in which stakeholders in the sector organise themselves differs substantially by country, though there are generally always unions, associations or syndicates of some kind, counter-balancing the fragmented nature of vehicle ownership. These can provide some form of self-regulation in contexts where the government takes a laissez-faire approach to transport provision. In many African cities either there is no regulation at all, or associations themselves fulfil basic regulatory functions such as allocating routes or collecting fees in exchange for using terminal facilities they manage (Kumar & Barrett, 2008, p. 16).

Uganda’s experience has both common and distinctive features, and needs to be understood against the backdrop of recent political history. After several decades of dictatorship and war under Idi Amin and Milton Obote, during which state institutions were undermined and the informal economy flourished (Kasfir, 1983; Prunier, 1983), the National Resistance Movement (NRM) took power in 1986 and began laying the foundations for democracy, economic development and an effective state (Brett, 1994). Through this political organisation the incoming President Yoweri Museveni promoted a form of ‘no party democracy’: regular elections were held at various levels of government under the banner of an inclusive ‘movement’ rather than through political parties, which were banned until 2005 due to their perceived links to past ethnic polarisation (Carbone, 2008). While the previous collapse of state institutions led to economic informalisation by default (Hansen & Twaddle, 1991), the subsequent adoption of liberalisation and deregulation measures gave informality a further boost (Goodfellow & Titeca, 2012). Informal transport bloomed, and no attempt was made to salvage the Uganda Transport Company that was decimated under Amin and Obote: large buses were considered loss-making enterprises and sold off. As the urban transport market flooded with informal minibuses (matatus), early operators earned high returns, rapidly attracting further entrants.

UTODA formed in 1986, in the wake of the ‘bush war’ of 1980–1986 through which the NRM defeated the second Obote regime. As its name suggests, the association was established to aggregate all interests in the sector under one organisation, representing both owners (‘operators’) and drivers of matatus. The creation of an organisation embodying these diverse interests can be seen as a foundational problematic moment, given the likelihood of conflicting interests between owners and drivers in the future, even if the sector was not developed enough for these to be evident at the time.

The NRM realised the importance of the matatu sector both economically and strategically as they sought to stabilise the country. One observer described the sector as being ‘hijacked by the government because it is employing a lot of people and these people are radiating out, going to a lot of areas. So they were using it as a channel in spreading their political tentacles’. The Chieftaincy of Military Intelligence allegedly controlled some 40 per cent of matatus operating in Kampala in the early NRM days (Red Pepper, 2011). Thus the new government, composed of former guerrillas adept at societal infiltration, turned the matatu business to their interests and let it flourish. UTODA, meanwhile, saw it as prudent early on to position itself as a staunch NRM supporter. As the 1990s wore on, it consolidated its position as the organisational face of this booming sector (Benmaamar et al., 2002, p. 6). Indeed, in another key difference from many African states, there was virtually no other significant organisation in the matatu sector: by the 2000s UTODA was among the most extreme examples of a monopolistic transport association in all of Africa (Kumar & Barrett, 2008).

By the 2000s, Kampala also had one of the most under-regulated public transport sectors in Africa, with no clear system for allocating routes and no legal restrictions on the entry of vehicles into the market (Trans-Africa, 2008). To enter the matatu business was therefore relatively easy; it basically involved acquiring a vehicle and a Public Service Vehicle license, and then joining UTODA, which was supposed to both represent and self-regulate the sector. Operating outside UTODA was effectively impossible and membership could be violently enforced (Kumar & Barrett, 2008, p. 71). Once members, drivers would be allocated a route and required to pay various fees (discussed below) and comply with UTODA rules on fares (Kumar & Barrett, 2008, pp. 21–22; Trans-Africa, 2008).
In the capital, Kampala City Council (KCC) was responsible for the minibus-taxi parks occupying several sites of prime land in the city centre. These constituted important sources of revenue for the city government through fees collected from each matatu for use of the parks. From 1993 the collection of these fees was contracted out to UTODA under a fee-based franchise contract (TAHAL, 2005, p. D32). UTODA was contracted not only to collect fees but to manage and maintain the taxi parks on KCC’s behalf. This represents a second problematic moment: the organisation was now in an intermediary position for financial transfers between the matatu sector and government, as well as nominally representing the interests of the former.

