



# **TAXI REGULATIONS AROUND THE WORLD**

The Geneva experience in Switzerland



## Introduction

- ❁ Through this presentation, I will try to give a light to the specifics of the taxi drivers corporation in order to explain the different reasons why the service cannot be optimal permanently and why this corporation is often wrongly perceived and maltreated in the medias all over the world.



## 3 main chapters

- ❁ 1 - Different categories of taxis and regulation systems in the world
- ❁ 2 - Consumers critics; explanations of the professionals and the role of the state
- ❁ 3 - A new law every five years; incoherencies of the legislator and the government



# 1. Different categories, the Swiss exception

Many different offers for transportation of persons with cars, mainly :

- ✿ - taxis
- ✿ - limousines
- ✿ - for hire vehicles

# Limos and for hire vehicles do not dispose of an extensive use of public domain.



- ❁ - no use of bus lines
- ❁ - no pick up of hail customers
- ❁ - return to private parking place after each trip.
- ❁ - only advanced order

**In Switzerland, and this is unique in the world, we have two taxi categories. Both wear a taxi sign on the roof of the car :**

- ❁ - A publics (yellow)
- ❁ - B private (blue)



**This exception is a source of confusion and recurrent conflicts. But since 1954, the jurisdiction always confirmed the sacro saint liberty of commerce allowing anyone to practice the profession of his choice without barriers, reducing to almost zero every attempt to adjust the quantity of taxis available.**

## ***1.1 Numerus Clausus; Regulation versus competition, the reasons of a failure.***

During the seventies in the States and still nowadays in different European countries, governments tried to liberalize the sector in order to favor competition and reduce prices. It has been a complete failure for a simple and evident reason :

**There is no competition in the taxi industry !**



# Only three ways to get a taxi

When a customer needs a taxi he has got only three ways to obtain the service :

- ❁ - He hails the cab that is passing by, without choice. The use of an app is considered as hailing.
- ❁ - He calls a dispatch centre and cannot compare the different offers because he takes the risk of losing the first offer.
- ❁ - He takes a cab on the taxi stand, and there, although he has the right to choose, he will most probably ask who is the first in line.

- ❁ In the USA authorities recognized their mistake and came back to quantity regulation since 20 years already. (see Viktor Dizengof presentation second IRU forum)
- ❁ In Europe, still recently in France and Italy, governments tried to get rid of limitations. Professionals immediately blocked airports all over the nation, forcing the regulators to step back.
- ❁ In Ireland, particularly in Dublin, the situation is disastrous. In order to prevent the degeneration of the service, the government must impose very strict regulations which implies expensive resources without success.
- ❁ In Geneva, we went through this trend in 1992. Hopefully, the authorities understood their mistake and stepped back quite fast. (1999) But the harm is done and the private taxis are developing through commission fees to hotel doormen or concierge.

## ***1.2 Solutions***

- ❁ - Removing the roof top sign and reduce confusion in the public
- ❁ - Taxi brigade; a police dedicated to controls
- ❁ - Information leaflet in the hotels to explain the different categories of services

## **2. Consumers critics**

### ***2.1 Taxis are too expensive***

**Compare what is comparable** : High purchasing power and level of life in Switzerland.

UBS survey in 70 cities shows for example that a teacher in London will spend more than the same in Geneva for a taxi ride yet taxis are considered particularly cheap in London.

# Actual cost of an average car : Stats of TCS

The Swiss touring club provide online statistics every year that shows the effective cost of your car.

Most taxi customers who did calculate do not hesitate to get rid of one car in the family and take taxis twice a day to go to work.



## *2.2 Refusals*

All over the world, taxis have a bad reputation. In Geneva, it became caricatural.

Medias greatly enjoy customers misadventures. Good news do not sell.

Let us skim through the different reasons for a refusal :

## ❁ Traffic :

The main reason for a refusal. The taxi cannot reach the customer within a reasonable amount of time. The customer will not wait.

## ❁ Peak periods, rush hour :

A rainy Friday evening or during important manifestations, taxis are missing. To provide 100% satisfaction at all time would imply that ordinarily, the drivers would spend most of their time waiting. Actually, in Geneva, the drivers spend approximately half their time on a taxi stand.

## ❁ **Insecurity :**

More and more drivers are victims of aggressions. The police suggest that, although forbidden by law, a refusal is sometime advisable.

## ❁ **Impecuniosity :**

Not a day passes without unpaid ride. The regulation allows specifically to refuse a customer who is obviously unable to pay for the ride.



❁ **Special services : (animals, shopping, smokers , etc.)**

Most drivers accept every kind of fairs. In Taxi-phone, Geneva, among 776 drivers, 618 accept to transport animals. Unfortunately, following various mishaps, more and more drivers give up to offer this service.

