

Financial Well-being of Auto Drivers in Bangalore – A Study Conducted under Research Promotion Scheme of AICTE

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Abstract: Auto drivers play an important role in towns and cities in India. They complement the public transportation facilities to a very great extent. Many people get into this profession with hope of earning a decent income for the benefit of themselves and their families. However, the lives of auto drivers is one of financial struggle with low earnings and savings. The current paper attempts to know the reasons for choosing to drive auto rickshaw. It also delves into finding the relationship between education and different aspects of financial well-being.

Keywords: Auto rickshaw driving, financial well-being, savings, correlation.

I. INTRODUCTION

Autos are an integral part of the transport system of every growing city in India. They are indispensable. India is experiencing urbanization like never before. Many Metros now have a well-established bus facility and Metro trains. Due to Urbanization, the population in the cities is increasing rapidly and hence the cities are unable to accommodate that growing population. Due to the fast growing population public transport system seems insufficient and not efficient to cater to the needs of the city. The growing population has placed a higher demand on the public transport system and they have not been able to cater to the needs of people of all the socio-economic groups. People go for auto services as they find them more flexible in many ways such as timings, routes, destinations etc. and they provide door-to-door service. Autos are found to be easily accessible and affordable. Autos can be hired anywhere anytime and prior booking is not required. In the cities as the number of autos is also very high, getting an auto is almost always an easy task. Autos are classified as light motor three-wheeled vehicles with carrying capacity of three people. These autos are used by common man for their various commuting requirements on the regular basis. Taxis are the direct competitors to the autos. Few years back the situation was different. There was a clear segment to which the autos used to cater to. Taxis were preferred occasionally when a large number of people have to be carried or when the long distance had to be covered. But of late that separating boundary is vanishing with more taxis on a road and they are becoming more easily accessible and affordable. Now due to the changing scenario of the industry, the autos are at crossroads wondering what the future has in store for them!

Bangalore is the third most populous city in India. Bangalore is known as the IT hub of India and is growing very fast. Naturally, the growth and developments create most of the job opportunities in the city and hence lots of people migrate to this city to make their career and earn their livelihood. Bangalore has a population of 10 million, and is growing very fast [1]. Close to 50 lakh people depend on Bus service to commute in Bangalore [2]. This doesn't seem to be sufficient to cater to the population of Bangalore. The city has around 1, 46,481 autos operating across the city to cater to the ever growing population of the City. Autos comprise of 2.7 % of the registered vehicles in Bangalore [3]

Unlike taxis, autos are not run as a fleet by an organization or in an organized manner. Autos are owned by individuals. It is also a common scenario wherein an individual owning single or multiple autos will give his vehicle on rent to the drivers. Most of the drivers of these autos come from lower income group of the society and their literacy level is also quite low. This demographic class has been deprived of many things like good education, housing, financial necessities such as bank account, insurance etc. The reasons for the same could be their financial condition.

On an average, the auto drivers run their autos from 100 kilometer to 150 kilometers and earn around Rs. 600/- to 900/- per day[4]. When we take a close look at their earnings and expenditures hardly they earn Rs. 400/- for themselves. It is very difficult to lead a decent lifestyle with such meager earnings.

Apart from these financial hurdles they also face many other challenges. Very frequently they get into problems with traffic police. As published by the Bangalore Traffic Police, the number of cases booked is 3036122 out of which 399055 pertain to Auto drivers [4]. This indicates that the number of cases booked against auto drivers is 4 times the number of cases booked against other drivers. It also indicates that every auto is booked for some or the other offense at least 6 times in a year.

This is a serious concern which should be addressed by the Bangalore Traffic Police and other related authorities. The most common complaints received by the Bangalore Traffic Police are Refusal to come, Meter tampering, demanding excess fare, taking a long route, rash driving and Verbal and Physical abuse [5]

The present paper is an attempt to understand the factors influencing Auto Drivers to choose this profession and to check whether this helps them financially to lead a decent life. Also, an effort is made to understand the role of education in making financial decisions.

