

# Pulling Rickshaws Out of Poverty: A Proposal

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"The best way to pull the two million rickshaw-pullers out of poverty is by bringing them into the formal economy. Nationalising and rationalising public transport has worked well in cities ranging from London to Curitiba. In Bangladesh, let rickshaw-pullers earn weekly wages as public employees, and passengers pay for a public service that represents 6 percent of the country's income and reaches nearly 15 percent of the its population." (Photos by the authors and Radius Sundoro)

Editor's Note: This article is the second of a series of two articles on the importance of rickshaws, the need to put policy focus on rickshaw-pullers as an extremely marginalized group, and ways to improve their socio-economic condition and dignity. Read the first article: [The Real Heroes of Bangladesh](#).

There are many marginalised groups in Bangladesh: indigenous people, farmers afflicted by the Monga famines, HIV sufferers -- but they compromise a minority in a country of over 145 million. When the purpose of intervention is to reach as many people as possible at the lowest end of the social scale, the constituency that stands out is the "rickshaw-wallah," the drivers of Bangladesh's ubiquitous public transport.

We find astonishing the scarcity of reward enjoyed by rickshaw-pullers, their lack of rights, and their lowly status, given how rickshaws are economically crucial, environmentally sound, and culturally an icon. Rickshaw-pullers are essential cogs in Bangladesh's machine. And mired in poverty, they deserve better. Bring rickshaws into the formal economy

In our assessment, the best way to intervene in the vast informal economy of rickshaw-pullers for direct and positive results is through the nationalisation and rationalisation of non-motorised urban transport. The two million rickshaw-pullers in Bangladesh could be brought into the formal economy as public employees within a sustainable, pollution-free, low cost urban transport network.

If the rickshaw industry were nationalised, passengers would not simply be paying someone the lowest sum possible to cycle them around, they would be contributing to Bangladesh's biggest public service, a bigger transportation economy than Biman and the Railways combined. By formalising this enormous economy, representing 6 percent of Bangladesh's GDP, we believe it would be possible to bring economic and social uplift quickly to rickshaw-pullers, bring better public transport to Bangladesh's cities, and reach nearly 15 percent of the total population.

Our vision here [download the full proposal] is sweeping in scope, but it would be efficient in its implementation. It is a feasible and equitable way of bringing positive change to some of Bangladesh's most marginalised communities. If an intervention wishes to make as large a social impact as possible, then targeting the conditions of rickshaw pullers has to be a priority: raise their social status and increase their income, and in the process, rationalise the transport of Bangladesh so that it can be more efficient and effective, which can then spur wider development. The ideas in brief

In our vision, all rickshaw garages and their assets would be acquired by the Bangladeshi State or an authority acting under licence from the State. Every rickshaw puller working at each garage would be registered, and given a uniform to convey that he is a state employee. The cost of using a rickshaw would be determined by the length of time a journey takes. Our estimate is that taka two per minute of hire would be an appropriate value for labour, reflecting current fare levels.

The passenger would pre-pay, buying tokens which would be widely available across retail outlets in Bangladesh, much like the current "flexiload" phone-credit system. The rickshaw-puller would hand in their collected tokens at the end the day. He would receive a standard weekly wage, which would be guaranteed, but he would also be expected to earn a certain number of tokens every week. This would enable him to have flexibility, i.e. work more one day and less the next, but also ensure that a certain level of supply is delivered to the market, and that the whole system is financially solvent.

The surplus income from this program can be invested in improving the infrastructure of the rickshaw garages, which today serve as the primary location where rickshaw-pullers congregate. Garages can be fitted with utilities, individual sleeping spaces, and common areas in which public programs, ranging from cultural performances to vaccination programmes, could be undertaken. In this manner, each rickshaw garage would become a centre of community development and social improvement. Simple yet sustainable

Crucially, through all this, the behaviour of passengers will have to change very little, and the economic cost of the change to them will be close to zero. Service users would simply find that what was once a private service is now a public one, and to use it, they would need to purchase tokens from local retailers, a viable and already tested system for other services. At the same time, every single person who uses a rickshaw in Bangladesh, which is almost the entire population, will become a stakeholder; they will contribute directly to the alleviation of poverty, disadvantage and inequity

amongst their fellow citizens.

We think the beauty of our proposal lies in its simplicity and economic sustainability. After living and working here it is obvious that Bangladesh, despite the challenges it faces, has some of the hardest working, most patriotic and determined people in the world. It also has wealth, a fluid cash economy--but like many other countries, too much cash ends up concentrated in a tiny minority. We have tried, therefore, to devise a scheme that can harness that passion, commitment, and surplus capital with minimum disruption to the cultural fabric of the nation. And with substantial benefits

Nationwide, approximately \$4.1 million flows into the rickshaw economy every day. Out of this, \$2.9m remains with the rickshaw-pullers. The other \$1.2m is therefore money that, were the rickshaw sector nationalised, could flow back every day in to the Bangladeshi state, yielding over \$500 million per year. Given that the Bangladeshi national budget for 2007-2008 totalled \$12.63 billion, with \$3.83 billion allocated under the Annual Development Plan (ADP), our project would effectively introduce an increase of 14 percent to the ADP.

And the cost of implementing our proposal? We estimate this to be around \$160m, which set against an estimated annual revenue of over \$500m, is certainly justifiable, and even more so for a public project.

This type of a project is not without precedent. Transport in London, nationalized in 1933, has worked, and carries not just Londoners but millions of visitors from around the world with ease and efficiency. More recently, rationalizing urban transport in the city of Curitiba, Brazil resulted in the creation of one of the most efficient public transport systems in the world.

Similarly, public ownership and rationalisation of rickshaws will have a wide socio-economic impact without disrupting to this vital transport network. It will bring economic security to the rickshaw puller with the creation of a regular income stream; it will facilitate the raising of rickshaw pullers' social status by making them formal public workers with rights and responsibilities; it will generate substantial, sustainable capital for investment into upgrading rickshaw garage infrastructure, bringing health and other social benefits to rickshaw pullers; it will incorporate rickshaw pullers into society by making their garages centres of development activity and education; and it will improve the standard of public transport in Bangladesh's urban centres. A state that empowers the people

Of course, an intervention of this scale would require careful management and meticulous organisation, but we believe that it is far from being utopian or unrealistic. The legitimacy of a democratic government rests on how it manages the welfare of the people under its charge. We believe that our proposal would enable the State to make a huge positive contribution to the welfare of nearly 15% of Bangladeshis, specifically those who need it most.

Perhaps most significantly, the system would free rickshaw-pullers from their dependency on their mechanical master, the rickshaw, and its owner, the mahajon, both of which work in unison to entrench their social immobility. Instead, as public employees, they would be lifted to the level of full Bangladeshi citizens, enjoying rights and benefits, providing a service and carrying responsibilities, paying taxes, and aiding the collection previously untapped revenues for their nation. Empowering the rickshaw-puller is the start, with it will come material and educational assistance, and the opportunity to not only take pride in their work and their status, but also to change it.

[About Timothy Sowula](#) | [About Thomas Wipperman](#) | [About Radius Sundoro](#)