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Comments on the different speeches made by IRU guests during the Taxi Forum 08 in Cologne. By Pierre Jenni, president of the Federation of Taxi Companies, Geneva, Switzerland

First of all, I would like to express my gratitude to the IRU organisers for providing such a serious platform for the taxi industry. I was very impressed by the quality of the reception and the great choice of the speakers.

I must confess that I fell under the charm of M. Victor Dizengof whose 48 years of experience in our sector we could all benefit from. He gave us an extraordinarily clear report of the American experience that will definitely have an influence on policy makers throughout the world. It was particularly interesting to learn about the total failure of deregulation in the United States, which is at the epicenter of liberalism.

Nevertheless, despite exhaustive data regarding unfortunate experiences all over the world, there are still governments who believe that a free market in the taxi business will solve the problems.

This ignores the basic rule of free markets which depends on competition, non-existent in taxi services. Why ?

- When a customer hails a taxi in the street, he has no other choice but to take the taxi that is passing by.
- When a customer decides to call a dispatch center, how can he compare the offer? Will he call different DCs and take the chance of losing the first opportunity? Certainly not, because in most situations, he is in a hurry.
- And finally, when he shows up at a taxi stand, although he has the choice of the cab, he will most probably play along with the tacit rules and hop into the first taxi in line who has been waiting the longest to find a customer.

Some policy makers who refuse to accept this basic fact insist on imposing fictitious competition that has the disastrous consequence of raising prices through artificial spending on quality brands, ISO certifications or special services that are virtually of no use to customers.

This choice will also create different categories of taxi services, the "good" ones, the "official" ones, the "certified" and expensive ones and the others who do not have the means to develop important infrastructures because they want to continue running their own businesses and remain self-employed and uncommitted to other parties, such as dispatch centers, big companies or associations.

The direct consequence of these two categories will result in fights amongst drivers which will lead to the need for more control staff that governments can no longer provide due to austere budgets and control difficulties.

It is also interesting to see that so-called deregulated markets are introducing very tough measures to compensate for the lack of discipline and the disorder which are direct consequences of the difficulty of a driver to make a decent living after ten hours or more behind the wheel.

Another subject that is often forgotten is the fact that the taxi business is quite unique in that it provides a solution for individualistic or marginal people to remain integrated in society without renouncing or denying their need to feel a sense of freedom on the job, whether it be an illusion or a reality. There will always be independent drivers no matter how much governments encourage bigger organisations that are more capable of meeting the customers' demands. Not to mention people who take up taxi driving as alternative employment due to job loss because of restructuration, bankruptcy or any other reason beyond their control.

In Switzerland, although the situation differs in every state, we have a unique and rather disastrous situation. There are two categories of taxis, public and private. Due to a constitutional provision on freedom of business, anyone can work on his own as a private taxi driver, which is the equivalent of a private-hire vehicle or the "voiture de petite remise" in France, except that they can keep a taxi sign on the roof.

This situation considerably reduces the effect of quantity regulation and anger amongst public taxi drivers who are bound to specific regulations without benefiting from any concrete advantages is growing.

Although the law in Geneva clearly specifies the impossibility for private taxis to use the bus lanes, there are practically no controls over this due to a lack of resources and the inability of the authorities to enforce the regulation.

Fortunately, after the disaster of liberalising the market in 1992, the authorities rapidly understood their error and reintroduced quotas in 1999. But the problem of the two categories remains and the specter of liberalisation once again flies over our heads.

There is one last option: transforming the status of taxi services into public services.

Although state monopolies are no longer the trend, the financial crisis has created a precedent and has driven regulators towards increased controls.

In addition to the ability of the state to decide that there will only be one category of taxis in Geneva, they will be allowed to use all public transport lanes which will definitely encourage the public to use their services instead of waiting hours in their cars, jammed in traffic.

It would be fair to acknowledge that taxi service is not only a complement to public transport but an integral part of it. Having done so, regulations would then become effective and the industry would be able to provide the best service possible.

If policy makers focus on the public interest, they will quickly understand that they are directly related to the drivers' interests who need decent incomes to provide efficient service, by investments in modern technologies for dispatch centers, regular renewal of taxi fleets and the development of bigger structures able to provide a 24/24, 7/7 permanent service. This win-win situation will also benefit the authorities who will be able to reduce the staff of inspectors and controllers notably by transferring these tasks to the top federations officially representing the taxi industry.