By 2000, there were around 4000 matatus in Kampala, accounting for 70 per cent of road use (Benmaamar et al., 2002). Five years later, this had increased to 6400; by 2007 it was 8400, and by 2009 at least 10,000. As all taxi owners and drivers were necessarily UTODA members, the organisation mushroomed and by 2009 had around 30,000 members. Despite retaining the word ‘association’ in its name, when it surpassed the 1000-member legal limit set for associations, UTODA transitioned into being a company limited by guarantee without share capital (TAHAL, 2005, p. D32). Alongside the conflation of owner-driver interests and fact that it was operating as a contractor for KCC, this transition further reflected the contradictory interests embedded within UTODA and the opacity of its organisational mandate.

UTODA was therefore understandably considered by many to be a ‘pseudo association’. Although internal democratic structures existed, these clearly privileged owners: the elected National Chairman, District Chairmen, District Vice Chairmen, District Executive Secretaries and General Secretaries were all roles reserved exclusively for taxi owners; only treasurers, welfare officers and district committee member positions were open to drivers. Conductors and touts, who were also integral to the industry, were not even allowed to join the organisation. It is clear that UTODA existed primarily to serve the interests of taxi owners, who were few in number compared to drivers due the prevalence of multiple vehicle ownership. Yet while not fit for purpose as a representative organisation, neither did it operate like a formal private company by declaring its income and paying corporate taxes. Its primary function was to operate as an informal business syndicate protecting the benefits of owners, while also providing a stream of rents to the organisation’s secretariat through the fees it collected on behalf of government.

The composition of taxi ownership was described as ‘highly secretive’, with UTODA itself described as ‘a highly mysterious entity’; indeed it was reputedly dangerous to attempt to profile the ownership. The relative wealth of anyone operating a matatu is self-evident: the capital outlay of $15,000 for a second-hand Japanese minibus was far beyond the means of most people. Matatu ownership accrued rapid profits, enabling multiple purchases and progressive enrichment. While many people owned only one matatu, the average was estimated at around five and some people reputedly own fleets of tens or even hundreds. The prevalence of politicians among these owners is well known. According to one informant, this began because ministers would ask businessmen seeking favours ‘to buy ten or twenty matatus for them as a bribe […] they all started doing it, so now most owners happen to be politicians’. Other sources likewise claim that matatu owners are ‘mostly’ national politicians. This is difficult to prove; as one observer noted, ‘you’ll never see the big guys […] they are somewhere “up there”’, and are represented by “stooges” who lead the organisation.

While some informants claimed matatu ownership involved politicians from all parties, eager to fund political activities, others suggested that ‘most or all are NRM’ because members of other parties would fear vandalism and harassment if they got involved. Strong organisational links between UTODA and the NRM were certainly evident, but were quite complex and bi-directional. As well as the prevalence of NRM politicians among vehicle ownership, UTODA itself was involved in campaigning for the NRM prior to elections: their offices were used as NRM campaign offices, and it was said that in every presidential campaign since 1996 ‘UTODA has been at the helm of providing free transport to NRM supporters’ (Vision Reporter, 2006). It was also ‘public knowledge that UTODA is one of the biggest funders of the NRM regime (Komakech, 2011).

