

# Impact of Rising Fuel Prices on Taxi Drivers

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## Abstract

*This study presents the impact of rising fuel prices on taxi drivers. India ranks top on the fuel consumption. The increasing demand for fuel and increasing fuel prices are the major problems for the public and the professional drivers. This research paper aims to find out impact of rising fuel prices on the taxi drivers. It also studies whether they are ready to adopt electric vehicles if this same situation continues. And also to find the future plan of the professional drivers if this same situation prevails.*

## Introduction

Crude oil and other liquid product produced from fossil fuels are refined and used by the public for travel, transportation, electrical appliances, etc. It is converted into petroleum product used for many purposes. Bio fuel is also used to make gasoline, which is usually a mixture of petrol and diesel. We use natural gas to power cars and generate electricity. In industrial sector, the petrochemical industry uses oil as a feed stock to produce plastics, polyurethanes, solvents and hundreds of other intermediate products.

In 2012, India's dependence on fossil fuel increases to 38% despite its domestic fossil fuel consumption. India became world's fourth largest energy consumer in 2011, after China, Unites Nation and Russia. The countries energy need continues to increase due to economic growth and modernization. According to World Bank, India is the third largest economy in terms of energy consumption.

In 2013, India is the world's fourth largest energy consumer and exporter of oil and petroleum products, after the United States, China and Japan. India's demand for petroleum product has reached approximately 3.7 million barrels per day (bbl/day). This is more than the countries total oil supply of approximately 1 barrels/day. Most of India's demand for gasoline and diesel, primarily in transportation and industry, and gasoline and LPG in agriculture and industry Beneficiaries receive significant subsidies for gasoline, diesel LPG and kerosene tanks, putting in pressure on all fuel needs. Underinvestment in oil production and increased liquid production and increased liquid production have resulted in oil production being slower than expected.

## **Objectives**

- To find out how fuel prices are affecting the drivers.
- To enquire about the future plan of the taxi drivers if the same situation exists.
- If this condition continues will the drivers increase the fare price or not.

## **Importance of Fossil Fuel in India**

Fossil fuels are recovered from the underground and converted into material required for the energy production. Approximately 90% of the electricity demand is met by fossil fuel. The main concern about the increased use of fossil fuels is the damage they cause to the environment. Some of the most commonly used fossil fuels are natural gas, coal, petrol and diesel. They are the main source of non-renewable material having a negative impact on the environment.

Transport sector is the largest contributor of fossil fuel, accounting for 70% of all fuel production. Automobiles, commercial vehicles and three wheelers have the largest share in fossil fuel consumption with 28.48%. Among them private vehicle account for 13.15% of all fuel consumption. Three-wheeler account for 6.39% of fuel consumption. Trucks account for 28.25% for fuel consumption. The share of buses is 9.55% and the share of trains is 3.24%. Agriculture is the major consumer of oil accounting for approximately 13% of the fuel consumption.

## **Harmful Effects**

### **Increase In Greenhouse Gas Emission**

Greenhouse gas such as Carbo dioxide, methane, CFC act as a blanket for the earth, helping it retain the heat. The average temperature of the world continues to increase due to the increase in the human-induced greenhouse gases. Increased use of oil and gas is one of the reason for the increase in the greenhouse gases in the world. Greenhouse gases also damage the ozone layer of the earth's atmosphere.

### **Land Pollution and Collection of Solid Waste**

Converting fossil fuels into energy created waste, which has significant impact in the living space. Waste product requires land, financial support and proper maintenance. This is often neglected. This waste is toxic in nature and can cause lot of damage to the ecosystem if it is not handled properly. This poses a thread to the plants, wildlife and forest.

### **Rising of Sea Level**

Research proves that human causes greenhouse gas emission will inevitably cause global warming. As temperature drops, glaciers begin to melt causing sea level to rise. This growth is twice as fast as 150 years ago. The fossil fuel debate has become the hottest topic in the world today. Approximately regulations must be made to maintain ecosystem balance. The increasing use of fossil fuels and the pollution they cause in different environments cannot be influenced by their effectiveness.

### **Particulate Matter**

Burning diesel fuel, in particular, emits fine particulate matter (PM2.5 and PM10), which can penetrate deep into the lungs and even enter the bloodstream. Exposure to these particles is linked to respiratory and cardiovascular diseases, as well as premature death.

### **Environmental Contamination**

Spills and leaks of petrol and diesel can contaminate soil, groundwater, and surface water bodies, posing risks to ecosystems and human health. Additionally, the extraction, refining, and transportation of these fuels can lead to habitat destruction and biodiversity loss.

### Air Pollution 49

When petrol and diesel are burned, they release various pollutants into the atmosphere, including Carbon Monoxide (CO), Nitrogen Oxides (NOx), Sulfur Dioxide (SO2), Particulate Matter (PM), and Volatile Organic Compounds (VOCs). These pollutants contribute to smog formation, acid rain, and can exacerbate respiratory problems such as asthma.

### Research Methodology

The primary purpose of this study to find whether the taxi drivers are ready to adopt the electric vehicles if the same situation continues. This research work has used only the primary data. The primary data is collected from the selected town names Neyveli.

### Review of Literature

1. Akashmenon, 2015. Conducted a research on the topic of petroleum price-trend and its impact on common man. This study focused on the cause of rising of petrol price and the factor that influence to the petrol price and its impact on common man.
2. M. K. Anand, 2018. conducted a study on the topic of reforming fossil fuel prices in India. This study reveals that the impact of rising fuel prices in the economy especially in the agriculture sector it analyses deeply on the implications of these persistent rise both directly and indirectly.
3. The study done by Aswin Sivarajan & Biwin P Mathew. This study conducted a research on the causes and its impact of rising fuel prices in Bangalore. As this study aspires to look into the major causes that have been contributing to the rise in the fuel prices and to give solution for the problem.

### Testing of Hypothesis

Descriptive Statistics			
	Mean	Std. Deviation	N
Electric vehicle suitable for taxi	.61	.493	51
Drivers benefit	.51	.505	51

### Correlations

		Electric_vehicle_suitable_for_taxi	Drivers_benefit
electric_vehicle_suitable_for_taxi	Pearson Correlation	1	.819**
	Sig. (2-tailed)		.000
	N	51	51
drivers_benefit	Pearson Correlation	.819**	1
	Sig. (2-tailed)	.000	
	N	51	51

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

Table value of correlation 0.01. The calculated value shows the null hypothesis. Hence it is concluded that, both variable (electric vehicle suitable for taxi, driver benefit) is significant.

### Conclusion

As the fuel prices have increased many taxi drivers were suffered financially. As a result of this some taxi drivers are ready to adopt electric vehicles and some drivers were raised the fare prices for the trip. Few drivers were jumped to other jobs who were driving to the corporate companies for more than a year. As they were not paid properly.

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