

SUMMARY

CONCESSIONING OF THE SOUTH AFRICAN COMMUTER RAIL SUBSYSTEM

This study investigates the concessioning of the commuter rail subsystem, which was discussed in the White Paper on National Transport Policy. The theoretical divide between private and public sector enterprise is investigated in terms of a principal-agent approach. The hypothesis underlying the fundamental shift of services traditionally provided by government enterprise to the private sector is X-efficiency gains under a concession regime. There are, however, potential challenges under a concession regime that must be anticipated. Challenges are identified in terms of an incomplete contract approach with its underpinning source manifested in a bounded rationality concept. The study investigates how rail concessionaires are regulated under a concession regime from an economics perspective and various price mechanisms are explored. The study provides strategies to deal with challenges under a rail concession regime with a view to minimising conflicts that will arise between the parties involved in a concession agreement.

KEYWORDS

Rail concessioning; incomplete agreements; bounded rationality; challenges; X-efficiency; price mechanisms; strategies; roles allocation; risk arrangements.

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