What then was the nature and scale of the financial resources that UTODA had to draw upon? Through approximate numbers of matatus and accounts of payments made to the organisation it is...
possible to estimate the sums passing through UTODA’s coffers in 2010. Officially, each driver paid 20,000 Ugandan Shillings (UGX) per month for a sticker authorising them to operate, and a further 4500 per day for use of the taxi parks. Based on a conservative estimate of 10,000 matatus, this amounted to official payments of UGX 1.55bn (US$775,000) from drivers to UTODA for a 30-day month. In addition, there were informal payments. First were the so-called ‘welfare fees’, unreceipted payments averaging 5000 shillings per day (Vision Reporter, 2011), generating another 1.5bn ($775,000) monthly. Moreover, every time a matatu stopped, conductors paid an unreceipted ‘loading fee’ to a UTODA representative stationed at that particular matatu ‘stage’. This varied by route but was ‘equivalent to the fare of three passengers’ (Vision Reporter, 2011). Overall, one opposition politician’s accusation in 2011 that UTODA collected a total of UGX 4bn ($2 m) monthly (Mwanje, 2011), despite remitting only 392 m monthly ($196,000) to Kampala City Council, seems reasonable.

These unreceipted fees amounted to a major source of rent for UTODA’s leaders and a severe burden of ‘double taxation’ on drivers and conductors. Very little is known about what happened to the 90 per cent of UTODA’s $24 m annual income that was not remitted to KCC, with one transport expert pointing out that ‘if you go to UTODA and ask someone “can you give me the balance sheet of all your expenditures and incomes” […] they don’t have anything. They can’t give you that.’ In the 14-country study, Kampala again topped the league in terms of typical ‘indirect charges’ paid by minibus drivers to their ‘association’. Average payments in Kampala were over six times as high as those in Accra, for example (Kumar & Barrett, 2008, pp. 9–10).

This however merely scratches the surface in terms of the amount of money generated by matatus. Individual owners collectively reaped far more: most matatus were run according to a system whereby the driver paid UGX 60–80,000 ($30–40) per day to the owner for use of the vehicle. Most of what drivers made in excess of this they used for fuel, maintenance and the payment of UTODA fees; the remainder (usually about UGX 15,000 each for the driver and conductor), they could keep. Based on a conservative figure of UGX 60,000 passed up to owners per matatu, across the sector as a whole some UGX 600 m ($300,000) of profits were made by owners every day. Collectively, matatu owners therefore made around $108 m in a year. Put differently, an individual owning 20 matatus as a sideline could make over $250,000 annually from the enterprise. Given this situation, it is unsurprising that ‘every driver is fighting to become an owner’, rather than building strong horizontal linkages among drivers to bolster their collective power.

4. The UTODA stranglehold: from urban paralysis to the 2011 watershed

Although the government consciously relegated control of the sector to UTODA after contracting out services and revenue collection to it in the 1990s, the organisation’s dominance was widely viewed as a problem by the 2000s. Repeated efforts by KCC to claw back control met with failure and frustration. In this decade the democratically elected city government – largely controlled by the opposition Democratic Party – found itself unable to implement basic policies to improve the city’s transport system, primarily due to ongoing obstruction by UTODA. After discussing this, we turn to the period since 2011, when a new city governance structure was instituted that dramatically reversed decades of decentralisation and reduced the power of elected representatives, while also finally breaking UTODA’s stranglehold.

Competition in Kampala’s transport system is what city officials term ‘in-the-market’ (a free-for-all) rather than ‘for-the-market’ (when specific routes are allocated exclusively to certain providers through competitive bidding). Anyone could run a matatu with the sole proviso that they had to join UTODA. The system was also officially open for the operation of other kinds of private buses, but anyone attempting this was putting themselves in direct competition with UTODA. This free-for-all was actually contrary to official government policy from 2006. The Mayor at the time, Nasser Ntege Ssebaggala, came to power in 2005 with a manifesto commitment to reintroduce 400 large buses to the city, subsequently endorsed by President Museveni. Private bus companies, a few of which already existed, were to be granted particular urban corridors and large parts of the city centre, where matatus...
would be prohibited. The proposals were termed ‘a time bomb waiting to explode’ due to the threat they represented to UTODA (Vision Reporter, 2006).

