

A Study of the Autorickshaw Sector in Bangalore City - Suggestions for Improved Governance December 2012, CiSTUP, IISc

Autorickshaws are the primary para-transit mode in Bangalore city. Plugging the gap between public and private transport modes, they are an important and integral part of the city's public transportation system. Their mode share has grown consistently over the years, pointing to the demand for their services. As per 2008 figures, autos catered to a substantial 13% of total trips (equivalent to the share of private four-wheelers), while constituting only 3% of total vehicular numbers (where 4-wheelers constituted 16%).

Moreover being in the private sector, they provide a valuable public transport service, sans government funding and little if any subsidy. Despite the significant supporting role played by them, they do not receive adequate attention. Rather there is a disparaging attitude towards them in general, and laws/regulations tend to focus more on limiting or discouraging them. It is important to recognise that though there are shortcomings (which are at times the result of other systemic issues), autos in themselves are not bad. What is required is an enabling policy and environment that capitalizes on their positives and minimizes their negatives. It is crucial to look at the improvement of autorickshaw services and integrate them with other public transportation systems in the city to arrest the rapid and disturbing shift to private modes.

The objectives of this study were to:

- Present a comprehensive assessment of the autorickshaw sector in Bangalore City - looking into the regulatory environment (laws/rules, formal procedures), market and operational characteristics, associated economics, non-formal elements (role of middlemen), purchase and financing mechanisms, stakeholder profiles (roles/responsibilities) and perspectives, private entrepreneur solutions/initiatives, etc.
- Identify key issues and areas for improvement (both at specific and systemic levels), and put forward some suggestions/recommendations based on the same.

The larger aim was to raise awareness, highlight and bring real (underlying) issues into focus, encourage greater dialogue among stakeholders and ultimately, to inform policy and decision-making for improved service and governance of the autorickshaw sector.

Some of the key issues and suggestions emerging from the study are as follows:

1. Policy, Laws/Regulations

- Auto Cab Permit System, Eligibility and Procurement: issues arising out of the 'closed' (controlled) and 'transferable' permit system adopted in Bangalore city, loopholes in eligibility rules related to 'transfer' of permits giving rise to illegal auto operations, permit mafias and the black market; a web of irregularities, middlemen, corruption/bribery and exploitation.

Suggestions: The study makes the case for an 'open permit system' in Bangalore city, where the market (demand-supply and economics) balances the numbers. Auto cab permits should be made non-transferable, except in the case of legal heirs. Stipulate and enforce eligibility criteria for procurement of permits (like possession of valid auto cab DL-Badge, maximum permits allowed, etc); to promote equitable distribution, self-employment and better accountability (on part of auto owners/drivers). Special license and rules to be stipulated for organised fleet-based services. *(see Chapter 13, pg 139)*

- 'Green Tax' and Removal/Scrapping of Old Autos: Rationale behind the fixed tax amount is unclear and probably based on conditions (vehicle types/emission levels) that are now outdated. Currently there is no rule for the removal of older autos (beyond a particular age) from the city.

Suggestions: 'Green Tax' amounts should be regularly revised based on scientific factors and fixed for different vehicle types/ages (as opposed to a blanket stipulation); serving as added incentive to shift to cleaner, efficient vehicles. Also consider removal of old autos from city jurisdiction after a stipulated number of years to reduce their pollution contribution. *(see Chapter 13, pg 140)*

2. License, Testing and Certification Procedures

- Auto Cab DL-Badge, Vehicle Fitness (FC), Fare Meter (MC) and Emission (PUC): dependence on largely manual/visual processes of testing, certification and record keeping result in inefficient and time-consuming procedures, allowing for false passes, corruption and irregularities. Related issues include lack of requisite infrastructure, equipments, inadequate trained staff, different locations for each of these functions, etc.

Suggestions: Streamline, automate and computerise all licensing, testing and certification procedures with central regulation (along the lines of current PUC procedures), to make it faster, efficient and less prone to false passes, corruption. Traffic Police should run a background check and physical address verification at the time of first issue of auto cab DL-Badge or while issuing the Display Card. Consider centralising all testing/certification procedures at common locations - set up adequate modern driving and vehicle testing facilities with proper infrastructure, hi-tech testing equipments and trained staff. It is suggested that in future the applicant collect a 'No Dues' Certificate at the time of FC, based on a clean record from all departments. The permit should be made liable for cancellation at the time of FC or renewal, if an auto has more than a specific number (to be determined) of cases booked against it (be it validity/renewal, permit/traffic violations and public complaints). *(see Chapter 13, pg 141, 145)*

3. Open Data Governance

- Lack of automation and computerisation of all formal procedures lead to undue delays and lack of transparency, accountability in the system. This compels individuals to approach middlemen and pay extra commissions/bribes to get their work done, adding to their financial pressures.