II. LITERATURE REVIEW

Toronto's Taxicab Industry (2011 & 2013) - This detailed report on Toronto's Taxi Cab industry discusses issues of customer service, affordability, safety and viability. The report also attempts to provide ways to resolve them. [6]

S Subendiran (Dec 2014) is of the opinion that the informal economies of the Auto-rickshaws are not just a social-economic problems but a serious ecological concern. 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. This study concluded that the cause for stress and the uncongenial behavior, as voiced and as evident from the research, is related to their financial or economic crunches. [7]

Rajesh Ranjan (2015) examines the relation between work-life balance and quality of life among auto rickshaw drivers in Mumbai. The author has assessed the components of work-life balance on time balance. The study constitute not only valuable insights and attract the attention towards the deteriorating condition of the auto rickshaw drivers and highlight their work-lives, but also provide a tentative starting point towards the greater understanding of current scenario under which the auto-rickshaw drivers are performing their duty This study indicates those who spent more time on family than work (driving) experiences a higher quality of life than who spent more time on work (driving) than family. [7]

Akshay P Shinde (2012) focuses on inadequate road-based public transport services, and a seeming —culture of tolerance have led to more traffic congestion, pollution, and stress-related travel problems. The study concludes that there is a change in the needs of people as the economic prosperity permeates to different segments of the population and brings different meanings to artifacts. The study throws light on the auto rickshaw, a three-wheeled cab system as a potential design opportunity that could meet these latent needs of commuters. [7]

Akshay Mani And Pallavi (2011) have done an elaborate literature review of auto rickshaw industry and the major finding of this study was lack of rational permit policies across cities and also lack of transparent and analytical framework for fixing the auto fares and revision of the same[9].

Aparna Bhat (2011) tries to examine the political economy that determines the functioning of Mumbai's auto rickshaw system. It looks at the various factors involved and interested parties in the system and the current issues faced due to the political economy. The paper also examines the validity of the reasons for imposing the regulations in the auto rickshaw system, and thus for the creation of the political economy. The author suggests replacing the existing three-seater auto rickshaws with larger ones which can promote shared traveling. This would ensure a further reduction in the fares to each individual commuter while also not adding to the problem of congestion on the roads. [10]

Auto Rickshaw industry has been studied by various authors with different objectives. Many have studied the life of Auto drivers as well. One of the common findings of these studies is that there is a severe financial crunch in the lives of Auto Drivers. This lacuna is leading to many other problems in their lives. The current study is an attempt to find out the financial well-being of the Auto Drivers in Bangalore city

III. RESEARCH DESIGN

A. Objectives of the Paper:

1. To understand the role of various factors affecting the lives of auto drivers
2. To understand in detail the benefits of considering auto driving as a profession on their financial wellbeing
3. To investigate the association between level of education and financial well-being among auto drivers.

B. Data collection and analysis

The primary data for the study was collected by administering schedules to 300 auto drivers in Bangalore, out of which 255 were complete and suitable for analysis.

Correlation and Chi-square analysis were applied to investigate the association between level of education and financial well-being among Auto drivers.

C. Operational definition

Financial well-being is measured by the auto drivers' savings ability, ownership of auto, having a bank account, life insurance, medical insurance and their owning of debit/credit cards.

D. Hypotheses

The following hypotheses were tested.

Hypothesis 1: There is a positive correlation between level of education and auto rickshaw ownership

Hypothesis 2: There is a positive correlation between level of education and savings.

Hypothesis 3: There is a positive correlation between years of experience and average daily earnings

Hypothesis 4: Drivers with higher levels of education have a higher chance of having a bank account, life insurance, medical insurance and debit/credit cards (education and financial wellness are associated.)

E. Limitations:

We collected data from 300 people and only 255 of them were fit for analysis. The sample size is not large enough to generalize to the population. The responses from the Auto drivers are considered to be true and final.

IV. RESULTS AND DISCUSSIONS

The analysis is presented below:

