

How Government Policies and Regulation influence the growth of Boda Boda enterprise in Kenya

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ABSTRACT

Boda Bodas form an emerging mode of transport for passengers and light goods all over the world and more so in Africa. Over the past few years, Kenya has experienced a significant increase in use of the Boda Bodas as a means of transport. This paper reviews factors influencing the growth of Boda Boda entrepreneurship and how Government Policies and Regulation affect the Boda Boda enterprise in Busia town. Descriptive survey design was adopted for the study. Purposive sampling was used for key informants while Cluster random sampling was employed for sampling. Questionnaires, interview guides and observational checklist were used to gather primary data while reports and other publications were reviewed for secondary data. Descriptive and inferential statistics and norm thematic evaluation were used to carry out the analysis of the data collected. Data was analyzed using regression, spearman rank order and chi-square test of independence. The findings of the study are useful to other scholars, the government and other stakeholders in their pursuit to reduce accidents in Kenya.

Key words: Boda Bodas, Policies and Regulations

1.0 Introduction

Over the past decade there has been a significant growth in the use of both bicycles and motorcycles as a commercial public transport mode in many countries and there are several companies providing motorcycle taxis services. Passengers using these chauffeur bikes are provided with a helmet, jacket, gloves, and intercom for communicating with the rider especially in UK (Werner, 2010).

In the USA, motorcycles form 2% of all registered vehicles and constitutes between 5- 6% of all highway fatalities per year according to the National Highway Safety Administration (NTSA, 2006). Motorcycles are popular due to their low initial costs, pleasure vehicles, low fuel consumption and versatility. NTSA report attributes most of the accidents involving motorcycles due to lack of riding skills, stability, high power to weight ratio, speeding, worn out tires surface riding.

Okoth et al (2003) observes that the entry of Boda Boda taxis into the transport system of third world countries has not been accompanied by necessary supporting physical infrastructure and legal framework to support their smooth operations they give examples of bicycle lanes, designated drop off and pick up points and colour differentiation.

Galukande *et al* (2009) says that the use of motorcycle taxis in Africa has grown steadily with their rising presence being felt in almost all African countries. They are referred to by various local names; in Nigeria they are referred to as “Okoda” (Oluwadiya *et al.*, 2004; Solagberu *et al.*, 2006), in Democratic Republic of Congo and Cameroon they are referred to as “bend-skin /ben-sikin”, in Niger their local name is “kabou-kabou”, and in Mozambique they go by the name “Laranjinhas”. Motorcycle taxis are also present in Central African Republic, Chad, Burundi, Rwanda, Togo (Trans-Africa Consortium, 2008) and Liberia (Heintz *et al.*, 2009).

In East Africa motorcycle taxis are a common means of transport in Tanzania, Uganda, Rwanda and Kenya (Twagirayezu *et al.*, 2008). In Uganda, Tanzania and Kenya they are referred to as “Bodaboda” (Naddumba, 2004; Galukande *et al.*, 2009). The name refers to their original purpose of ferrying people and goods across the Kenya-Ugandan border. Initially the Bodaboda were mainly bicycles but with time motorcycle taxis have gradually taken over.

Demand for bicycles and motorcycles as a mode of transport has soared in recent years and have become an important feature in Kenya’s transport sector. These cycles are found in Nairobi, other towns and rural areas where they have established themselves as convenient taxis or as they are popularly known ‘Boda Bodas’, (Amimo, 2001).

The western region of Kenya and specifically Busia town in Busia County has experienced an increase in the number of Boda Boda over the years. The study sought to come up with findings on the factors influencing the growth of the Boda Boda business, problems facing the industry, feasible solutions and policy recommendations in a bid to improve and increase the growth and reduce the risks and challenges within the Boda Boda industry.

1.1 Methodology

The study was carried out in Busia Town of Busia County, Kenya. Though Busia town is cosmopolitan, majority of the inhabitants of the town are native the Luhya community, whose economic activity is mainly small scale farming. The main sources of income include: Sale of farm produce, Petty trade, casual/waged labour, and formal employment, Maize, Livestock and Livestock products, Brokerage services and transport services in Public Service Vehicles, bicycles and motorcycles (Emmanuel, 2011).