Instead of an explosion, however, what occurred over the next five years was an almost total lack of progress. Although in May 2010 a contract was finally signed to bring in 522 buses from China for operation by Pioneer Easy Bus, just months before they were due to arrive the Ugandan Parliament stopped the deal on the grounds that ‘there was a fault within the procurement procedure’ (Nalugo, 2011). While one can only speculate about what took place behind the scenes, UTODA was a clear beneficiary of continued stalling. Its obstruction of other companies attempting to operate buses was also evident at the micro-level on a day-to-day basis. Pioneer was one of four companies whose small numbers of buses in Kampala were regularly subject to threats and harassment. The director of one company described how initially his buses were ‘effectively hijacked’ by UTODA representatives and taken off the road. Another stated that ‘when we started it was open combat’, with physical attacks being commonplace; he even had to temporarily flee the country. Although this violence had reduced by 2010, bus companies still experienced daily extortion of unreceipted payments by UTODA officials, with no services in exchange. Dealing with UTODA harassment had been ‘a constant struggle’ for these companies and they often operated at a loss in the city, depending on profits from rural services. In the words of a local transport expert the situation in Kampala was ‘not a transport system, it is thuggery’, exhibiting clear mafia-like behaviour.

UTODA also stymied KCC’s efforts to raise revenue. It under-reported numbers to KCC (UTODA’s Chairman cited a figure 6000 matatus in 2009, when all other estimates indicated at least 10,000), thereby keeping its monthly payments artificially low. In addition, it often simply did not pay up – despite the multiple payments it was extorting from drivers and other companies. In December 2008, KCC’s Director of Finance reported that UTODA owed KCC UGX 1.9bn (almost $1 m), having paid no fees for six months. UTODA thus severely breached its financial contract with KCC in addition to failing to maintain the taxi parks, the concrete floors of which had completely disintegrated by the 2000s. Eventually the ‘Town Clerk’s office issued three months’ notice for the termination of UTODA’s contract to manage the city’s taxi parks. However, in a clear reflection of the vested interests bound up in UTODA, a group of politicians and a high court intervention blocked the Council’s directive (Vision Reporter, 2009).

The transport system was not the only aspect of urban governance in crisis by this time; more general concerns about decaying infrastructure, rampant corruption and service failures had reached fever pitch (Goodfellow, 2010). Meanwhile, a 2005 amendment to the constitution had laid foundations for central government to take over administration of the city, precipitating heated public debate and the passing of the Kampala Capital City Act in 2010 – widely interpreted as an attempt to reverse the domination of KCC by the political opposition (Gore & Muwanga, 2014). The following year the Act’s provisions came into force, disbanding KCC and replacing it with the new Kampala Capital City Authority (KCCA) led by a team of 10 directors, all appointed by President Museveni. Heading this, a new Executive Director was given sweeping powers over the city’s (substantially enlarged) pot of resources transferred from central government. Elected councillors and an office of ‘Lord Mayor’ were retained, but whether they possess any real power now is moot (Gore & Muwanga, 2014, p. 2212).

This was a watershed moment for Kampala. It rapidly resulted in significant changes including increased investment in roads, stricter controls on street vending and the tearing down of some buildings in breach of construction codes. Public transport proved the hardest nut to crack, despite the determination of the incoming Executive Director, Jennifer Musisi. Notwithstanding the long relationship between UTODA and the NRM and the enormous profits made by NRM politicians through matatu activities, Musisi perceived the organisation itself to be a rent-seeking middleman, and in her own account persuaded the highest authorities that overall they would be better off without it. One of her early actions was again to attempt to terminate UTODA’s contract to run the city’s taxi parks. Negotiations between KCCA and Pioneer Easy Bus picked up again and the company managed to import a substantial number of buses. Musisi also proposed a new system for matatu taxation that ‘cut the middleman out of revenue collection’. UTODA fought these measures throughout 2011 – in the words of the Lord Mayor, ‘big shots in the government put pressure on her’, and Musisi herself...
noted that death threats were ‘part of the job’.\textsuperscript{41} A court battle over the length of UTODA’s contract to manage the taxi park raged throughout much of the year.\textsuperscript{42}