- Out of 255 auto drivers, 51.2 percent belong to the age group 26 to 40 years.
- 71.9 percent of them are educated up to SSLC or less.
- The majority of the drivers (82 percent) are married.
- 46 percentage of the sample have over ten years of experience of driving Auto-rickshaws.
- 51 percentage of these drivers agreed that the 'self-employment' feature of this profession attracted them the most.
- 44 percent of them are satisfied with the profession they have chosen.
- Another important point to be noted is that 92 percent of the samples do not have any other alternate source of information and income from Autos is the only source of income.
- 64 percent of the drivers have their own Auto Rickshaw and 29 percent of the people who have rented their Autos pay Rs. 150/- per day.
- 38 percent of the Drivers earn around 400 to 800 rupees per day. But 36 percent of the drivers earn only 200 to 400 rupees day. However, 19.4 percent of people earn between 800 to 1200 rupees and only 4 percent of drivers even earn up to 1500/- rupees per day.
- 69 percent of the drivers are able to save their earnings for their future requirements and 28.7 percent of them are able to save between 1000 to 3000 rupees.
- A good 54.3 percent of the drivers drive auto for 9 to 12 hours in a day and 39.9 percent of them are able to serve 10 to 20 customers in a day. 34.5 percent of the people even serve 20 to 30 customers also.

The results of hypothesis testing are presented under two heads:

- A. Correlation analysis
- B. Chi square analysis
- A. *Correlation analysis*

Table I

CORRELATIONS between EDUCATION, SAVINGS and AUTO OWNERSHIP

Particulars	Statistics	Education	Monthly Savings	Own Auto
Education	Pearson Correlation	1	.052	-.086

	Sig. (2-tailed)		.407	.171
	N	255	255	255
Savings per month	Pearson Correlation	.052	1	-.119
	Sig. (2-tailed)	.407		.058
	N	255	255	255
Auto Own or rented	Pearson Correlation	-.086	-.119	1
	Sig. (2-tailed)	.171	.058	
	N	255	255	255

TABLE-II

Correlation between years of experience and average daily earnings

Statistics		years of Experience	Average earning per day
years of Experience	Pearson Correlation	1	-.187**
	Sig. (2-tailed)		.003
	N	255	255
Average earning per day	Pearson Correlation	-.187**	1
	Sig. (2-tailed)	.003	
	N	255	255

** . Correlation is significant at the 0.01 level (2-tailed).

Hypothesis 1: There is a positive correlation between level of education and auto rickshaw ownership

Financial wellness is a function of education. With better education, the chances of a person owning an auto are high because of his awareness of various facilities and higher earning capacity. Correlation between education and ownership of auto, however, is found to be negative (-0.086). This means that education does not improve the chances of a person buying an auto. However, the finding is not significant.

Hypothesis 2: There is a positive correlation between level of education and savings.

It is believed that education will enhance a person's knowledge, skills and make him more efficient. When we tested our hypothesis, the correlation was found to be weak and positive (.052) and is also insignificant

(.407). Hence, it can be said that as education increases the capacity to save will not increase significantly.

Hypothesis 3: There is a positive correlation between years of experience and average daily earnings.

With more experience a person will become more proficient and he will be able to do the work better, faster and more effectively. Therefore, we have chosen this hypothesis to check if the same is true with the sample. The correlation between the variables number of years of experience and average savings is found to be negative (-.187). But at the same time it is very significant. Hence, we can say that with an increase in the experience of a person, ability to save has not increased. This is a potential area for further investigation.

B. Chi-square analysis

The hypothesis was

Hypothesis 4: Drivers with higher levels of education have a higher chance of having a bank account, life insurance, medical insurance and debit/credit cards (education and financial wellness are associated.)

With education and improved financial literacy, awareness about available financial products increase. Any Individual would want to secure his life through financial planning which includes investing in life insurance, medical insurance and having a bank account, debit/credit cards etc. When we checked this for the Auto drivers, the results were:

a) Education And Medical Insurance

Table-III (1):
CROSS-TABULATION: EDUCATION and MEDICAL INSURANCE

Particulars	Statistics	Education				Total	
		SSL C OR Less	PU C	Graduation	Others		
Medical insurance	No	Count	154	41	6	18	219
		% within Education	84.2 %	87.2 %	85.7%	100.0%	85.9%
	Yes	Count	29	6	1	0	36
		% within Education	15.8 %	12.8 %	14.3%	.0%	14.1%
Total	Count	183	47	7	18	255	
	% within Education	100.0%	100.0%	100.0%	100.0%	100.0%	

Table-III (2):
CHI SQUARE RESULTS

Statistics	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.481 ^a	3	.323
Likelihood Ratio	5.989	3	.112
Linear-by-Linear Association	3.249	1	.071
N of Valid Cases	255		

