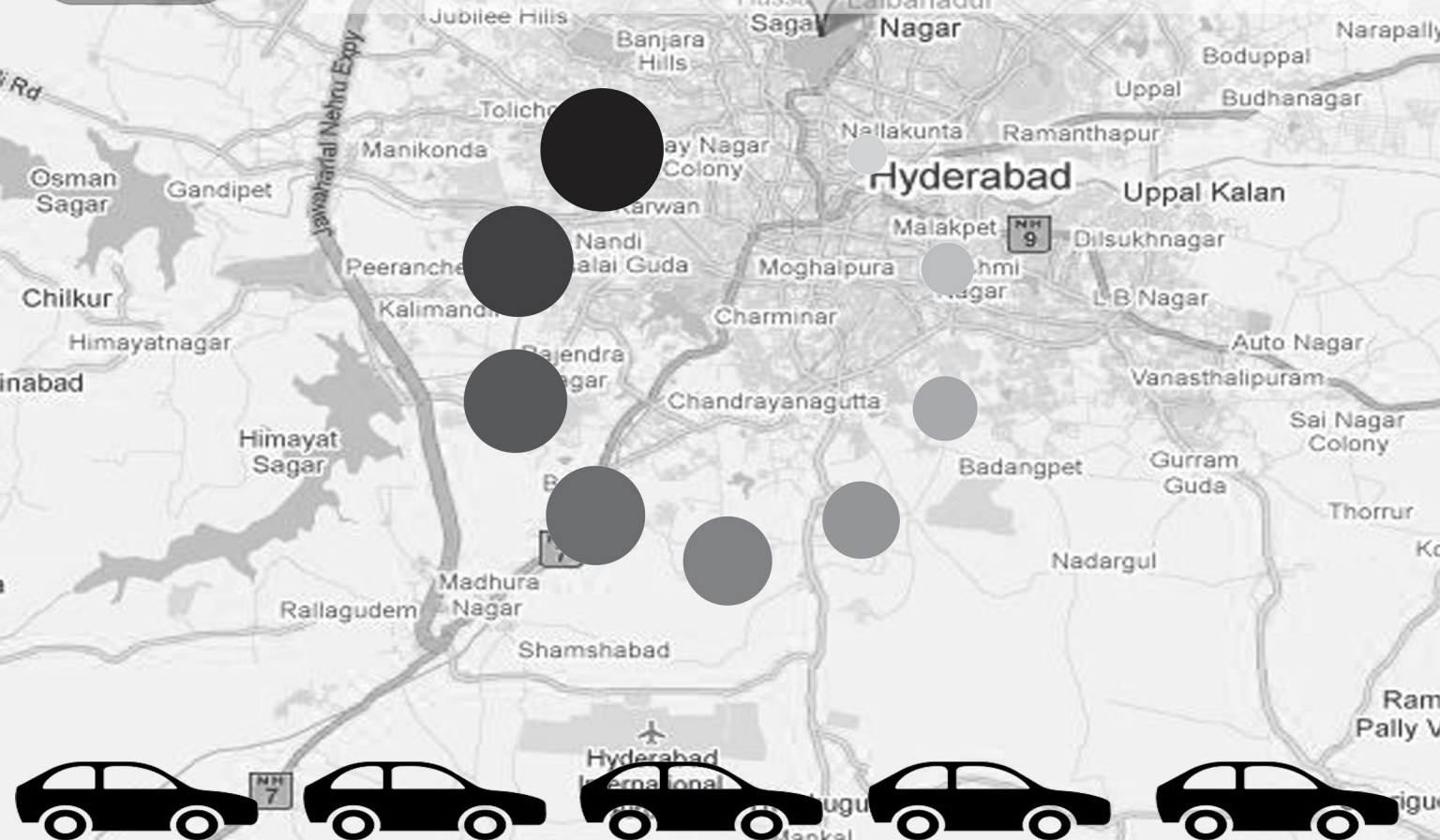
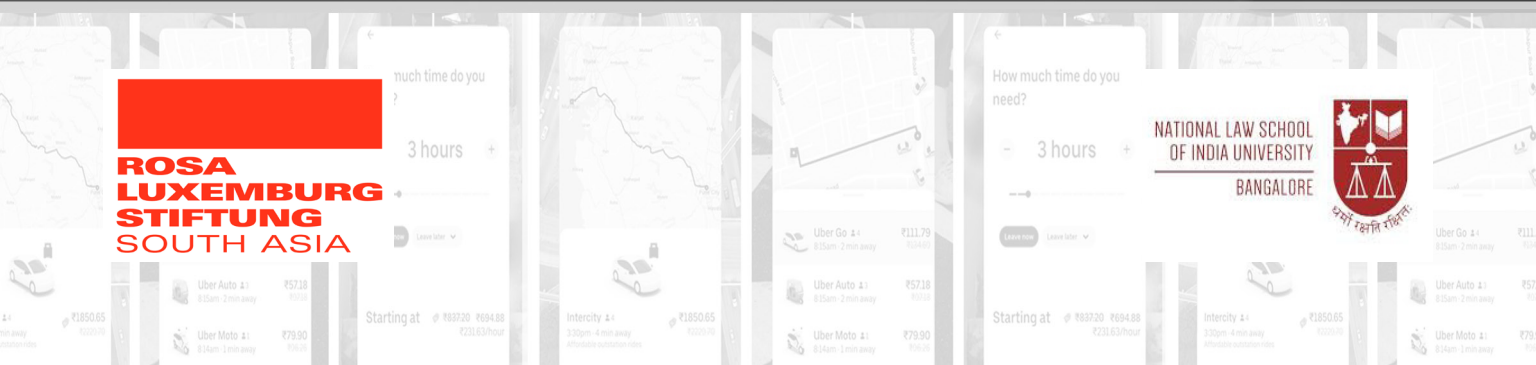