Suggestions: New scheme under the 'Karnataka Guarantee of Services to Citizens Act (Sakala)', April 2012 must be effectively implemented, which would help bring in efficiency, transparency and accountability in the system. Components of such a system would include - automation and computerisation of all formal procedures, internal monitoring of government officers/employees, user-friendly public interface for relevant information/enquiry, tracking of application status, platform for submitting complaints/grievances in case of undue delay or other problems, penalisation of concerned officers/employees and compensation to applicant. *(see Chapter 13, pg 143)*

4. Regulation, Monitoring and Enforcement Systems

- Issues arising out of the lack of accurate, interlinked computerised databases and inter-departmental co-operation, leading to weak and ineffective regulation, monitoring and enforcement systems.

Suggestions: All formal procedures and relevant records related to the vehicle, owner, driver and their contact details, should be fully computerised and interlinked - in case of DL-Badge holders and auto registrations across the State and otherwise across city and concerned departments (RTO, Legal Metrology, ETCs, Traffic Police). Where necessary this should be made available as shared reference for informed decision-making and monitoring/enforcement purposes. Regular verification and updation of contact details (address/phone) should be made mandatory at the time of license, permit and FC renewal. Also consider the use of technology (GPS/RFID) to track autos. *(see Chapter 13, pg 143)*

- On-ground Monitoring and Enforcement: the Traffic Police do not have the mandate or means to check and take punitive action w.r.t. legality of auto cab permits, FC/PUC, defective fare meters, etc as these are functions of other departments. However, the concerned department officers/inspectors rarely come on ground (except for random road checks/drives), rendering on-ground monitoring and enforcement systems weak and ineffective; resulting in many illegal operations on city roads. Corruption and abuse of power is also a major issue. Lacking effectiveness, transparency and accountability in terms of action taken against traffic/permit violation or public complaints.

Suggestions: Consider empowering the Traffic Police with relevant reference records and tackle monitoring/enforcement issues more effectively with inter-departmental co-ordination and co-operation; make legal provisions to back this. Court cases are slower processes; devise means for more immediate punitive and corrective action. Engage the public to help in ground monitoring. Build in transparency and accountability through the use of technology (computerise, interlink, automate). Devise means to incentivise Traffic Police officers/inspectors to dispense duties honestly. *(for details see Chapter 13, pg 148)*

5. Public Complaints System

- Different departments having their own complaint system/numbers, making it complicated for the public; awareness is also lacking. Lack of effectiveness, transparency and accountability in terms of action taken. The RTO's database of auto registrations, owner's and their contact details (which all departments and action depend on) are not updated and accurate, making it impossible to locate/contact the rightful owner.

Suggestions: Streamline the system and make it more user-friendly. Integrate across concerned departments, centralise (can be anchored by a single agency) and build in a good public interface (to track complaints). Increase public awareness regarding about the system. The process should be fully computerised, automated and backed by accurate reference databases shared between concerned departments (Transport, Traffic Police, Legal Metrology). Provide requisite infrastructure and trained staff to run the system. Computerisation of all formal procedures is particularly required in the Legal Metrology Department. *(see Chapter 13, pg 150)*

6. Traffic Police - Specialised Department

- The Traffic Police are not a specialized department; officers/inspectors are periodically transferred from one branch to another. All fine collections go into the common pool or general revenue of the government - lack of control over the use of these funds.

Suggestions: Consider making the Traffic Police a more specialised department, with regular training and awareness programs for officers/inspectors. Fines collected from traffic/permit violations, public complaints etc can be put into a special fund and made available to the Traffic Police Department for specific purposes like augmenting requisite infrastructure, staff, providing incentives etc. *(see Chapter 13, pg 154)*

7. Auto Stands - Regular and Pre-Paid/Pre-Fixed

- Lack of adequate and appropriately located auto stands in many parts of the city. No formal platform for auto drivers/public to submit requests, or transparency in decision-making process. Existence of mafias (i.e. nexus and arrangement between traffic cops and groups of auto drivers based on bribes) at major transport/commercial hubs and most pre-paid/fixed-fare auto stands across the city - perpetuating corruption and exploitation for both public users and other auto drivers. Inaccurate fare calculations/slips, illegal collection of service charges, etc leading to the public still feeling cheated and losing faith in the system.

