Socio-Economic and Lifestyle Problems of Auto-Drivers in Palani

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Abstract: India is experiencing a massive urbanization and an unprecedented growth in transport system. The Government has successfully intervened to decongest the traffic through infrastructure development. However, road fatalities, air pollution and frequent congestions are a common sight in many metros of India. Adding to the chaos is the muddled eco-system of auto-rickshaws. The informal economies of auto-rickshaws are just not a social-economic problem but also a serious ecological concern. Some of the social-firms have ventured in to bring an eco-balance in the system. This study concentrates on the current socio-economic condition of auto-rickshaw drivers, the prospects and problems encountered by the stakeholders and the role of social organizations in transforming the lives, at large, in Palani. Over 90 auto-drivers were surveyed to understand their economic and lifestyle stature, expectations, problems and need for reforms. And surveyed for understanding their perception using sensitivity analysis.

I. INTRODUCTION

Auto-rickshaws, the most popular Para-transit mode of transport in Palani has a vivid cases of credit commends and criticisms. The Motor Vehicle Act 1988, classifies auto-rickshaws as 'contract carriage'. According to Sec 66 (1) the owners of the vehicle should hold a permit issued by Regional or State Transport Authorities or any authorized authorities permitting the use of the registered vehicle. The cost of obtaining the permit to drive auto-rickshaw (henceforth referred as autos) is less than Rs.500/- and one permit per person could be obtained by any licensed auto-drivers over the prescribed age. However, in reality obtaining a permit is a highly corruptive and a confusing process. The cost of obtaining permit through agents is between Rs.70, 000 and Rs.1, 00,000. The issuance of permits is a menace created by Government orders and its frequent revisions.

This informal sector is plagued with several socio-economic problems. The study is designed for a can did cover of socio-economic and lifestyle problems of auto-drivers and does not attempt to prod upon the unresolved policies and the pitfalls of the Government system, in detail. Autos in Palani, the fifth most populous city of India, play a significant role in providing the last-mile connectivity to a greater fraction of population. This sector is plagued with several problems like financing of auto-rickshaws, policies and corruption in providing permits, setting acceptable fares, parking problems, overcharging, misconduct and many more. Though autos are indispensable mode for urban mobility, its ecosystem, unorganized and independently-run, is a muddle. In this sector, unlike the registered-company-owned fleet system of taxi, the drivers are responsible for all legal entanglements. This complicates the management and regulation of autos.

II. NEED FOR THE STUDY

Auto-rickshaws, being an informal sector, with no control and accountability is despised by Government and Public for their uncongenial behavior. Moreover, the massive transformation to create Intelligent Transport system and Town planning in Palani has further secluded auto-rickshaw from being beneficiary of being a formal sector. The auto-rickshaw operators hail

from economically weaker section of the society. The majority of the auto-drivers in Palani are classified 'urban-poor', dwelling in slums or slum rehabilitated buildings. This study attempts to understand the socio-economic characteristics of Auto-drivers in Palani.

III. RESEARCH QUESTIONS

What are the inherent socio -economic characteristics of auto -drivers that make them despicable? How to revive their job prospects, life - balance?

Do the social organizations serve as public-private partners to transform the lives of auto-drives, socially and economically?

IV. RESEARCH OBJECTIVES

The prime objective of the study is mooted to understand and resolve the socio-economic problems of auto-drivers in Palani. The secondary objectives of the study is to Understand the social and financial status of the respondents Identify the explicit and implicit causes of stress / erratic inhospitable behavior Study the role of social-organizations in uplifting the living standards of the auto-drivers

V. MATERIALS AND METHODS

A Sample of 90 auto-drivers, noted for their uncongenial behavior as described by the passengers or the co -auto-drivers of a stand were drawn from different zones of Palani. Samples were drawn using accidental sampling technique and were surveyed through structured schedulers. A pilot study on auto-drivers was conducted to understand the socio-economic problems and restructure the scheduler accordingly. The responses are classified, tabulated and analyzed to draw insight on socio-economic problems and need for reforms.

The study is well chaptered for logical flow and easy understanding of the facts

Hypotheses

Hypotheses   Test

H1:   Correlation between stress and hours of work

H2:   Correlation between stress and current debts of respondents

H3:   Correlation between stress and family type

H4:   Correlation between stress and domicile type

H5:   Correlation debts and financial awareness

VI. RESULTS

An analysis on the demographic profile of the sample comprised of individuals with varied age, education background, work style and other useful demographic details are provided as tables. An analysis on their work style and operation reveals that many auto-drivers operate on an average for 15 hours. They report in the auto-stand at 7a.m. and end their operation at 9p.m. or 10 p.m. It is also identified that auto-drivers who work as part-time profession prefer to go on night shifts. The average kilometers, on any normal day, operated is 80 per day and the average empty kilometers is 3 per day. The average earnings through operation of rickshaw is Rs.600 per day. The average income available for disposal after the lease fee, daily commission, fuel expenses is Rs.7000 per month. The frequency data on their work hours and income is given in Table 2 and 3.