An Introduction to the World of Platform-based Taxi Work A Simple Reader



This reader is based on a study undertaken by the Centre for Labour Studies at NLSIU, Bangalore and the Montfort Social Institute, Hyderabad, among platform taxi drivers in Hyderabad, and supported by the Rosa Luxemburg Stiftung





An introduction to the world of platform-based taxi work

What is platform work? 🚗

A platform for taxi work is a company which links customers to taxis via an app. The customer uses the app to book a ride; the app contacts drivers and arranges the ride. The platform does not own the main asset – the taxi. The cost of taxi maintenance and risk of business downturn (as during Covid) are all borne by the driver – this is known as an asset-light business model.

How does the platform expand its business? 🚗

The platform continuously reduces cost per ride, and the waiting time for the customer so that more and more customers use the platform. To reduce costs, it pushes down the earnings for the taxi. To reduce customer waiting time, it entices more taxis to join the platform so as to have taxis on call all the time and in every area. Small competitors, including individual drivers with regular customers, are driven out of business and have no choice but to join the platform. The platform also holds out the carrot of incentives – but these incentives and targets keep changing. Once enough drivers have joined the platform, it cuts down on driver rates and incentives.

Why do taxi drivers still join platform work? 🚗

Big companies like Uber and Ola when they enter the business entice workers with the promise of good earnings and freedom at work. Most drivers sign, on to agreements without even reading them since without signing they cannot not on-board the platform. Some drivers even made good money when they joined in the early years, but gradually their earnings dropped, and they had to work much longer hours. Today, their earnings can change from week to week, or day to day, and sometimes even hour to hour. This broadly is the situation of many taxi drivers working with platforms in Hyderabad. Today they are forced to continue working with platforms as they dominate the taxi business in the city.

What is the effect of all this on the taxi drivers? 🚗

To understand this, The Centre for Labour Studies at the National Law School in Bangalore and the Montfort Social Institute in Hyderabad, with the help of the Telangana App-based Taxi Workers Union, did a study among taxi workers in Hyderabad. We summarise some of the key findings below. The findings reflect the reality of most taxi drivers; however, there may be many more issues that need to be addressed.