The sense that the tide was finally turning against UTODA was strengthened by a breakaway group of drivers and conductors announcing a new organisation, the Drivers and Conductors Central Association (DACCA), in protest at the unreceipted fees extorted from them by UTODA (Nalugo & Kostov, 2011). DACCA appeared apparently from nowhere and announced a strike in July 2011, though this rapidly dissipated after Museveni assured drivers that unreceipted fees would cease. Musisi eventually triumphed in the court battle over UTODA’s contract. On the back of this success, in March 2012 she announced that henceforth each \textit{matatu} operator would be required to pay 120,000 UGX directly to KCCA, replacing the system whereby UTODA could cream off substantial proportions of drivers’ payments with no transparency. This levy caused an outcry among \textit{matatu} drivers, who – knowing that they, not the owners, would end up footing the bill – announced a unilateral strike co-ordinated by DACCA demanding that the monthly fees should be reduced to 70,000 UGX (Ssekika & Lubwama 2012). Instead of caving in, when faced with the threat of the city being brought to a standstill Musisi suddenly unleashed the Pioneer buses across the whole city, despite unresolved issues over its contract and tax status. \textit{Matatu} drivers had little choice but to start operating again, now in competition with Pioneer.

This shrewd strike-breaking move by Musisi generated great excitement in the city about long-awaited improvements in transport. Sadly, however, the situation was short-lived; after a couple of months Pioneer folded, apparently due to mismanagement. Amid accusations of fraud and failure to pay taxes, their buses were impounded by the Uganda Revenue Authority in 2013.\textsuperscript{43} As of mid-2014, the city’s transport was once again dominated by \textit{matattus}. There was no organisation replacing UTODA, which had shrivelled into insignificance once stripped of its contract and revenue base.\textsuperscript{44} There has also been little sign of activity from DACCA since 2012. Instead, there was evidence of small groups forming, more along the lines of the motorcycle-taxi (\textit{boda-boda}) sector, which as noted above has never been successfully organised at a city or nationwide scale (Goodfellow, 2015). Meanwhile, drivers were complaining of extortion by the body set up by KCCA for managing the taxi parks in the post-UTODA period, the Taxi Parks/Stages Coordinating Committee (TAPSCOM): an ominous development suggestive of history repeating itself in a different organisational form. In January 2015, amid mounting organisational fragmentation, violence and intimidation, the government went a step further. Uganda’s Minister for Security ordered all forms of organisation in the sector to stop operating with immediate effect, stating that KCCA was taking over the taxi industry ‘and no taxi association or group shall be allowed to manage any taxi business in any part of the city’ (Mukisa, 2015). The significance of changing organisational forms in the transport sector, and the implications of this for democratisation, will now be explored in the final section.

5. Analysis: from ‘double capture’ to formal de-democratisation

During its period of dominance, UTODA served to enrich elites and exploit the majority of people it was supposed to represent, as well as many others working in the sector. At the same time, it failed to meet its obligations as a provider of services to government and withheld resources from the City Council. It is therefore surprising that it managed to retain its unassailable position in the \textit{matatu} sector for over two decades, neither being forced to become more inclusive from below nor being held to account more effectively by the city government. The lack of pressures from below are explicable in terms of Michelsian processes of organisational capture; from the very outset, organisational structures were geared towards owners, with drivers perceiving eventual acquisition of a \textit{matatu} as their route to improving their situation, rather than concertedly trying to build horizontal networks to increase their leverage. The perverse incentives created by granting the organisation a role in urban management, funded through fees garnered from its membership, further facilitated its slide into extractive oligarchy.