The main mode of transport is by Public Service Vehicles. The town has a Bus park for PSVs, nonetheless, PSVs have been allowed to carry passengers at designated road side on the specific routes they ply within the town. Infrastructure in the town consists of class B (National trunk), C (Primary), D (Secondary), E (Minor), SPR (Government, Settlement, Rural Access and Tea Roads) and U (Unclassified) Roads (Busia District Strategic Plan, 2005-2010).

The study adopted a descriptive research design. The target population included; motorcycle and bicycle taxis operators (Boda Bodas) and Boda Boda passengers. Key informants included; Boda Boda taxis owners, Boda Boda union(s), Traffic police (provided information about the number of Boda Boda traffic offenders) and owners of cycle mats, Kenya revenue authority official (number of motorcycles registered), Bank official (credit finance services), and the line government ministries (trade, culture and social services- formation of groups and co-operatives). The sampled population was 384 respondents.

The research used Cluster random sampling to select the study units that formed the study sample. Purposive sampling was used to select the Key informants of the study. The research used snowball sampling to collect information from motorcycle taxis owners. The researcher picked one of the motorcycle operators with whom she/ he is familiar. The selected person then introduced the researcher to the other motorcycle owner.

Collection of primary data was done using pretested and coded questionnaires, focus group discussions which were used to obtain information from passengers and the Boda Boda operators. Interview using interview guides was conducted to the Key informants. Systematic observation was also used in the collection of primary data. Secondary data was obtained from records going back eight years from relevant government ministries and other institutions.

2.0 Results and discussions

This chapter presents the findings of the study at three levels guided by and in accordance to the study objectives and research questions. It presents results and discussions in the following manner: investigates how Government Policies and Regulation influence the growth of Boda Boda enterprise in Busia town; investigates how access to credit influence the growth of Boda Boda entrepreneurship; establish whether training in Business management influence the growth of Boda Boda entrepreneurship and establishes strategies that can be adopted to influence sustainable growth of the Boda Boda enterprise in Busia town.

2.1 Government policies and regulations

Government policies and regulations are always geared towards creating a conducive environment for business. In order to achieve sustainable growth of the boda-boda industry, favorable policies and regulations have to exist. This section presents results for the following study themes: Knowledge of government policies and measures taken by the government to enhance growth of the industry.

2.1.1 Respondents knowledge on government policies on boda-boda business

It was important to understand how boda-boda owners and operators' knowledge on government policies influence growth of their business. To find out on this, the researcher asked the respondents if they knew of government policies in regard to boda-boda operations. The responses were as recorded in table 1.

Table 1: Respondents knowledge on government policies and on boda-boda business

Know Government policy	Owners		Operators	
	Frequency	Percent	Frequency	Percent
Yes	60	33.7	36	17.5
No	118	66.3	170	82.5
Total	178	100.0	206	100.0

Source: *Field Survey (2013)*

The total response was 100% as shown in the table 4.15. 60 (33.7%) of the owners and 36 (17.5%) of operators had knowledge of government regulations. 118 (66.3%) of owners and 170 (82.5%) of operators had no knowledge of government regulations.

A large proportion of owners and operators did not have knowledge on government policy for example traffic rules and safety regulations. An FGD with operators confirmed these as they argued that they even operated boda-bodas without safety gear, and also operated even at late hours of the night. Yet there were restrictions on times of operations between 6 a.m to 10 p.m in the night (BTPR, 2011).

The proportion of respondents who had knowledge on government policies are likely to be the “educated” hence have been exposed to media, attended seminars and other literature in regard to the traffic rules and regulations.

Table 2: A cross-tabulation on Knowledge on government policies and regulations Vs daily income by owners

Know of government policies		Daily income			Total
		499 and below	500 – 999	1000 and above	
Yes	Count	21	23	6	50
	%	44.0%	46%	10%	
No	Count	37	34	39	110
	%	34%	31%	35%	

Source: *Field Survey (2013)*

From the table 2, majority of owners 23 (46%) with knowledge on government policies and regulations earned between Ksh. 500-999, while only 6 (10%) earned Ksh. 1000 and above. Majority of the owners 39 (35%) who did not know government policies and regulations earned Ksh. 1000 and above. An FGD with boda-boda operators also confirmed that there was an inverse relationship between knowledge of government policies and daily income in that the operators with little or no knowledge on government policies made more money on a daily basis than those with vast knowledge. This can be attributed to the fact that, those with no knowledge on government regulations and policies flout the traffic rules such as carrying more passengers and movement outside the carriageway.

