Indian Economy · GS - III

Urban transport regulation must balance the financial sustainability of operators, livelihood security of drivers and affordability for commuters. Analyse.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 26/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Urban mobility, fare regulation, informal employment, driver welfare, electric mobility, regulatory coordination, inclusive transport

Model Answer

The competing interests in urban mobility

Urban transport systems connect employment, markets and essential services. Their sustainability depends on balancing three interconnected stakeholders: transport operators, drivers and commuters.

1. Financial viability of operators

Rising fuel prices, maintenance expenses and regulatory compliance costs can reduce the viability of transport services. Periodic fare revisions may be necessary, but arbitrary increases can discourage ridership.

2. Livelihood security of drivers

Auto and taxi drivers often face fluctuating incomes, high fuel expenses and limited social protection. Welfare boards, accident insurance, health coverage and accessible grievance mechanisms can improve livelihood

security. Transparent licensing and fitness procedures are equally important.

3. Consumer affordability

Affordable public and intermediate transport is essential for low-income households, women, students and workers. Fare decisions should consider household expenditure, service quality and the availability of alternative mobility options.

4. Regulatory and technological transition

Electric vehicle policies can reduce urban pollution and fossil-fuel dependence, but drivers require affordable financing, charging infrastructure and realistic transition timelines. Similarly, app-based and bike-taxi services require clear licensing, insurance, safety and accountability standards.

Towards balanced governance

1. Establish transparent fare-revision mechanisms linked to operating costs and affordability assessments.
2. Strengthen driver welfare institutions and simplify transport-related administrative approvals.
3. Consult unions, operators, consumers and technology platforms before major regulatory changes.
4. Ensure that automated vehicle fitness testing remains transparent, accessible and technically reliable.

Conclusion

Urban transport policy should move beyond isolated fare disputes towards an integrated framework combining economic viability, worker protection, consumer welfare and environmental sustainability.