Studies by organisations like the Niti Aayog suggest platform workers are *comparatively young*, working for *fewer hours a day* on gig work, *preferring a flexible work schedule*, and income through *platform work is not their primary source of income*. The results from our study are very different. Many taxi workers are not young; they are middle-aged and often have a family to support. Two third of the workers in our study were over 30 years of age. Nearly all the workers on average worked more than 12 hours each. They clearly did not have short, flexible work-hours. Today, for most, this was the sole occupation.

How much can a taxi worker with Uber or Ola earn? 🚗

The taxi drivers in our study earned on average around Rs.45000-50000 per month after paying the commission to the platform. This might still seem a decent monthly wage: except workers have to also deduct all the expenses for operating the taxi. Fuel cost alone took away 40% of the earnings. Maintenance cost was high given the taxis ran 250-300 kms each day. More than 10% of the earnings went into maintenance of the taxi.

More than half the workers had to pay a large proportion of earnings as EMI. The EMI amount paid was on average Rs.13000 per month, or over 25% of the earnings. Other costs include taxes and insurance, for which we have assumed a small 5% of earnings. What is the taxi driver left with? If he is still paying back EMI each month, he only has around 20% of the total earnings, or Rs.10000 per month on a gross earning of Rs.50000. Is this worth the effort? Many taxi workers said they would be better off with a regular job. They would quit platform work if they did not have the noose of EMI payment every month.

Workers who had paid up all the EMI instalments earned around Rs.23000 per month after all expenses. Even these workers have to consider the depreciation of the vehicle value. How much value will you get when you sell a car which has run over 2 lakh kms. Further, the old car has higher fuel consumption and maintenance cost. It has poor breaks and suspension, increasing the strain of driving. But the worker has no choice except to continue with this old vehicle.

The strain of driving 🚗

Our study starkly brought out the health impacts on the taxi drivers. Half the respondents suffered from chronic back, leg and joint pain. One respondent said the back pain sometimes became so acute that he could not get up from the bed. He had spent Rs.35000 for treatment of his back. His doctor advised regular physiotherapy, but he said: “I can’t afford regular physiotherapy at Rs.1000 per session. I have to bear the pain and carry on working”.

Half the respondents also had other stress related ailments. Two workers complained of diabetes brought on by poor diet and irregular eating times, as well as the stress of work. Some suffered from acute acidity as a result of irregular diet. One worker complained of obesity because of constant sitting and poor diet – his weight increased from 68 kg to 87 kg. One had cardiac problems diagnosed in 2016. Several workers also complained of adverse effect on eyesight, constant tiredness and frequent fever. A driver in his forties summed up the effect of stressful life on the platforms: “I just feel frustrated most times. Eye sight reduced. Most of this doesn’t show when we are young, and in our 20s. After 4-5 years, it will show.” The hopelessness of the statement is a far cry from positive reports of the platform as the new job creator.

Incentives and the app. 🚗

Workers described a wide range of incentive schemes operating simultaneously. According to one worker Uber gave incentive of Rs.280 on completing 20 trips, while Ola gave Rs.160 incentive on completion of 10 trips. Another said that Uber gave incentive of Rs. 300 on completing 30 trips on Friday, Saturday & Sunday consecutive days. A third said Ola gave incentive of Rs.1500 for 60 trips in a week. “But we never get so many trips. Or Ola deliberately does not give us trips. These days we are spending more time waiting than driving.” There were other days when workers did not make the incentive target even after working 16 hours. One worker in the study waited 5 hours from 8am to 1pm, without getting a single ride. He returned home without any earnings. How can anyone plan out for the month with such poor and erratic earnings?

No help from the platforms 🚗

Most drivers complained of the lack of any support from Uber and Ola. The platforms only listened to customers, and their own complaints were mostly ignored. The only way to raise a complaint was through the app. But they rarely got any satisfactory replies: “One customer refused to pay after I completed the ride. I complained to Ola but did not get any response. So I have stopped reaching out to them.” “I raised complaint against a drunk customers; when I protested the customer raised complaint against me. The platform blocked me from driving for 2 days which is a loss to my income. The platform did not bother to ask me what the issue was.” “One customer vomited in the car and when I called the customer care, they told me its not their concern.”

