

AUTO RICKSHAW DRIVERS IN MAHABUBABAD TOWN OF TELANGANA STATE: A STUDY OF ECONOMIC ACTIVITIES

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Abstract:

India is home to three quarters of the world's auto-rickshaws, which are three-wheeled motor vehicles that are hired to move both people and goods. The present paper studies the economic activities of auto-rickshaw drivers in Mahabubabad town of Telangana State. The present study carried out both primary and secondary data. The sample size is confined 100 respondents. 20 respondents were randomly selected from each adda. The collected data analyzed and results are prepared in the form of tables. The survey result shown around 86 percent of respondents were chosen driving as a main occupation and rest of respondents have opted agriculture as their main occupation and allied as auto driving. It is concluded that the most of respondents were purchased auto rickshaw on credit basis from private finance companies. Private finance company imposed high interest in charged on autos purchased. Hence, the study suggested that the Public Banks should provide loan facilities for the purchase of new auto rickshaws with minimum documentation and formalities.

Key words: *Auto Finance Company, Instalment, Loan, Purchase, Economic Activities etc*

Introduction

India is home to three quarters of the world's auto-rickshaws, which are three-wheeled motor vehicles that are hired to move both people and goods¹. These vehicles play an important role in urban transport in the country, being used for a wide range of trip purposes, often for trips that cannot be practically undertaken on other types of public transport, at considerably lower cost than would be incurred in a taxi. The present research paper selected as economic activities of auto rickshaw drivers in Mahabubabad town of Telangana state. Mahabubabad is a new born district in the State of Telangana and all the educational institutions and offices are located in and around 3 kilometres from main bus/railway station of Mahabubabad. But, lack of public transportation is key problem of the Mahabubabad town people and nearby surrounding villagers. Even after Mahabubabad town announcement as a district.

In Mahabubabad town city bus facilities is not provided by RTC for local transportation purpose. In the modern era people can't walk for a little distance. Therefore, Auto Rickshaws are playing vital role in solving the transportation problems of the people in and around the

¹ Mani, A., Pant, P., 2011. "Review of the Literature in India's Auto-rickshaw sector". EMBARQ India, Mumbai.

15 kilometres of Mahabubabad town. This provides employment opportunities to many individuals. There are around five thousand drivers, one thousand auto rickshaws, mechanics, automobile shops, financial institutions, insurance companies, banks, RTA and RTA Agents. Hence, the present study is selected to know the socio-economic status of auto drivers in Mahabubabad town.

Review of literature

Dr. R. Rangarajan (2018), author found in his study most of the auto rickshaws drivers earnings are less which in turn pushes them to borrow money for running out their life. Harassment by the policemen, insecurity for personal life, lesser income, inflation in petrol prices, pressure for payment of dues for autos from moneylenders, stress due to everyday payment of rent to owners, higher amount of insurance money to the government are the major problems of the respondents in this profession. M.Yesurajan and D.T.Indira (2017) in their research work, titled, "Common work related health problems of auto rickshaw drivers in India-causes and strategies" has revealed that the auto drivers are exposed to a number of health problems as a direct result of the posture adopted in driving. They also found that the auto drivers are not properly concern their health due to busy schedule on their work. The driving posture causes problems for the digestive system and the incidence of smoking and drinking also affects the health of the auto rickshaw drivers. Rajesh Ranjan (2015), in his paper, found that the quality of life is highest for those who are more engaged or more satisfied in family than work and is lowest for those who are engaged or more satisfied in work than family. Anitha Ramachander, Chaya Bagrecha and Sumangala Talur (2015), in their study they explained the 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. Jabir Hasan Khan, Tarique Hassan, Shamshad (2010), in their study reveals that the rickshaw pullers are one of the poorest sections of the society, living in abject poverty but play a pivotal role in intra-city transportation system. Neither is their working environment regulated nor their social security issues are addressed. They are also unaware about the governmental schemes launched for poverty alleviation and their accessibility in basic amenities and infrastructural facilities is also very poor.

Materials and Methods

The present paper studies the economic activities of auto-rickshaw drivers in Mahabubabad town such as main occupation, distribution of ownership, source of finance for purchase an Auto Rickshaw, loan providers, awareness about government subsidies scheme and saving habits among the auto drivers. The present paper carried out both primary and secondary data. The primary data has collected through well structured questionnaire, covered the economic activities of auto-rickshaw drivers in Mahabubabad town. The field survey was made in five auto rickshaw addas. The sample size is confined 100 respondents. 20 respondents were randomly selected from each adda. The collected data analyzed and results are prepared in the form of tables.

Economic activities

Economic status of the auto-rickshaw drivers in Mahabubabad town, such as main occupation and allied occupation, ownership of auto, purchasing process, recipients of subsidies for purchase by Central and State Governments, details of instalments if financed/borrowed, fuel, repair costs, income, savings, sum insured etc. The major finds are discussed as follows.

Table 1.1 Main occupation

Descriptive	Frequency	Percent (%)
Agriculture	11	11
Business	0	0
Labour	3	3
Auto driver	86	86
Total	100	100

source: Field study

It is seen from the table, majority i.e., 86% of the auto drivers were chosen driving as a main occupation. Similarly, 14% of auto drivers have opted for agriculture as their main occupation and allied as auto driving, because of the income from farming is not enough to survive his family. Hence, number people are coming for self-employment as auto-driving profession for support their family in terms of financially.