The relationship between UTODA and government is, however, more complex and subject to competing interpretations. On the one hand, the commonly-held view that many \textit{matatu} owners were
senior NRM politicians suggests that members of the government controlled UTODA. As one informant noted, ‘big fellows in the government own the taxis […] they take a big cut and they are the ones who decide […] UTODA’ is a front for their interests.\textsuperscript{45} Yet other perspectives suggest, by contrast, that UTODA was a powerful group in its own right, a ‘strong mobilising force’\textsuperscript{46} benefitting from political patronage by virtue of being too large and influential for the government to risk alienating.\textsuperscript{47} Consequently it was able to take on the state and win in several key battles. The way in which power was exercised between UTODA and the government was therefore not straightforward or linear. UTODA-government relations can be seen as shaped by two overlapping phases: first the NRM government ‘hijacked’ the matatu sector when consolidating the Movement’s dominance of Ugandan territory, but as the business grew and grew, its sole organisation increasingly ‘hijacked’ the government. Over time, UTODA’s links to security agencies faded as it became more concerned with profit maximisation. It developed its own identity and mobilising power, able to resist reform and regulation due to its control over a crucial economic sector, even if drivers – with no other organisation to represent them – felt little loyalty to it. The result was the domination of public transport by a coercive and extractive mafia which was supported by a tight knot of political and economic interests that proved extremely difficult to disentangle.

Rather than particular interests ‘capturing’ the state, UTODA’s apparent invincibility can thus be interpreted as reflecting a process that I here term ‘double capture’. In the first phase, the NRM government infiltrated the channels of a new organisation, building it up and coming to have a major stake in it, while ceding its management to a new organisational elite. Yet this organisation then accrued substantial rents of its own, positioned itself as a valuable NRM supporter and held the city council to ransom by virtue of both its powerful friends and its control over the rank and file of the matatu sector. Indeed, politicians were not the only force on which UTODA’s official cadres could draw to bolster their bargaining power: most of the estimated 100,000 people in the matatu business were the drivers, conductors and touts who constituted both an important voting bloc and a potential source of violence, and could be mobilised if their livelihoods were threatened. UTODA may have been hated and feared by most of its members, but with the threat of new bus services entering the city, the organisation could portray government as the bigger enemy. UTODA’s official leaders thus played both sides of the game, fronting for government ‘big men’ while at the same time holding enough sway over their membership to harness UTODA’s potential power of rebellion against the state. As its Chairman noted in 2009:

\textit{In UTODA we have intellectuals, we have school drop-outs and we also have the third category which is the worst – the hard core criminals which we keep in the taxi industry to deter them from terrorising the general public.}\textsuperscript{48}

This illustrates how UTODA’s relationship with the state combined collusion (primarily with national politicians) alongside the threat of mobilising opposition if the state (especially at the city level) attempted to exert control over the industry. It is little wonder that KCC felt, in the words of one local government actor, ‘very timid’ in its engagement with UTODA, given that the latter drew its power both from political heavyweights above and sheer numbers of the urban workforce below.\textsuperscript{49} The two-phase process of capture described here created a close but fractious relationship between UTODA and the government, whereby politicians sought vehemently to protect their personal matatu rents though UTODA, and UTODA officials could credibly threaten to mobilise the organisation against state policy if their market share was threatened by it. Attempting to rigidly separate the state from societal forces amid this nexus of power, as would be suggested by conventional ideas of ‘state capture’, seems futile when government and non-government forces were in a headlock that bolstered UTODA’s position. For similar reasons, UTODA’s domineering elite cannot be adequately understood with reference to its internal dynamics alone, as suggested by Michels’ ‘iron law of oligarchy’. Forces beyond the organisation, and the way political power was exercised across different organisational forms, were central to entrenching an exploitative UTODA elite.
While UTODA clearly failed in its role as a representative organisation for most of its members, its eventual downfall did not result in the liberation or empowerment of those working in the sector. Its demise was a consequence of the reconstitution of elite power in a more obviously statist form, stemming from a renewed commitment by the NRM leadership to bringing rents and organisation under the aegis of direct governmental power. UTODA continued to exist after 2012, and was attempting to reinvent itself as a provider of longer-distance bus services outside the city, but with Musisi’s victory its organisational power was crushed. Despite this, there was little if any redistribution of the power and wealth it embodied. One observer made the point that the ‘myth of UTODA has been busted’.

