

# High fuel prices impoverish New York City taxi drivers

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4 September 2008

Taxi drivers in the US have been among those hit hardest by the steep rise of gasoline prices over the last year. Along with other workers and small business owners in the transportation industry around the world, taxi drivers are now facing a precipitous fall in their standard of living.

According to an industry organization, the Taxi, Limousine and Paratransit Group, the average taxi driver in the US spends about \$14,000 a year on gas, an increase of over 40 percent in the past two years.

Despite the recent fall in gas prices, New York City taxi drivers find themselves with an increase over the past two years of \$1,000 in monthly costs to operate their cabs. This is a crippling burden for these workers. According to the Bhairavi Desai, co-founder of the New York Taxi Workers Alliance (TWA), New York's cabbies normally work 60 to 70 hours a week and take home between \$27,000 and \$33,000 a year.

At a protest outside the offices of city's Taxi and Limousine Commission over the high fuel prices in July, drivers demanded that the city impose a surcharge of \$1.00 a ride when gas costs more than \$3.50 a gallon and \$1.50 when gas costs above \$5.00 a gallon.

As of last Friday, average gas prices in the city stood at about \$3.85. A month earlier, the average was \$4.20.

One driver at the rally, which was organized by the TWA, told the *New York Times*: "To fill up the gas tank, I spend almost \$80 per shift. My shift now is about 14 hours. I have to work more hours to compensate. I work six shifts a week. Actually it's more like six and a half, because on my day off, I have to go out."

Another driver, Javaid Tariq, originally from Pakistan, said, "We drive 12-hour days, and after many years, there are a lot of health issues: bladder infections, stomach problems, muscle problems, back problems." The drivers, who are considered "independent contractors," have no health insurance.

There are over 20,000 drivers for 13,000 yellow cabs in New York City, the largest concentration in the United States. They are often new immigrants, largely from South Asia, who have left the impoverished conditions of the own countries in hopes of making a decent living for their families.

The taxi industry in New York is highly stratified. At the top are a few individuals who own large fleets and lease their cars

and medallions—one of the fixed number of licenses necessary to operate a yellow cab—as a package to drivers.

Other drivers, singly or with a partner, usually a relative, own their own cars and lease medallions from brokers. Those compelled to lease either both cars and medallions or just the medallion make up the vast majority of drivers in New York City.

A smaller group of drivers, perhaps 10 percent of the total, own their own cars and medallions, normally paying off loans for both. Medallion prices are exorbitant, reaching a record when one was auctioned in 2007 for \$600,000.

All drivers are regulated as to how much they can charge customers, and all must pay for their own gas.

The onerous working conditions of the city's taxi drivers are well documented by those who have studied the industry. John J. Hodkin, author of *Taxi, a Social History of New York*, noted in the *Times* that the predominant social trend of the last 20 years has been the growing social inequality in the industry. A handful of fleet owners (who have over 3,000 of the taxis on the roads in New York) reap large profits, and the majority of drivers fall further and further behind in their ability to live decently.

Edward G. Rogoff, a professor of management at Baruch College in Manhattan who has also written on the industry, has called taxi drivers "urban transportation sharecroppers. They lease a medallion for a fixed price for a fixed period and they absorb all the risk as to whether it rains. And they're unhappy because the system is fundamentally unfair to them and they know that."

The New York City government has put pressure on the livelihood of drivers over the last two years, and the drivers have sought ways to defend themselves. Over 9,000 taxi drivers struck twice in 2007—in September for two days and in October for a day—over the installation of Global Positioning Systems (GPS) and credit card payment units in their cabs.

Drivers had to pay thousands of dollars for the new technology out of their own pockets. "If the GPS breaks down, then the meter breaks down too," one driver told the media, "then you have to bring the whole thing in to get fixed." In addition, drivers objected to a five-percent surcharge for credit card use that they would also have to pay directly to

maintenance garages. Another important concern was that the city's Taxi and Limousine Commission could now track their movements and use that information in whatever way it saw fit.