Table 1. Age and Education

Age of the operator		Education of the operator	
Class	Response	Class	Response
21-25	07	Illiterate	22
26-35	19	< 10	44
36-40	22	HSC	19
40-45	15	Diploma	03
46-50	19	UG	02
>50	08	PG	00

Table 2. Work hours and Shift

Hours of operating Auto		Night shift	
Class	Response	Rating	Response
< 5	03	Never	43
5-8	10	Some times	24
8-12	23	Mostly	18
12-18	54	Always	05

Table 3. Distance travelled and Income per day

Average kilometers Of operation per day		Average kilometers Of operation per day		Income per day on a busy day		Income per day on a dull day	
Distance	Response	Distance	Response	Rupees	Response	Rupees	Response
<30	03	< 2	27	<500	02	<200	08
30-50	17	2-5	63	500-800	60	200-500	67
50-100	32	5-10	00	800-1000	23	500-800	15
100-120	30	10-15	00	>1000	05	>800	00
>120	08	>15	00				

A deeper look into the respondents' family income and number of income/ wage earners revealed that additional income from the other family members was required to support the family. The Table 4 clearly depicts the family structure and job-types of other family members who take a share- of-responsibilities, whereas Table 5 reflects the average income from operating auto -rickshaw and the average family income.

These tables are important in understanding the financial status of the auto-drivers. The domicile details of the respondents are given in table 6. It is understood that 18% of the auto-drivers dwell in slums that are thatch roofed or make-shift residence. About 26% of the respondents live in slum rehabilitated dwelling for rent and about 16% of the respondents own the government facilitated slum rehabilitated houses. This statistics provides the living space available for the auto-drivers and their life-style. Further the pivot tabulation on number of family members and the mouths-to-feed will clearly depict their socio-economic stature.

Table 4. Family type, Income-earners and their Occupation category

Number of family members		Number of salary earners in the family		Job Details of earners	
Family type	Response	Income-earners	Response	Job type	Response

Single	06		Sole	24		Govt. job	07
Married	84		2 Earning members	36		Pvt. Job	22
Married nuclear	27		3 Earning members	21		Self – owned shops	16
Married joint	57		4 Earning members	09		Domestics	85
2 member	18						
2-5 member	54						
>5	12						

Table 5. Income from operating Auto-rickshaw and total family income

Monthly income from operating Auto		Average family income	
Rupees	Response	Rupees	Response
<5000	04	<5000	04
5000-8000	30	5000-8000	19
8000-10000	56	8000-10000	29
10000-12000	00	10000-12000	05
12000-15000	00	12000-15000	27
>15000	00	>15000	06

Table 6. Average and most common monthly expenses for a family of 2 adults and a child

Average monthly expenses per month	Rupees
Living expenses	
Rental paid	2000
Average EB & Water charges	300
Daily purchase of milk and vegetables	2000
Regular provision	800
Medical expenses	200
Education fees	600
Eating out	600
Expenses towards habituated behaviors	500
Average of total living expenses	**7000**
Occupational expenses	
Lease rent paid	4500
Maintenance of vehicle	1000
Fuel charges	7500
Miscellaneous	1000
Average of total Occupational expenses	**14000**
Average debt carried forward or borrowed per month	**6500**

The study was extended to understand the average monthly expense of nuclear families with a single child. The data from the actual sized responders and the perception of other samples were obtained, normalized and presented in Table 7. The Table 7, clearly reflects income and expenses and further details on the continuous debt carry-over pattern. With this as an initiation, the borrowing pattern and purpose, their financial literacy level, their inclination towards financial planning and the numerical aptitude were tested.

Table 7.Assessment of numerical ability

Attributes	Correct	Incorrect	Don't Know
Numerical-Percentage	55	13	22
Numerical-Division	47	10	33
Compound Interest	28	09	53
Time Value of Money	02	03	85
Awareness Inflation	80	10	00

VII. BORROWING METHODS

A closer look at the borrowing behavior reveals the unawareness level of auto-drivers, their desperateness to borrow and the inherent social malice present in the system that exploits their non-exposure to reliable funding sources, illiteracy and their forlorn for money. The below given information depicts the sources of borrowing and the purpose.

In times of financial crisis	*%* *(rounded-off)*	*Purpose for Borrowing Money*	*%* *(rounded-off)*
Approached neighbors for money	88	For food	93
Approached co-drivers in the stand	65		14
Approached relatives for money	30	For medical	37
Worked for payment in kind	12	For paying lease	65
Found other sources of income	05	For meeting regular expenses	56
Borrowed money from money lenders	76	For paying school fees	84
Borrowed money from speed lenders	59	For repaying loan	91
Pledged assets	63	For fuelling the auto	81
Sold assets	35	For obtaining permits	
Took children out-of-school	11		67
		For paying security deposit to lease-in autos	32
		For paying bribes	

Difficulties Faced in the Informal System of Borrowing Money.