This choice of language is telling: arguably more significant than any actual breaking up of power nodes was the symbolic assertion of government power over what was, while intimately bound to politicians’ interests, an organisation that could not be kept to heel by government.

Events after 2012 suggest that the leadership of UTODA was basically co-opted by Musisi’s team. Part of the outcry from drivers that led to their March 2012 strike was the fact that Musisi had apparently appointed four senior ex-UTODA officials to a committee to ‘aid the transition process’, leading to fear among drivers that UTODA was once again being imposed upon them (Ssekika & Lubwama, 2012). This, combined with extortion on the part of the government’s new co-ordinating committee (TAPSCOM) and more recent moves by KCCA to completely take over every aspect of managing the system, suggests that the power and domination that had been embodied in UTODA was being reconstituted. Specifically, the functions of a de facto authoritarian pseudo-representative organisation were being re-established through the de jure authoritarian institutions of a newly de-democratised city government. Meanwhile, although the unreceipted fees from drivers to UTODA have now gone, there has been little to fundamentally change the exploitative relations between owners and drivers; one observer pointed out that drivers may actually now pay owners more of their share of takings to reflect the absence of UTODA fees.

In sum, there was a tipping point in Kampala’s transport system when the costs associated with the dominance of UTODA began to impinge severely on government through the withholding of revenues, general degradation of the city and spiralling political disorder. As a consequence, a decision by the top echelons of the government was made to break up that organisation’s power, while preserving many of the interests intact. This cut out a corrupt ‘middleman’ organisation, but did so in the context of a radical reversal of democratisation at the city level, and without any moves to help replace UTODA with any other form of organisation that might address the exclusion of the urban masses working in the sector. Analysing the processes that led up to this in terms of ‘double capture’ helps to explain why this tipping point came, but also why it took so long to arrive. If there had just been ‘parasitic capitalism’ at play – that is a situation where governing elites illicitly fed off economic activity in the matatu sector and were in total control of it – then there would have been no incentive to break UTODA. If, by contrast, there had just been ‘regulatory capture’ in the form of an organisation resisting regulation in exchange for bribes, UTODA would probably have been brought under control and stripped of its service delivery role sooner, given the extent of its failings. It was the particularly tight knot of political and economic power, which evolved over time through the processes of mutual capture analysed above, that accounts for UTODA’s long-lived unassailability and its eventual downfall. Moreover, the awkward embrace between government and taxi-owners to the exclusion of other actors in the sector, embodied in this unusually long period of monopolistic domination, also accounts for the apparent inability of other representative organisations to effectively fill the gap left by UTODA.

6. Conclusions

This paper has advanced an argument about how a particular organisational form that purported to represent a key sector of the urban workforce in Uganda actually supported a predatory elite, benefitting both politicians engaged in the transport business and the mafia-like group that acted to protect these business interests. In exploring the trajectory of the Uganda Taxi Operators and Drivers
Association over almost three decades, it reveals the complexities of organisational power in a context of partial democratisation. It also provides scope for reflecting on some of the limitations of existing theoretical approaches that posit collusive relations between firms and government in terms of the capture of one organisation or group by another. Instead, the paper argues that the capturing of rents and control within the urban public transport sector was much more dynamic. The initial dominance of the sector by government figures was subsequently complicated by the evolution of UTODA’s own organisational political-economic interests and survival tactics.

While the interlocked nature of elite interests in the sector preserved UTODA’s position for many years, the degree of dysfunction this created, alongside wider problems of urban governance and a crisis of urban services, led to divisions within the political elite over how to deal with the organisation. Those seeking to break up the vested interests embodied in the organisation eventually gained the upper hand, but in so doing removed representative organisations from the sector altogether, reconfiguring UTODA’s power through the channels of a new authoritarian city government. As well as outlining a process of ‘double capture’, this narrative therefore challenges assumptions about how even imperfectly representative organisations will gradually sow the seeds of democracy over time: instead UTODA, which began life as a weakly representative organisation, appears ultimately to have contributed to new forms of authoritarian rule in Kampala.

