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## **Resistance to public transit regulation in developing countries: equity, efficiency, and safety in Islamabad and Lima**

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### **Abstract**

The right to earn a living through legitimate means is enshrined in all charters of human conduct. The state is responsible to provide the infrastructure that allows individuals to draw wages, earn profits, and provide for their households. At the same time, the state is also accountable for the safety, well-being and health of its citizens. These objectives are not always in agreement and often result in discrimination or unrest.

Public transit in many developing countries is operated by the private sector. Also, public transit is often unregulated or transit operators violate traffic laws. Attempts by the state to regulate public transit are often met with hostile resistance. In Lima, Peru, informal transit operators run unsafe vehicles, while drivers fail to comply with traffic regulations. Public transit in Lima has one of the worst safety records in the world and is responsible for many deaths, injuries, and

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extensive damage to property. Transit operators in Lima resisted attempts to regulate public transit by first protesting on the street and later moving to the courts. The judiciary sided with transit operators, recognising their right to earn a living with the means (unsafe transit vehicles) they possess. The courts, however, did not recognise the commuters' right to a safe and reliable transit service, which enables access to jobs and leisure. Public transit in Lima continues to be unsafe and does not serve marginalised groups, such as physically disabled individuals.

In Islamabad, Pakistan, public transit is semi-regulated with poor service and safety records. Also, public transit offers inadequate service to women, while service for physically disabled does not exist. Transit service is unreliable and transit operators often overcharge when supply is scarce. The public sector in Pakistan has divested from intra-urban public transit. Recently, a new transit operator offered safe, reliable, and courteous transit service on select routes in the twin cities of Rawalpindi and Islamabad. The new operator charged considerably higher, yet fixed, fare for the improved transit service. The state offered exclusive operating rights to the new transit operator on select routes. This resulted in protests from other transit operators who lost service rights on those routes. The unrest resulted in strikes, road blockages, and deprived many of a transit service. Many commuters, who could not afford to pay higher fares, joined in protest against the new operator.

This paper offers an in-depth analysis of attempts to regulate public transit in Lima and Islamabad. The paper looks at the state's role in creating regulatory and institutional frameworks to satisfy 'conflicting' objectives of equity, efficiency, and safety in public transit. High public transit mode split in developing countries highlights its critical role in sustaining growth and development in urban areas. Maintaining status quo implies unreliable and unsafe transit service for poor and almost no transit service for physically disabled. But regulating transit may create oligopolies offering expensive transit services. This will violate the rights of small transit operators and low-income commuters. This paper presents a comparative analysis of Lima and Islamabad that explores policy measures to address the concerns of all stakeholders.