One respondent said the platforms were becoming more aggressive in their dealings with drivers. “The Uber office has bouncers and they behave as if we do not have any rights. We don’t have a parking stations like auto stands. We even end up paying parking fines while waiting for trips.” Some workers said that Ola and Uber were more responsive earlier, while the platforms were still new to the city.

Many drivers said they only had their Union, or other drivers to stand up for them. They had their own Telegram group through which they kept in touch among each other, and come to the support of any driver in trouble. They could not depend on the platform for any help.

Creating market share

The responses from drivers brought out how Uber and Ola were both much more responsive to issues of drivers in 2016, when they were still new in Hyderabad and developing the market. “In 2016, if we used to call customer care with any damage issues, they used to deposit around Rs. 500 in our account.” However, as soon as they had a monopoly control, they showed a totally different side to their business model. Drivers found the new taxi platforms like Quickride, Cab Bazaar and Choice better to work with. However, these new platforms might also behave like Uber and Ola once they are more setablished. Some even talked of leaving the platforms and going back to working with individual customers. However, most rides today only came through Uber and Ola. As one respondent explained, “I boycotted both Uber and Ola for 2 months too. But I had to start using them again because of my financial situation and debts.”

Uber and Ola were introducing autorickshaw service in the city, and workers reported the earnings were much better for this service. However, given the past track record of the platforms, it could be expected that soon the platforms will start squeezing the autorichshaw drivers. They might show their benevolent face only till they have got market control.

In the context, the only way to ensure a fair deal, for both customers and the drivers, is to have an external regulator. The apps can only be understood by the platforms; they cannot be relied upon to be a fair mediator. So what should be the organised demands of the platform based taxi drivers?

Workers' demands

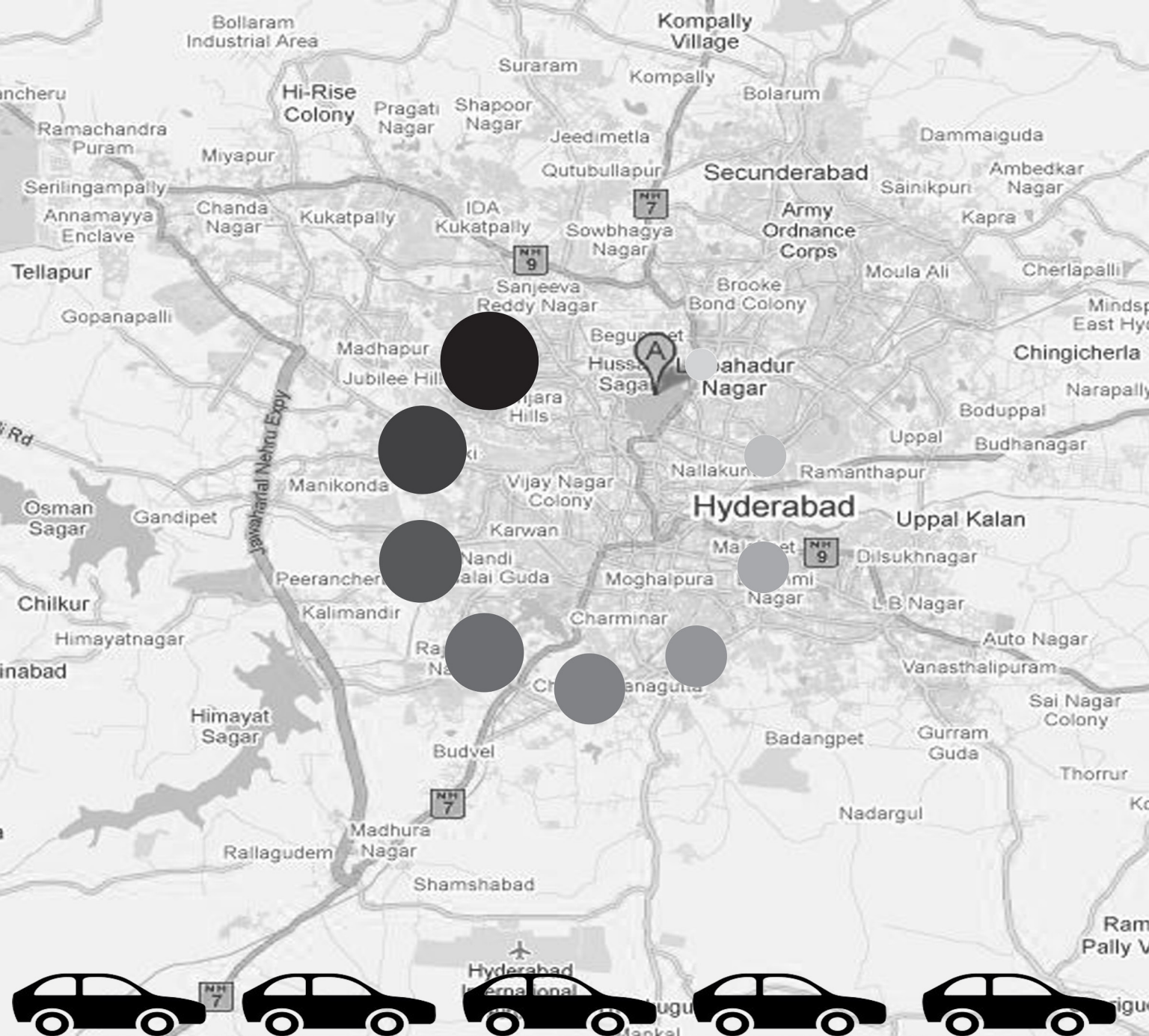
The basic demand of workers in the context is regulation of platform companies, to ensure that workers also have rights in the employment relationship. This requires a legislation covering employment in the sector. The legislation specifically would have to address the following issues:

- Minimum guarantee earnings on the platform.
- Social security benefit to all workers on the platform.
- Transparency of the functioning of the app.
- Accident compensation for both the driver and the taxi.

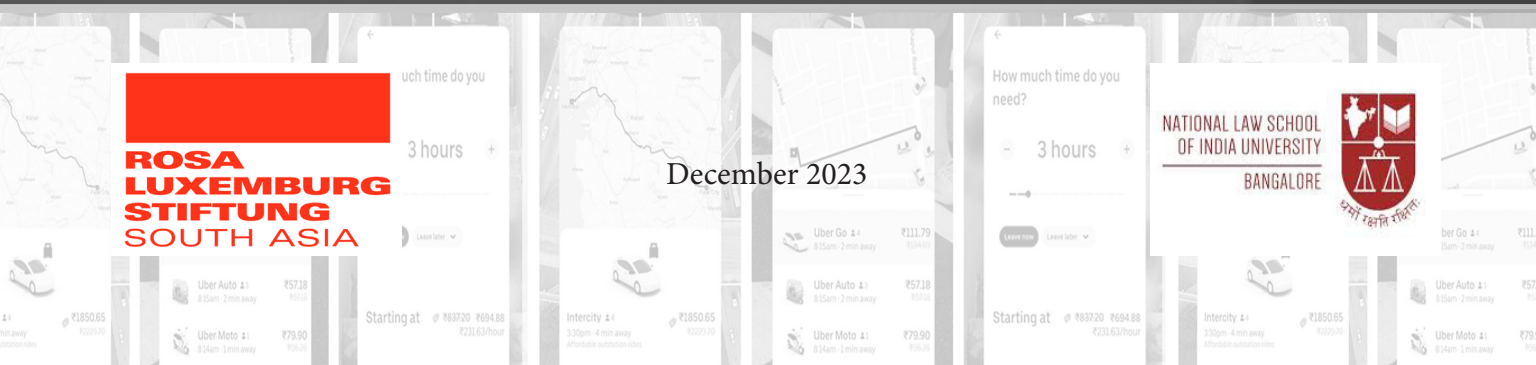


December 2023





Design by Bhagwati Prasad



December 2023