



Journal Homepage: - www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI: 10.21474/IJAR01/11209

DOI URL: <http://dx.doi.org/10.21474/IJAR01/11209>



RESEARCH ARTICLE

TAXI- DRIVING AS AN ECONOMIC ACTIVITY

Dr. Lalrinkimi Pachuau

Manuscript Info

Manuscript History

Received: 15 April 2020

Final Accepted: 18 May 2020

Published: June 2020

Key words:-

Taxi/Auto-Rickshaw Driver, Earnings,
Livelihood, Champhai

Abstract

This paper seeks to provide clarity by offering a framework for understanding various pay and size concepts and a common terminology. Then, using newly available administrative data on Taxi and auto drivers, it answers two key questions: (1) what is the weekly Fare-money earned by Taxis and auto-rickshaws for services, comparable to weekly fare-money i.e., net income after accounting for Taxi/auto service commissions and fees, vehicle expenses, payroll employees' benefits, and the interaction of expenses and benefits with the tax code?; (2) To what extent is owning/driving a taxi/auto-rickshaw profitable?, and (3) What is the scale of Taxi/auto service, and gig work, in the overall Champhai economy. The case of Champhai shows that the taxi and auto rickshaw provides operators with more than mere subsistence. However, the large disparities in earnings between the categories of stakeholders show that all of them do not fare equally well from this extremely competitive activity. Owners-investors, who derive high incomes from their vehicles in a fairly brief period while escaping from the negative consequences of actually driving, are the main winners. Among the drivers, owning the machine is also a positive factor. Because of their experience, or because they work at times when competition is less fierce, some drivers manage to generate an income which provides some hope of escaping from poverty. However, there is disparity in income generated with every increase in commercial vehicle and also, the study is specific to Champhai- a town in Mizoram.

Copy Right, IJAR, 2020., All rights reserved.

Introduction:-

Even though its efficiency as a mode of transport is open to question and its external effects can be criticised, one can still ask whether the taxi / auto rickshaw is an occupation that prevents individuals from sinking even deeper into poverty or if the job actually improves the living conditions of operators and provides a way for impoverished, poorly educated, town dwellers to escape from poverty. After presenting the empirical material, we shall evaluate the economic benefits the operators derive from their activities. A consideration of the difficulties they encounter, the arduous working conditions, the impacts on health and the risk of accidents or aggression will allow us to see why the activity is generally perceived as temporary and undertaken for want of anything better.

As the job required few qualifications, many poorly educated young people see taxis/auto-rickshaws as an opportunity to earn money (Howe and Davis, 2002; Dorier-Apprill and Domingo, 2004; Meagher, 2013). But the mode's success is also partly due to the failings of transport systems, especially that of the semi-urban and rural

regions: the transport authorities regulate them ineffectively, the major transport companies ceased their activities or are in decline, informal transport is both inadequate and expensive and road networks are often in a very bad state of repair (Cervero, 2000; Chile Love, 1988). Finally, their success is the outcome of their qualities as a transport mode: auto-rickshaws are quick, able to travel on roads that are in poor condition, provide door-to-door services, can be purchased with a very small capital outlay, and their fares are lower than for other vehicles for short distances (Agossou, 2003; Nwagwu and Olatunji, 2012; Kamahunda and Schmidt, 2009).

Objectives:-

The main objectives of the study are as follows:

1. What is the weekly Fare-money earned by Taxis and auto-rickshaws for services, comparable to weekly fare-money i.e., net income after accounting for Taxi/auto service commissions and fees, vehicle expenses, payroll employees' benefits, and the interaction of expenses and benefits with the tax code)?
2. To what extent owning/driving a taxi/auto-rickshaw profitable?
3. What is the scale of Taxi/auto service, and gig work, in the overall Champhai economy?

Research Methodology:-

Champhai is one of the districts of Mizoram, a state in India, where taxis and auto-rickshaws serve a very important part of a public transport tool. Today, they are the dominant form of public transport. The results we shall present in this paper have been obtained from the set of quantitative and qualitative data collected in 2019-20.

Our fieldwork was conducted at the end of 2019 and the beginning of 2020 and was a questionnaire survey of 17 taxi drivers and 13 semi-directed interviews of drivers providing this service and other stakeholders; a questionnaire survey of 15 auto-rickshaw drivers, and 15 semi-directed interviews. This paper is essentially based on these, a total of 60 respondents.

The questionnaire administered to the drivers covered six topics: socio-economic profile, organisation of the activity and remuneration, characteristics of the vehicle owner (in the case of drivers who do not own the vehicle), characteristics of the vehicle and operating expenses, and, finally, opinions on the occupation and its future. A last section allowed the drivers to express themselves freely.