Suggestions: System for deciding auto stand locations needs to be transparent and accountable, with a public interface to submit requests and track status. Auto stands should be easily recognisable, with proper signage. Develop phone applications and appropriate software/technology to accurately calculate fares between given origin-destinations and make the system at pre-paid/fixed fare auto stands fully automated and computerised to reduce corruption and increase transparency, accountability. *(see Chapter 13, pg 156)*

8. Vehicle Design and Technology

- Autos are major contributors to air and noise pollution, which is partly an issue of vehicle design/technology and partly of poor maintenance of vehicles and its enforcement.

Suggestions: Maintain accurate computerised databases of vehicle details for informed decision-making. Invest in R&D to improve vehicle design/technology (efficiency, durability, comfort, safety) and incentivise shift to cleaner/greener, more efficient vehicles - conversion to 4-stroke engines, use of CNG or alternate fuels like hydrogen, electric or hybrid vehicles, GPS-enabled tamper-proof fare meters, etc. This would need to be backed by enabling policy and regulations, information/awareness campaigns to tackle misconceptions and highlights benefits, streamlined and transparent mechanisms of delivering government subsidy schemes. Building more robust vehicles for longer service life, better resale value and lower maintenance costs (particularly of components/spare parts), will benefit auto drivers. Autos can have a sign board with light display announcing which area they are from and whether they are available for service or not; making it easier for passengers to decipher. *(see Chapter 13, pg 158)*

9. Financing Mechanisms

- Lack of access to the easier bank loans (due to wariness on part of banks, more formalities/paperwork and time consuming approval procedures), lead or compel people to go to private financiers who charge

higher interest rates and penalties; or unregistered money lenders (particularly for 2nd hand autos). Here the fund approval process is simpler, convenient and much faster; especially if one goes through a reliable guarantor (usually a known agent/broker), meaning the applicant also pays extra commissions, adding to financial pressures.

Suggestions: Streamline bank procedures to make it simpler, faster and devise special government-supported, easy loan schemes for auto purchase where banks have more powers related to 'claim of ownership' and 'means of recovery' (in case of non-payment), like in the Hire Purchase Act. Also explore innovative finance mechanisms like micro-finance and 'group as guarantor' schemes, 'seed money' funds set up by social venture capitalists or the government, etc. *(see Chapter 13, pg 160)*

10. Information, Awareness and Training

➤ Many persons entering the auto trade, especially those who are not well-educated, unaware or unfamiliar with all formal procedures are compelled to go through middlemen and pay more. Many auto drivers are also unfamiliar with traffic/driving/road safety rules or official fine amounts for traffic violations/offences, at times paying heavier bribes. The public are also unaware or ill-informed about laws/regulations applicable to auto services, offences and official fines, complaint/grievance redressal systems, pre-paid or dial-up auto services, etc. Different departments/agencies are involved with conducting training/awareness programs for auto drivers, but the efforts are un-coordinated, irregular and poorly attended.

Suggestions: Streamline complicated formal procedures where possible and make it transparent and accessible to the target audience. Create training programs and outreach (information/awareness) material on relevant aspects using different media and local languages, for both auto owners/drivers and public users or visitors to the city. Auto driver training and awareness building efforts need to be co-ordinated (can be anchored by a single agency), streamlined and conducted regularly - especially mandated at the time of issue/renewal of DL-Badge and Permits. Provide effective incentives (like government aid schemes) to get them to attend voluntarily. Work out an economic/revenue model to sustain these efforts. *(see Chapter 13, pg 162)*

11. Auto Unions

➤ There are numerous big and small auto unions/groups in the city, at times having differing opinions or agendas. Many auto unions/groups also informally help auto drivers or members with all formal procedures - but usually for a fee or commission; operating just like agents/brokers, which is at odds with their understood purpose or role. In general, auto unions/groups have a bad image (of existing for their own political/business interests) and many auto drivers do not trust or want to join them.