Here too, regulation allows this refusal if the animal may damage the vehicle or the driver.

It is also difficult to obtain compensation for the damages, like vomiting.

Guide dogs are usually well trained.

## ❁ **Special seats for children :**

Conscious of the impossibility to carry three different types of seats in the trunk of a taxi, most european countries opted for exemption. Not in Switzerland.

## ❁ **Credit cards :**

Although these means of paiement are more and more popular, there are still too many cases where the driver will not be paid in the end.

The regulation stipulates that the corporation, but not each driver, must provide this facilitation. But the next law under consideration envisage an obligation for every one.

## ❁ Short fares :

In Geneva, every trip is short. Refusals are common at the airport when, after having waited for more than an hour, the customer wants a taxi for the hotel in the neighborhood. The next regulation will permit a flat rate at the airport departure.

## ❁ Outside of town :

If the customer need a short ride outside of town and stays there, the driver will lose time and money. The solution is the tax limit which allows the driver to ask for a return fee.

## *2.3 Conclusion*

Regular customers could testify that, in most situations, taxi service is quite excellent in Geneva and among the best in the world with courteous drivers and recent cars.

Instead of denouncing the unfortunate experiences, authorities should work hand in hand with the professionals in order to develop cooperations like collective taxis and consider the Industry as complementarity to the public transportation.

### 3. Responsibility of the State

- ❁ - To legislate in the taxi industry has always been a headache for parliamentarians.
- ❁ - Contradiction between the need to regulate quantity and respect the interpretation of the constitutional measure that guaranty the freedom to practice the profession of your choice.
- ❁ - Deputy members of commissions are no professionals. Limits of militia work and the need to consult experts.

- ❁ - Taxi drivers associations have never been able to harmonize their positions inciting the deputies not to listen to them anymore
- ❁ - The regulation of the taxi industry by three different departments is a non sens
- ❁ - Nobody is accountable for anything
- ❁ - A new law is studied every 5 or 6 years and never applied because of the lack of ressources



## *3.1 Law of 2005*

- ❁ - Historical unanimity of the actors of the professional transport of persons
- ❁ - Except the obligation to paint the taxis in yellow

## *3.2 Single color*

- ❁ - Advertising argument
- ❁ - Second hand cars on the market
- ❁ - Price of wrapping
- ❁ - Luxury cars





### *3.3 Taxi counter at the airport*



- ❁ - A must in every big city
- ❁ - Controls of the drivers
- ❁ - Help for the customers to find the proper taxi
- ❁ - Controls of forbidden transportations
- ❁ - Collection of complaints

## *3.4 Unfair competition*

ALCP (Agreement on the free movement of persons)

- ❁ - reciprocity of treatment
- ❁ - hermetic market in Europe (communal)
- ❁ - Only transportations over 9 people concerned by bilateral treaty
- ❁ - Presence of the only airport in the region
- ❁ - Added value tax in France but not in Switzerland
- ❁ - Impossible for Swiss taxis to use every custom
- ❁ - De tax on fuel and cars for french taxis
- ❁ - Obligation of a tachograph

## LMI (Internal market law)

- ❁ - Irregular activity allowed for every swiss citizen
- ❁ - Autorisation for regular activity (topography)
- ❁ - Cancellation of an article in the law 2005

## *3.5 Bus lanes*

- ❁ - Absence of collaboration with the interior department and violation of the law
- ❁ - commercial speed of public transports
- ❁ - Alternative to individual private transportation, and mobility reduced persons
- ❁ - Reduction of the fares, optimisation in the price-quality ratio

## *3.6 Application of the regulation*

- ❁ - Lack of resources to control the activity
- ❁ - Participation of the professionals

## *3.7 Consequences*

- ❁ - Impossibility to evaluate the regulation if not applied
- ❁ - Main objective to reduce private taxis (B) missed because of the lack of controls
- ❁ - Excuses of the authorities : complexity of the dispositions

## *3.8 Few tracks for equal and cheaper taxis*

- ❁ - failure to respect and make respect the regulation has an effect on taxi prices
- ❁ - Unrestrained development of private taxis pushes the drivers to cheat the customers.
- ❁ - Widespread use of bus lanes, reduces taxi fares and provide taxis at every peak hour.
- ❁ - Participation of the State to promote "green" cars (Basel) and respect Kyoto engagements.
- ❁ - Delegation of administrative tasks to the taxi umbrella organisation.



In short, the State is widely responsible of the high prices in the taxi industry.

In order to provide the best service possible to the public, the legislator should audit and listen more to the professionals and delegate main administrative tasks to the professional umbrella association.