The topics that were broached with drivers essentially related to their personal history and career, the organisation of their work, their revenue and expenditure, the owner of the vehicle and the authorities, and their past and future in the activity. In the case of owners who did not drive the motor themselves, particular attention was paid to their reasons for investing in taxis /auto-rickshaws, the contract and their relations with the driver (hirer) and their revenue and expenditure. The topics covered the role of taxis/auto-rickshaws in the transportation system, the organisation of the occupation, and the outlook for taxis/auto-rickshaws both as a mode of transport and a provider of jobs.

In order to ensure that our sample achieved good spatial coverage and reflected the diversity of practices among taxi and auto-rickshaw drivers, zoning was done. This zoning takes account of the main trip generators and activity locations (principal markets, recreation area, administrative centre, university, hospital, etc.), public transport connection points (taxi/auto-rickshaw stands) and residential areas. Respondents were randomly selected so as to enhance the chances of having a wide range of situations.

The questionnaires were administered in Mizo, mainly from Monday to Saturday during off-peak hours, in order to ensure respondents were available and receptive, and thus limit selection biases and data inaccuracies (Mutiso and Behrens, 2011). Drivers working at less busy times, for example, the evenings, early mornings, late nights or Sundays, were also surveyed.

Analysis:

We can divide the drivers into a) those who are self-employed, wherein they drive their own vehicles and b) drivers on a work and pay basis, who are employees of the owners of the vehicles.

The investors do not drive the vehicles, but hire it out. This goes by the name, work & pay, where the drives are employed mainly on a monthly salary basis or some, on a day to day basis. In most cases of hiring out the vehicles,

it is a secondary activity which provides them with an additional income and which constitutes a way of getting a return on their capital. In case of the study area, majority drivers drive their own vehicles.

Socio-Demographic characteristics of the taxi/auto-rickshaw drivers

Table 1:- Socio-demographic characteristics of the taxi/auto-rickshaw drivers.

Respondents	Self- employed	Work & pay	Total average
Mean age (in years)	56	36	46
Born in Champhai District (%)	75	75	75
Edn. Level (% at least high school)	77	50	63.5
Head of household (%)	68	75	71.5

Source: collated through field work

The mean age of the respondents who drive their own vehicles is 56 years, which is older than the mean age of respondents who drive on a work and pay basis. This could be due to the fact that drivers on a work and pay basis are mostly undergoing transitional changes in their mode of making a living i.e., occupational transitioning and life itself.

Most of the respondents are from within the district; and to be a bit more specific, a majority from within the town itself. It is observed that people do migrate from the neighbouring villages to the town in search of better job opportunities.

Education has a very prominent impact on the occupational path a person makes. This is highly evident from the fact that in this study, majority of the taxi drivers do not attain high educational qualification. Schooling is done up to 8th or 9th standard mostly and only few beyond and that too none further than graduation.

From observation it is identified that only males take up most of commercial driving; especially that of auto-rickshaws and taxis.

Average income of taxi/auto-rickshaw drivers (in rupees/week)

Table 2:- Average income of taxi/auto rickshaw drivers (in rupees /week).

Respondents	Weekly Gross Revenue (In Rs.)	Weekly gross Input cost (In Rs.)	weekly Net salary of the drivers who work on a work & pay basis (in Rs)	Weekly-Net Earnings
Self-employed (own vehicle)	4323	1800	-	2523
Work & pay	4500	1625	875	2000
TOTAL average	3874	1712.5	875	2261.5

* This amount does not take account of any vehicle depreciation allowances and the cost of capital.

Source: Collated through field works

From table 2, it is seen that the average weekly net earnings of the commercial auto/taxi service is around Rs. 2300, which makes a monthly net earnings of roughly Rs.10,000. This sum, although, not very huge an amount, is still sufficient to maintain subsistence living in the smaller town areas. It is also noted that the net earnings of the respondents who drive their own vehicles are comparatively higher than those who employ drivers to drive their vehicles. This is because a deduction has to make out of the gross earnings for the employee's salary, which may be worked out as according to the agreement terms of the two parties. Input cost mainly includes amount spent on petrol and for some, daily expenditure on food and related items. These sums are particularly significant in view of the fact that the drivers in question do not own their means of production.

Auto-rickshaws/taxi drivers' domains of investment (%)

Table 3:- Auto-rickshaws/taxi drivers' domains of investment (%).