Suggestions: Envisage a better structure (organised, stronger coalition) of auto unions/groups in the city - like an 'umbrella organisation', a federation or trust that is formally registered and recognised, also having better access to government welfare/benefit schemes for its members. Create this platform for the various factions to come together; their mission goals clearly defined; a democratic, transparent and accountable body, in order to build faith and change their negative perception. Any aid provided with formal procedures should be done officially with receipts. Their work should be more visible, substantial and the benefits obvious to auto drivers so they join voluntarily. *(see Chapter 13, pg 164)*

12. Auto Meter Fares

➤ Revisions are only considered when fuel prices go up; unclear whether 'cost of living' index etc is also factored in. In view of deregulation of auto LPG prices, what would be the mechanism for dealing with demand to increase meter fares? Current waiting meter fares also understood to be very low.

Suggestions: Need a rational/scientific and transparent system for regular review/revision and arriving at appropriate auto meter fares, as also waiting meter charges. Factors like minimum monthly income, 'cost of living' index, etc should also be taken into consideration. Auto fare meters can only show 'distance travelled' with RTA approved rate cards – will save time/money for recalibration and perhaps also make them more tamper-proof. The government can consider offering some subsidy in auto LPG prices to keep fares affordable; which will benefit both auto drivers and public users. *(see Chapter 13, pg 166)*

13. Social/Financial Security, Government Aid Schemes

- Being in the unorganised sector there are no legal safeguards offering financial or social security to auto drivers. They receive little if any subsidy/aid from the government or other civil society organisations. Government welfare/benefit schemes for which they are eligible are not easily accessible, partly due to lack of awareness, complicated procedures or at times because they turned into political gimmicks. At times rules/regulations are twisted and loopholes exploited. Eligibility rules and the means of application, selection and disbursal are not always clear and transparent.

Suggestions: Increase awareness and make government welfare/benefit schemes easily available to all auto drivers. Plug loopholes in eligibility criteria and devise means to ensure that they reach the right and intended recipients. Streamline the process and build in transparency and accountability with a public interface. Explore innovative ways of garnering funds for such schemes, like using unclaimed vehicle insurance, etc. *(see Chapter 13, pg 166)*

14. Stakeholder Dialogue and Collaboration

- In case of larger common concerns with the autorickshaw sector, stakeholders (atleast at the higher levels), do get together to discuss/consult for problem solving and operationalizing plans. Otherwise interaction often happens indirectly or informally and currently there is no formal platform to facilitate stakeholder dialogue and collaboration.

Suggestions: Institute a formal platform to facilitate dialogue among stakeholders, interdepartmental coordination and co-operation, to come together on a regular basis to address and resolve problems facing the autorickshaw sector and look at improvement of services. Authorities should consult public users and auto drivers at large, apart from just union/group leaders, while making policies or taking decisions affecting them.

A forum for both auto drivers and public users should be set up - to have their voices heard, dialogue, submit grievances/complaints or request for auto stand locations, make suggestions for improvement of services, etc. *(see Chapter 13, pg 173)*

15. Special Schemes

- Fleet-based dial-up services like Easy Auto: issues arose out of the absence of GPS devices on autos, non-viable/unsustainable revenue models (unable to collect service charges or sustain advertising), unavailability of permits, no ownership/control over fleet or auto drivers, pre-planning all auto trips not feasible, lack of proper auto stands where the two parties could locate each other, etc.

Suggestions: Need for further in-depth studies/market research and pilot projects to assess the demand and potential of introducing organised fleet-based, dial-up auto services - alongside regular auto services as a supplementary/complementary measure. Incorporate lessons learnt from previous experiences – ownership and control over fleet (requiring availability of auto cab permits and access to easy finance schemes), improve vehicle design/technology (GPS/RFID/Smart Cards, etc), develop viable revenue models with supporting laws/regulations if required (for outside advertising, etc), provision of supporting hard and soft infrastructure (auto stands, call centers, trained staff, software, etc). *(see Chapter 13, pg 171)*

Some of the other suggestions/recommendations include:

- Mapping exercises of a 'place and time matrix' of demand would help inform new schemes/initiatives or where specific improvements are required.
 - Based on in-depth studies and pilot exercises explore the possibility of formalising shared auto services in specific areas where there is market demand. However, one needs to bear in mind that they come with their own set of problems - such as overloading and monitoring issues, traffic congestion and management issues, would breed completion, monopoly and rivalry, safety issues, etc - which will need to be addressed and planned for beforehand.
 - Explore mode integration schemes to increase the share of public transport as a whole. Auto feeder services with fixed fares, fixed routes and demarcated stops within a certain range/radius of Metro and BRT stations, can be devised. This could also be fleet-based with fare integration through Smart Cards.
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