

7. Platformization and Aggregation Of Transportation

7.1 Panelists

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7.2 Background

In the era of rapid technological advancement and digital innovation, the concept of Platformization and aggregation has gained significant traction across various sectors in India. Central to this transformation is the emergence of shared economy models, which seek to optimize resource utilization, foster collaboration and drive sustainable growth. However, challenges remain in harnessing the full potential of these models and ensuring a successful platform-based future for India.

Central to the discourse on platformization and aggregation is the integration of shared mobility solutions such as shared use of commercial and passenger vehicles as well as carpooling into India's transportation ecosystem. Such platformization is also reducing the pollution levels in our cities by optimizing the usage of vehicles.

However, the existing regulatory frameworks appear to be holding back the movement towards platformization. A clear and specific regulatory framework for aggregation is crucial. It would not only address safety, insurance, and operational concerns, but also pave the way for the growth of carpooling, ultimately contributing to the optimization of the platform-based economy.

The potential of platformization extends beyond passenger transportation. Take the example of auto-rickshaws. Often restricted to passenger fares, their income hinges on ridership, leading to financial strain during off-peak hours. Additionally, regulations confine these vehicles to passenger transport, leaving them underutilized for a significant portion of the day. This not only impacts driver earnings but also represents wasted potential for the transportation system.

The logistics sector, particularly in last-mile delivery within cities, grapples with inefficiencies. Traditional methods can be slow and expensive, especially for smaller goods. Here's where auto-rickshaws, perfectly sized for navigating urban areas, come in. Dual licensing, allowing them to carry goods during off-peak hours, presents a solution. Drivers can significantly increase their income, while auto-rickshaws transition from underutilized vehicles to valuable assets for last-mile delivery. This injects efficiency into the logistics sector, offering a cost-effective and agile solution for e-commerce and other industries.

This integration of auto-rickshaws into the shared economy aligns perfectly with the core principles of platformization. It fosters the creation of an interconnected ecosystem where technology connects drivers with new opportunities, optimizes resource utilization, and fuels economic growth. The cases of carpooling and auto-rickshaw dual licensing illustrate the challenges and immense potential of platformization in India. To fully unlock this potential, we need adaptive governance frameworks that embrace the evolving nature of the shared economy. Transparency, flexibility, and accountability are essential to fostering an environment where innovation and entrepreneurship can flourish.

7.3 Thematic areas of discussion

7.3.1 Integration of Shared Economy Models into Transportation

1. Exploring the need for clear and specific regulatory frameworks tailored to the unique dynamics of shared mobility solutions
2. What strategies can be implemented to encourage wider adoption of shared mobility solutions?
3. Can existing carpooling platforms be integrated with public transport apps to offer users a comprehensive mobility solution?

7.3.2 Enabling Environment for Platformization

1. How can data sharing between platforms be facilitated to optimize resource allocation and user convenience?
2. How can dual licensing be implemented to ensure efficient utilization of auto-rickshaws during off-peak hours for goods delivery, without compromising passenger services?

7.4 Key Actionable Insights

7.4.1 Forced transition of aggregators to EV is expected to have inadvertent effects on organized transportation

The panel discussed the advent of new policies at the State level that are enforcing a transition to electric on aggregator platforms in India. It was affirmed that such policies are harmful for the formal transportation economy because replacement of ICE vehicles with electric vehicles will force the gig workers owning ICE vehicles into the informal economy as they are not permitted to be a part of the aggregator platforms. This is because gig workers already owning ICE vehicles cannot simply buy an electric one as the cost of purchase is significantly higher than ICE vehicles, and they have no option but to join informal transportation economies. Additionally, it was discussed that the market for electric vehicles is yet ready to supply sufficient quantity for different variants of vehicles including trucks, 4-wheeler mini transportation vehicles etc. This is expected to have adverse effects on the livelihoods of gig workers, who will now have to operate informally.

7.4.2 Dual-licensing of 3-wheeler auto-rickshaws as a potential solution to uplift drivers

The panelists discussed a study conducted by Professor Anoop Chawla, Volvo Chair of IIT Delhi on dual usage of autorickshaws to enhance their income potential. It was affirmed that an auto in India is already being used for transportation of goods, however illegally, and without adhering to any safety guidelines. Autorickshaw drivers in India are currently reeling from suppressed income levels due to low number of rides/only hailed for last mile connectivity. Additionally, the auto drivers have an idle time of almost 6 hours in a day that could be used for cargo transportation legally.

The study conducted has specified the weight of cargo permissible, and height and width restrictions to allow for safe transportation of goods. A proposed dual license for auto-rickshaws is expected to allow for auto-drivers to transport goods as well as passengers, thus increasing their earning potential.

This is expected to further allow them to join the formal economy through logistics aggregator platforms to solve goods transportation requirements for small business owners. Additionally, a dual

license will solve the problem of e-commerce penetration into tier 3 and tier 4 cities where delivery transportation is not adequately available.

The panel discussed a potential partnership with the government for safety verification through Aadhar card. This would further the cause of public transportation especially ‘social car pooling’.

It was discussed that car pooling through platforms need to be incentivised to meet climate goals and reduce growing congestion in Indian cities. There are certain regulatory barriers to formalize car pooling as a practice and it needs to be eased to promote the practice. The use of light touch regulations were recommended for this purpose.

The panel also highlighted that the commercial and non-commercial aggregation are different, therefore, the regulations for these should also be different and specified.

Watch the session on YouTube

<https://www.youtube.com/watch?v=rjMIMUhkoSI&feature=youtu.be>



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