Respondents	Domestic sphere	Economic sphere	Education	None	Total
-------------	-----------------	-----------------	-----------	------	-------

Self-employed	100	0	0	0	100
Work & pay	89	7	4	0	100

Source: Collated through field work

Majority of the respondents spend their earnings on domestic sphere related investment; which includes home improvements, purchase of land, construction of a house, daily subsistence needs. Secondly comes, Economic sphere which is inclusive of purchase of a vehicle, investment in agriculture, trade, or another occupational activity, savings. The majority of drivers earn enough from the activity to meet their day to day needs and to invest to increase human and economic capital, within their own household. Thirdly, Education which includes tuition fees cost of uniform, etc. for dependent children or the driver himself.

Working pattern of taxi/rickshaw drivers

Table 4:- Working pattern of taxi/ rickshaw drivers.

	No. of hours in a day	No of days in a week
Self-employed	8.12	5.70
Work & pay	9	5.6
Total average	8.56	5.65

Source: Collated through field work

The respondents work roughly 9 hours a day and 6 days a week. There is not much difference in the work schedule of the drivers who are self employed and those that work on a salary basis.

Drivers en route to another occupation

Table 5:- Previous situation of Taxi/auto-rickshaw drivers (%).

	Employed	Unemployed	Student
Self employed	54	29	17
Work & pay	50	25	25
Total average	52	27	21

Source: Collated through field work

The respondents have mainly worked jobs that do not require high educational qualifications. Mostly, their nature of previous jobs includes carpentry and manual labouring. Most took up driving taxis and auto rickshaws, believing it earns more and pays better. Some were also studying just before they enter the profession.

Percentage of taxi/auto drivers working to continue the activity (in %)

Table 6:- Percentage of taxi/auto drivers working to continue the activity (in %).

	Yes, to the end of 2020	Still a driver in 2021,22	Continuously on the search for another jobs
Self-employed	25	25	50
Work & pay	10	76	14
Overall averages	17.5	50.5	32

*The survey was undertaken in February 2020.

Source: collated through field work.

From Table 6, it is seen that, 32 percent of the respondents are continuously on the search for other jobs. However, some among the self-employed have said that their search for other jobs has highly to do with their eagerness to venture in business and related activities and regard taxi/auto rickshaw driving and management as a stepping stone to capital accumulation.

Percentage of taxi/auto drivers who thinks that the activity provides livelihood (in %)

Table 7:- Percentage of taxi/auto drivers who thinks that the activity provides livelihood (in %).

	YES	NO
Self-employed	96	4
Work & Pay	100	0

Total average	98	2
---------------	----	---

Source: Collated through field work

96 percent of the self- employed (drives own vehicle) respondents believe auto-rickshaw/ taxi driving as a stable source of earning livelihood and a hundred percent respondents who are employed to drive by vehicle owners respond to the idea of driving for livelihood as supportive of earning a subsistence livelihood. A total 98 percentage average believes taxi & auto-rickshaw to provide for a manageable livelihood. Some even romanticize the occupation to free them from the chain of poverty.

Findings:

The mean age of the respondents who drive their own vehicles is 56 years, which is older than the mean age of respondents who drive on a work and pay basis. This could be due to the fact that drivers on a work and pay basis are mostly undergoing transitional changes in work nature i.e., occupational transitioning and life itself.

Most of the respondents are from within the district; and to be a bit more specific, a majority from within the town itself, i.e., Champhai town. It is observed that people do migrate from the neighbouring villages to the town in search of better job opportunities.

Education has a very prominent impact on the occupational path a person makes. This is highly evident from the fact that in this study, majority of the taxi drivers do not attain high educational qualification. Schooling is done up to 8th or 9th standard mostly and only few beyond and that too none further than graduation.

From observation it is identified that only males take up most of commercial driving; especially that of auto-rickshaws and taxis.

The average weekly net earnings of the commercial auto/taxi service are around Rs. 2300, which makes monthly net earnings of roughly Rs.10, 000. This sum, although, not very huge an amount, is still sufficient to maintain subsistence living in the smaller town areas. It is also noted that the net earnings of the respondents who drive their own vehicles are comparatively higher than those who employ drivers to drive their vehicles. This is because a deduction has to be made out of the gross earnings for the employee's salary, which may be worked out as according to the agreement terms of the two parties. Input cost mainly includes amount spent on petrol and for some, daily expenditure on food and related items.

Majority of the respondents spend their earnings on domestic sphere related investment; which includes home improvements, purchase of land, construction of a house, daily subsistence needs. Secondly comes, Economic sphere which is inclusive of purchase of a vehicle, investment in agriculture, trade, or another occupational activity, savings and thirdly comes Education which includes tuition fees, cost of uniform, etc. for dependent children or the driver himself.