This Ugandan narrative gives pause for thought with respect to the faltering progress towards democracy in many parts of the developing world. It was the democratic opening in Uganda under the National Resistance Movement from the 1980s that provided scope for the emergence of representative organisations, but this often provided a veil of legitimacy for organisations that could use their reach into society to predate on their members rather than represent them. Moreover, the presence of a degree of democratic political opposition allows such organisations to gain political capital and invoke their wide membership to exert leverage over government, resisting reforms and threatening rebellion. This can cause political gridlock that paralyses government, but without necessarily furthering the interests of the majority of people that the organisation in question purports to represent. Moreover, as the case of Kampala has shown, this paralysis can be so extreme as to undermine the perceived value of democracy itself, making it all the more possible for governments to claw back on democratic reforms.

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Notes

1. Note that in the Uganda context, minibuses used for public transport (or matatus) are generally just referred to as ‘taxis’.
2. Interview with UTODA National Chairman, 30 September 2009.
3. Interview with UTODA National Chairman, 30 September 2009.
4. Interview with independent planning consultant, 4 February 2009.
5. Interview with KCC Transport Engineer, 21 September 2009.
6. Interview with UTODA National Chairman, 30 September 2009.
7. Interview with independent planning consultant, 18 September 2009.
8. Interview with UTODA National Chairman, 30 September 2009.
9. Interview with UTODA National Chairman, 30 September 2009.
10. Interview with development consultant, 12 December 2011.
11. Interview with independent planning consultant, 18 September 2009.
12. Interview with Kampala bus company (A) director, 07 January 2010.
15. Interview with Ugandan transport consultant, 25 September 2009.
16. Interview with local government official, 06 February 2009.
18. Interview with Chairman of a civic organisation, 30 September 2009; interview with former local politician, 29 September 2009.
20. Interview with former local politician, 29 September 2009.
22. The conversion is based on UGX 2000 per dollar, the approximate rate in 2009–2010.
23. Interview with former local politician, 29 September 2009.
24. Interview with independent planning consultant, 04 February 2009.
26. Interview with UTODA National Chairman, 30 September 2009.
27. Interview with KCC Transport Engineer 21 September 2009.
28. Interview with Mayor of Kampala 15 September 2009.
29. Interview with KCC Transport Engineer, 21 September 2009.
30. Interview with Kampala bus company (A) director, 07 January 2010.
31. Interview with Kampala bus company (B) director, 21 January 2010.
32. Interview with Kampala bus company (A) director, 07 January 2010.
33. Interview with Kampala bus company (A) director, 07 January 2010.
34. Interview with Ugandan transport consultant, 25 September 2009.
35. Interview with UTODA National Chairman, 30 September 2009.
36. From the minutes of the KCC Planning and Finance Committee, 23 April 2009.
37. From the minutes of the KCC Planning and Finance Committee, 23 April 2009.
38. Interview with KCC Executive Director, 12 December 2011.
39. Interview with KCC Executive Director, 12 December 2011.
40. Interview with Lord Mayor of Kampala, 15 December 2011.
41. Interview with KCC Executive Director, 12 December 2011.
42. Interview with a KCCA Director, 13 December 2011.
43. Interview with senior KCCA official, 11 June 2014.
44. Interview with senior KCCA official, 11 June 2014; interview with Deputy Inspector General of Police, 10 June 2014.
45. Interview with local government official, 06 February 2009.
46. Interview with opposition politician and matatu owner, 08 October 2009.
47. Interview with Chairman of a civic organisation, 30 September 2009.
49. Interview with local government official, 06 February 2009.
50. Interview with Deputy Inspector General of Police, 10 June 2014.
51. Interview with city official, 10 June 2014.
52. Interview with city official, 10 June 14.

References