» Unjustifiable high rate of interest

» Multiple interest rate

» Interest-on-interest

» Lack of transparency in interest rate and repayment

» Up-front collection of belongings

» Coercive methods of recovery

» Ill-treatment, verbal abuse and physical assault

» Seizing of autos or other assets

Financial Literacy: The ability of the respondents to manage their personal finance is studied in order to gain a better perspective on the causal effect of stress, their life style and the emotional imbalances

The respondents were systematically posed with the following set of questions and their responses are recorded below. Considering the education level of the auto-drivers, complex saving and investment terms were avoided.

An analysis on the respondents' financial planning mechanism- the essential numerical ability, awareness, need and financial literacy level.

Table 8. Financial Planning ability

Actions/Planning frequency	Every Month	Whenever require	Every Year	Never /Unable	Plan Executed
Goal setting priority the financial needs and expenses	67	20	00	03	00
Information gathering and analyzing	59	27	01	03	00
Developing a financial plan	64	22	01	03	00
Managing a credit and cash	25	32	00	33	00
Investment planning	39	01	04	46	00
Estate planning	04	00	05	48	33

Purpose of Having a Savings Account

It is understood that many of the respondents hold a saving account with either the banks or unorganized chit-fund floaters, with an intention to manage their money; however, due to insufficient income, escalating expenses and inadequate knowledge on financial planning they are in debt-traps. Though, an intense test on their financial planning ability is not done, their intention to save, invest and financial planning behavior were studied and are given in Table 8.

Number of Auto-Drivers with Savings Account (Self / Family Members) with a Bank

- » Without savings account   33
- » With savings account   56
  - o National banks / post office   10
  - o Private Banks   02
  - o Chit-funds   44

From the study, it is understood that though 75% of the respondents set financial goals and prioritize their monthly spending, they lack in systematic and persistent approach. About 66% of the respondents collect information on the venues to invest, again not from the designated authorities but from informal sources. Their financial planning, credit and cash management strategies and investment decisions are adhoc, unorganized and poor in its capacity

Prime Methods to Cope Stress

Though, the respondents adopt many methods to cope stress, their most frequently used and preferred methods reflect that except 1% the remaining auto-rickshaw drivers are addicted to alcohol or tobacco consumption

Most Frequently used Methods of Coping Stress number of Respondent

- » Taking off the work   05
- » Family get together   04
- » Entertainment   06
- » Smoking and / or consuming alcohol   69

» Drugs   00

» Other   06

The General Statements of Auto Rickshaw Operator on Their Daily Problems

» The fare fixed is unrealistic - not matching the cost-of-living

» We are treated very badly by public and police

» The society exploits our illiteracy

The General Opinion of Public on Auto Rickshaw Operators:

» They exploit innocent and unaware public

» There is no standard fare, despite government intervention and strong action against defaulters.

» They are argumentative by nature

» Unreliable and unsafe to travel in some routes and during certain hours

VIII. FINDINGS AND ACCEPTANCE OF HYPOTHESES

» Accept H1, There exists a strong statistical correlation between stress and hours of work, r = 0.54 (178), $p < 0.001$

» Accept H2, There exists a strong statistical correlation between stress and current debts of respondents, r = 0.73 (139), $p < 0.001$

» Accept H3, There exists a statistical correlation between stress and family type = 0.31 (178) $p < 0.001$ Accept H4, There exists a strong statistical correlation between stress and domicile type, r = 0.63 (178), $p < 0.001$

» Accept H5, There exists a strong statistical correlation debts and financial awareness, r = 0.89 (178), $p < 0.001$

IX. LIMITATION

The following aspects are considered as a limitation to the study

» The study has not taken into account the ownership of autos operated, number of dependents

» An in depth analysis on the reasons for financial crunches encountered

X. CASE ANALYSIS OF THE ROLE IN TRANSFORMING THE LIVES OF AUTO- DRIVERS

With this backdrop, a new initiative was launched on 19th May 2013 that intends to change the existing ecosystem of the unorganized and unregulated system. The concept aims at providing secure travel and trust-worthiness. They were put on orientation program to behave courteously with the passengers. They have been strictly instructed to wear informs, deal politely with their commuters, run the meters and issue receipts at the end of each trip, not to consume alcohol while on duty. The State Government of Tamilnadu has taken this initiative as a pilot study to formulate the policies. Hence, initiative was a trend setter and role model for ethical business focusing to serve to common public with reasonable profit margin.

XI. CONCLUSION

The contribution of this study is four-fold. First, the present socio-economic characteristics of the auto-rickshaw drivers were studied. Secondly, their work pattern and pressure were understood. Thirdly, the cause for stress and the uncongenial behavior, as voiced and as evident from the research, is related to their financial or economic crunches and their financial literacy level is identified. Finally, the perception of the participants is recorded through sensitivity analysis.

References

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4. A Quick Analysis on the Auto-drivers and Their Sensitivity Towards Their Socio-economic and Behavioural Attributes Are Given below