Table 1.2 Distribution of ownership

Descriptive	Frequency	Percent (%)
Own	78	78
Daily rental	22	22
Total	100	100

Source: Field study

It is observed from the above table majority i.e., 78 respondents have own auto rickshaws and 22 respondents were driving based on daily rental. It is concluded that majority of the drivers have own auto rickshaws in the town.

Table 1.3 Source of finance for purchase an Auto Rickshaw

Descriptive	Frequency	Percent
Own money	16	21
Finance company/ loan from lenders	55	73
Both source	4	5
Total	100	100

Source: Field study

Basically, auto drivers in Mahabubabad town, they are purchase auto rickshaws by using their own money as well as loan taken from finance company/institution/banks. Out of the 100 auto drivers in Mahabubabad town, 78 respondents have their own auto rickshaws. Majority of the respondents 55 (73%) who bought auto rickshaws with loan from finance company/institution/banks and 16 (21%) bought autos with their own money. Similarly around 4 (6%) of drivers bought autos with their own money as well as loan amount taken from finance company. Those who buy with own money, no problem with finance company. But those who are buy with loan from finance company, they may be arise many problems like regular payment of instalment, heavy interest and penalty for delay in payment of instalment etc.

Table 1.4 Who are the loan providers for purchase of auto rickshaws?

Descriptive	Frequency	Percent
Public banks	2	3
Private banks	12	20
Finance company	32	54
Private loans	13	23
Total	59	100

Source: Field study

It is observed from the above table 59 respondents were brought auto rickshaws with loan amount, out of which two (3%) individuals with the assistance of public sector banks, 12 (20%) were purchased by a private bank. Similarly, 32 (54%) individuals bought from a finance company. An additional 13 (23%) of auto drivers borrowed from money lenders. It concluded that the most of the auto drivers in Mahabubabad town, they are unaware about the government schemes and bank source of finance.

Government Subsidies

A very miger percent of auto drivers got subsidized autos rickshaw i.e., 2 (3%) and 73 (97%) respondents were taken loan from finance company/mortgage etc. Generally Central and State Governments provide, special facilities for auto drivers like subsidized auto rickshaws, pension, insurance coverage etc. But most of the drivers do not have aware about the government schemes and facilities provided by governments. So it is very sad that they do not have a proper awareness about these facilities. Therefore, Governments should provide proper awareness programme to auto drivers, they will be able to aware themselves about the different benefits provided by governments.

Table 1.5 Saving habits among the auto drivers

Descriptive	Frequency	Percent
Yes	73	73
No	27	27
Total	100	100

Source: Primary data

It seen from the above table that the 73 out of 100 auto drivers are saving money. The remaining 27 auto drivers are not saving money.

Table 1.6 Preference of the different saving options by respondents

Descriptive	Frequency	Percent
Banks	6	8
Post office	2	3
Private chits	38	52
SHG	8	11
Others source	19	26
Total	73	100

Source: Primary data

It is observed from the above table most of the Auto drivers in Mahabubabad town they save money in banks, self help group, post offices, private chits, insurance and others source of investment. It is observed that 38 (52%) are savings in private chits. 8 (11%) in Self Help Group (SHG), 6 (8%) saving in bank and 2 (3%) in the post office and other source of saving like investing money in land/plots, purchase of gold/silver, etc were 19 (26%) of respondents.

Table 1.7 Monthly saving

Descriptive	Frequency	Percent
Less than Rs.1000	7	10
Rs.1000-5000	40	54
Above Rs.5000	26	36
Total	73	100

Source: Primary data

Auto drivers save a considerable amount of money per month after fulfil the family needs expenses and the rest money they willing to save in various sources. Most of them 40 (54%) auto drivers are saving money between Rs 1000-5000 per month. Similarly, 26 (36%) auto drivers are saving more than Rs 5,000 and 7 auto drivers are saving less than Rs 1000 per month. The main motive for saving money is for children's education, children marriage, construction own house, purchase of new plots and purchase of auto rickshaws etc.

Conclusion

The survey result shown around 86 percent of respondents were chosen driving as a main occupation and rest of respondents have opted agriculture as their main occupation and allied as auto driving. Auto drivers go through their expenses and save the rest of the money in various modes like deposit in banks/post office, private chit, investing in gold, land, plot and any others. In the same way, they are aware of life insurance, motor insurance but they unaware about health insurance and its importance.

The study concluded that the out of 100 drivers, 78 respondents have own auto rickshaws and most of the respondents were purchased auto rickshaw on credit basis from private finance

companies. They are paying their regular instalment every month to the private finance company. Private finance company imposed high interest is charged on autos purchased. If they unable to pay their instalment the auto rickshaws will be repossessed by the private finance company. Hence, the study suggested that the Public Banks should provide loan facilities for the purchase of new auto rickshaws with minimum documentation and formalities. Hence, they can ready to buy own auto rickshaws from public banks and it will helpful them to get out of the heavy interest burden imposed by private finance company. The auto driving profession will helpful for solve the problem of unemployment in towns and rural areas.

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