

Ishaan's edit***Karnataka's approach to Ola-Uber makes little sense***

While the central government had come out with a sensible regime to regulate cab aggregators in the country, states like Karnataka continue to want to regulate with a heavy hand, quite oblivious of the changes that technology have made possible and the benefits to both riders as well as the environment thanks to this. On Thursday, Karnataka's transport commissioner deemed ride-sharing services like Ola Share and UberPool illegal, claiming these violated the law which only allows BMTC to have a stage carriage permit. The argument is obviously legally correct, but under a ride-sharing model, customers can share their cost of transportation with someone going on the same route, while the cab company charges each person a discounted rate and, since effective tariffs come down, this also increases their ridership in the long-run. Ride-sharing was sporadic and episodic earlier given there was no technology to make it simpler, but now that this is possible – an app allows riders to know which taxi is going their way and taxis get to know which rider is interested in a ride-share – it makes sense to use it.

It is precisely this approach that guided the Centre's draft rules which said, "innovation in mobility sector coupled with liberalisation of the regulatory regime will make a significant impact on our environment as shared assets would provide better last-mile connectivity and affordable mobility options for commuters." Indeed, the draft rules cite various studies to buttress the savings to the environment. A study conducted by International Transport Forum at OECD, the draft rules say, shows that following the shared taxi model helped reduce traffic emissions by a third and 95% less space was required for public parking. Another study, by the Transportation Sustainability Research Centre, University of California, Berkeley concluded that one shared car can replace 9 to 13 privately-owned vehicles. Besides, a car just runs at 28% of its total capacity at all times, accommodating only 1.15 persons, when it can seat four. At a time, when the Centre is looking at a graded response to pollution and even exploring options to allow private cars to operate as shared taxis – this is, again, something that states have tried to thwart

Taxiing backwards

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– Karnataka would do well to follow a similar approach. Moreover, the model would only benefit the drivers that the government is trying to protect. Once fares get more reasonable through ride-sharing, this will bring in more business for operators. At a time when cities are trying to address infrastructural constraints given the rise in vehicular population, they cannot afford regulation that throttles innovation.