2.1.2: Government policies and regulations that respondents had knowledge about

The study sought to probe the respondents on the government policies and regulations that they knew. This was necessary since it assisted the researcher make deductions and conclusions on primary stakeholders in boda-boda industry-Busia town about their knowledge on government policies and regulations in regard to boda-boda business. The responses are as shown in table 3.

Table 3: Government policies and regulations that respondents had knowledge about

Government policies	Owners		Operators	
	Frequency	Percent	Frequency	Percent
Overloading	16	24.6	–	–
Traffic rules	49	75.4	36	100.0
Total	65	100.0	36	100.0

Source: *Field Survey (2013)*

Out of the 178 and 206 owners and operators respectively, only 65 and 36 responded to this question. From the results, 16 (24.6%) of the owners had knowledge of overloading regulations. 49 (5.4%) of owners and all boda-boda operators who were interviewed had knowledge of traffic rules. Most of the boda boda operators know of the traffic rules that are applicable in Busia town. On probing the FGDs with the operators, it was realized that because of the economic hardships, they had to bend the rules with some opting to carry even two passengers instead of one as stipulated in the traffic act.

Laxity in implementation of the traffic rules was cited to be a hindering factor to adherence by the operators who said they had been forced to bribe traffic police so as to go unpunished for not obeying the traffic rules. Most operators traverse rural roads which gives them an avenue to break the traffic rules since no police is inspecting them in such areas.

2.1.3: Measures taken by the government to enhance growth of the industry

To answer the research question of the first objective the questionnaire sought to establish if the respondents understood measures taken by the government to enhance growth of the boda-boda industry. Respondents were asked if they thought the government had taken enough measures to enhance growth of the Boda-boda industry and the results are given in table 4 below.

Table 4: Has the Government taken measures to enhance growth of the boda-boda industry?

Response	Owners		Operators	
	Frequency	Percent	Frequency	Percent
Yes	73	41.0	50	24.9
No	105	59.0	151	75.1
Total	178	100.0	201	100.0

Source: *Field Survey (2013)*

From the results, 59% and 75.1% of owners and operators respectively objected that the government had taken adequate measures to ensure the industry grows, while 41% and 24.9% of owners and operators agreed that the government had taken enough measures to ensure the industry grew.

Respondents who were of the view that the government has not put into place adequate measures for Boda-boda growth gave the following reasons: lack of soft loans for boda-boda purchasing; insecurity is still high within Busia town and its environs, GOK has not addressed rampant corruption among traffic police officers and GOK has not come up with proper legislations and policies to boost the boda-boda industry. Respondents who were of the view that the government had taken adequate measures for boda- boda growth gave their reasons as: Adequate importation of motorbikes; Introducing new models of motorcycles; enforcement of traffic rules; public awareness campaigns on road safety and roads maintenance.

Conclusion

The study findings revealed that majority of the respondents (owners 66.3% and operators 82.5%) had no knowledge of government regulations governing the boda-boda industry. Across tabulation on knowledge on government policies vs amount generated per day revealed majority of owners (46%) with knowledge on government policies and regulations earned between Ksh. 500-999, while only 10% earned Ksh. 1000 and above. Majority of the owners (35%) who did not know government policies and regulations earned Ksh. 1000 and above. This can be attributed to the fact that, those with no knowledge on government regulations and policies flout the traffic rules such as carrying more passengers. According to the findings, there is an inverse relationship between knowledge on government policies with regard growth of the boda-boda industry and the average daily income. Majority of the respondents (owners 59% and operators 75.1%) were of the view that the government has not taken adequate measures to ensure faster and safer growth of the boda-boda industry. It was also realized that most owners (64.9%) and operators (61.2%) saved their daily earnings. Some of the reasons cited include expansion of businesses, repaying of loans and cushioning of their businesses in cases of shocks.

The study revealed that proper government policies and regulations would spur growth of the boda-boda industry. There was an inverse relationship between knowledge on government policies and regulations and the daily earnings of individual in the boda-boda industry in Busia town. Most operators who had no knowledge on policies earned more on daily basis. This is because they flout traffic rules, carries passengers beyond restricted time, picks passengers any howly, and were cheaper among others.

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