The taxi drivers were met by police intimidation and city-sponsored scabbing. The day before the first strike, Police Commissioner Raymond W. Kelly told the media, "Beginning at 4 a.m. tomorrow, the New York City Police Department will assign extra police officers, including plainclothes officers in taxis on patrol, to Grand Central, Penn Station, and other transportation hubs, as well to taxi garages. We are taking these steps to ensure the public safety and to guard against reprisals against cabbies who elect to drive during the planned strike."

Mayor Michael Bloomberg instituted an "emergency fare system" by which non-striking drivers could earn over double the usual daily rate. Bloomberg, the multi-billionaire representative of the super-rich who dominate the city's economic life, arrogantly told the drivers that by striking, "All they would be doing is hurting themselves. Hopefully, they won't want to sit there and let all the other taxi drivers have extra fares while they earn nothing."

The mayor was assisted in his strikebreaking efforts by the New York State Federation of Taxi Drivers, whose spokesman Fernando Mateo told the *Times* that there was "no reason to strike," claiming that the 25 percent of the striking drivers were "radicals."

Recently Bloomberg has begun to move forward with his plan to replace the New York taxi fleet, composed primarily of Crown Victorias and Toyota Siennas, with hybrid vehicles over the next seven years. This would mandate that small owner-operators purchase new cars before the present five-year replacement period is up, which would bankrupt many drivers.

The WSWS asked Bill Lindinauer, the campaign coordinator for the Taxi Workers Alliance, how he would characterize the situation facing the drivers with gas at nearly \$4.00 a gallon.

"They've been suffering. Shifts are supposed to be 12 hours long but they have to work maybe 14 or 16 hours a day now. Most drivers work at least six days a week, and lot of them now work seven. The drivers are gritting their teeth. How many hours can you work a day without it affecting your health? They're also being squeezed by the credit cards' five percent surcharge. You're not talking about high wage earners here.

"The gas prices have gone down a little bit, but we expect them to go up again. That's been the overwhelming trend since our last fare hike in 2004. All it would take is for someone to destroy a pipeline or a refinery or two somewhere in the world. Even a hurricane can destroy a refinery. Then the price of gas shoots up. Gas can shoot up virtually overnight to \$8.00 or \$10.00 a gallon. What is going to happen then? You won't see many taxis on the streets of New York.

"Since 2004 everything has gone up: rent, food, Con Edison. When I moved to Astoria [in the borough of Queens] five years ago I paid \$1.90 for a slice of pizza. Now that same slice costs \$2.70.

"I blame the government. They control the cab industry. It's a government-sanctioned industry. They have a stranglehold on our incomes. Remember, drivers do not have any health benefits. We don't have any collective bargaining rights because we're supposedly independent contractors."

The WSWS also interviewed a taxi driver from India, who agreed to speak only on condition of anonymity. When asked about the price of gas, he said, "It's ridiculous. It's very high. If I make \$150 a day, I have to spend \$60.00 a day on gas. I'm losing money. For a year, I've been losing money. Now I have to decrease my expenses. My family has become very conservative in what we spend. We're not going to movies. Our budget is ruined. Really, I have no idea how I'm going to pay."

The driver, who came to the United States in 1992, initially worked as a construction worker. "In construction, they paid me \$35 a day. I was non-union and tried my best to get into the union, but told me they had no vacancies. Then I became a taxi driver in 1996."

The driver now leases his car for \$1,600 a month and owns a medallion with his brother, for which they took out a large loan. He estimated that he paid \$20,000 a year for it. "The income was much better then, but now it may not be worth it."

He also noted that rising prices were an international phenomenon. "My relatives say that prices are going up in India, too," he added. Referring to the collapse of the home loan industry and the costs of the subsequent government bailout, he said, "If they've lost money, that's not a public mistake. It's their mistake and we shouldn't pay for it."



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