Out of 255 respondents, only 36(14%) claimed to have medical insurance and around 219 (86%) said that they did not have any medical insurance. This was same across all education levels. With $\chi^2 = 3.481$, $p > 0.05$, there seems to be no association between level of education and investment in Medical insurance.

b) Education and Possession of Life Insurance policy

TABLE IV (1):
CROSS-TABULATION: EDUCATION and LIFE INSURANCE POLICY

Particulars	Statistics	Education				Total	
		SSL C OR Less	PU C	Graduation	Others		
Life insurance	No	Count	121	25	5	11	162
		% within Education	66.1 %	53.2 %	71.4%	61.1 %	63.5 %
	Yes	Count	62	22	2	7	93
		% within Education	33.9 %	46.8 %	28.6%	38.9 %	36.5 %
Total	Count	183	47	7	18	255	
	% within Education	100.0%	100.0%	100.0%	100.0%	100.0%	

TABLE-IV (2)
CHI SQUARE RESULTS

Statistics	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.932 ^a	3	.402
Likelihood Ratio	2.877	3	.411
Linear-by-Linear Association	.442	1	.506
N of Valid Cases	255		

Out of 255 people, 93(36.5%) claimed to have life insurance across all education levels and as many as 162 people did not have any form of life insurance. With $\chi^2 =$

2.392, $p=0.402$ (>0.05), there seems to be no association between the variables Education and Life insurance. This indicates that improving education levels do not lead to their possessing of life insurance policies.

c) Education and Bank Account:

Table-V(1):
CROSS TABULATION: EDUCATION and BANK ACCOUNT

Particulars	Statistics	Education				Total	
		SSL C OR Less	PU C	Graduation	Others		
Bank account	No	Count	53	5	1	7	66
		% within Education	29.0%	10.6%	14.3%	38.9%	25.9%
	Yes	Count	130	42	6	11	189
		% within Education	71.0%	89.4%	85.7%	61.1%	74.1%
Total		Count	183	47	7	18	255
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE-V (2):
Chi Square results

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.676 ^a	3	.034
Likelihood Ratio	9.714	3	.021
Linear-by-Linear Association	.006	1	.939
N of Valid Cases	255		

Out of 255 people, 189(74.1%) people had bank accounts across different levels of education. With improving levels of education, people seem to have realized the importance of having bank accounts. The association is strong with $\chi^2 = 8.676$, $p < 0.05$. Thus it can be said that bank account is the only financial instrument which most of the auto rickshaw drivers possessed.

d) Education and Credit Cards:

TABLE-VI(1):
CROSS-TABULATION: EDUCATION and CREDIT CARDS

Particulars	Statistics	Education				Total	
		SSL C OR Less	PU C	Graduation	Others		
Credit Card	No	Count	172	41	5	18	236
		% within Education	94.0%	87.2%	71.4%	100.0%	92.5%
	Yes	Count	11	6	2	0	19
		% within Education	6.0%	12.8%	28.6%	.0%	7.5%
Total		Count	183	47	7	18	255
		% within Education	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE-VI (2):
CHI SQUARE RESULTS

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.453 ^a	3	.038
Likelihood Ratio	7.771	3	.051
Linear-by-Linear Association	.000	1	.984
N of Valid Cases	255		

Only 19% of the Auto drivers out of 255 had credit cards. However, the percentage of drivers having credit cards increases with the level of education. With $\chi^2 = 8.453$, $p=0.038$ ($p < 0.05$), the association between education and ownership of credit cards is significant.

V. CONCLUSION

Auto drivers play a very significant role in urban and semi urban local transport. They complement the services provided by public transport. But, the plight of the drivers is a matter of concern. Auto Rickshaw drivers come from economically backward class of the society and most of them found to be educated up to SSLC or less. Their savings are insufficient and their average earnings are just enough to meet both the ends meet. With around 5 dependents vying for a share of their earnings, it looks almost impossible that there will be any positive transformation in their lives for years to come.

It was observed that education has not enhanced their capacity to earn more or to save more for their future.

Financial inclusion is a dream for them. Most of them do not possess life insurance, medical insurance and debit/credit cards. Apart from education, there are various other factors such as health issues, addictions etc., which may have impacted their economic life. This calls for further investigations to ascertain whether some other skills are required to make them more effective or alternative income avenues can only help them to improve their financial wellbeing.

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