The respondents have mainly worked jobs that do not require high educational qualifications. Mostly, their nature of previous jobs includes carpentry and manual labouring. Most took up driving taxis and auto rickshaws, believing it earns more and pays better. Some were also studying just before they enter the profession.

96 percent of the self- employed (drives own vehicle) respondents believe auto-rickshaw/ taxi driving as a stable source of earning livelihood and a hundred percent respondents who are employed to drive by vehicle owners respond to the idea of driving for livelihood as supportive of earning a subsistence livelihood. A total 98 percentage average believes taxi & auto-rickshaw to provide for a manageable livelihood. Some even romanticize the occupation to free them from the chain of poverty.

Conclusion:-

The case of Champhai shows that the taxi/auto-rickshaws provide operators with more than mere subsistence. However, the large disparities in earnings between the categories of stakeholders show that all of them do not fare equally well from this extremely competitive activity. Investors, who derive high incomes from their motor in a fairly brief period while escaping from the negative consequences of actually driving, are the main winners. Among the drivers, owning the machine is also a positive factor and the two groups of hirers seem to be the worst off. Because of their experience, or because they work at times when competition is less fierce, some drivers manage to

generate an income which provides some hope of escaping from poverty. However, such an escape is made difficult by the relatively impermeable boundaries which separate the categories. Few work-and-pay drivers become self-employed; very few self-employed drivers manage to become investors. The system operates in a way which seems more likely to reproduce existing inequalities than to reduce them.

What is most fortunate is the fact that there is hardly or minimum traffic congestion in Champhai town, which is found in most cities and towns. Getting stuck in congested traffic, the mileage per unit time that taxi-cab/auto rickshaw travels declines significantly, and hence congestion premium becomes an increasingly important source of a taxi driver's income.

Taxi-driving as an occupation in a town like Champhai offers a certain manageable level of livelihood; although not comfortable enough. The respondents are having, at the moment, a positive mindset towards commercial driving for a living. The majority of drivers earn enough from the activity to meet their day to day needs and to invest to increase human and economic capital, within their household. This scenario may be different for cities and urban areas. While transport policies in Mizoram as well as Indians in general must set out to improve the efficiency of the sector, they must also be part of comprehensive poverty reduction policies. In an economy where jobs are scarce, it would be paradoxical to prohibit a labour-intensive activity that generates income; thus the need for widening prospects in the area.

References:-

1. Agossou, N.S., (2003). La diffusion des innovations : l'exemple des zémijan dans l'espace béninois. Cahiers de géographie du Québec 47(130),pp. 101–120.
2. Cervero, R., (2000). Informal transport in the developing world. UN-HABITAT, Nairobi.
3. Chile Love, M., (1988). Industrial land use activity and intra-urban transport demand in Kaduna town, Nigeria. In: Urban Transport in Developing Countries: Which Policies for Our Towns? Proceedings of CODATU 4. Jakarta.
4. Dorier-Apprill, É. Domingo, É. (2004). Les nouvelles échelles de l'urbain en Afrique. Vingtième siècle. Revue d'histoire (1), pp.41–54.
5. Howe, J., Davis, A., (2002). Boda boda: Uganda's rural and urban low-capacity transport services. In: Godard, X., Fatounzoun, I. (eds), Urban Mobility for All. Proceedings of CODATU 10. A.A. Balkema Publishers, Lisse(Netherlands), pp. 235–240.
6. Kamuhanda, R., Schmidt, O., (2009). Matatu: a case study of the core segment of the public transport market of Kampala, Uganda. Transport Reviews 29(1), 129–142.
7. Lourdes Diaz Olvera, Assogba Guézéré, Didier Plat, Pascal Pochet (2016), Earning a living, but at what price? Being a motorcycle taxi driver in a Sub-Saharan African city. Journal of Transport Geography, Elsevier, 2016, 55, 10.1016/j.jtrangeo.2015.11.010. halshs- pp.165 - 174.
8. Meagher, K., (2013). Informality, Religious Conflict, And Governance In Northern Nigeria: Economic Inclusion In Divided Societies. African Studies Review 56(3),pp.209-234.
9. Mutiso, W., Behrens, R., 2011. "Boda Boda" bicycle taxis and their role in urban transport systems: case studies of Kisumu and Nakura, Kenya. <http://repository.up.ac.za/handle/2263/17308> (accessed 11.9.19).
10. Nwagwu, W., Olatunji, O., (2012). Life saving information behaviours of commercial motorcyclists in a metropolitan city in Nigeria. Libri 62(3), pp.259–275.