

## Tomtom and rickshaw drivers

*Tomtom and rickshaw drivers which are common and preferred means of transportation in many parts of the country, including Teknaf. They can generate income by ferrying customers and transporting goods. The cash assistance has positively impacted the drivers as they are able to use the cash to maintain the vehicles.*

### Introduction

Since 2019, The Vulnerability to Resilience (V2R) project has been implemented in 10 communities across Teknaf sub-district of Cox's Bazar. Part of the support was including the 1,700 families in the community through conditional cash grants. In December 2022, we carried out two focus group discussions with the targeted communities who make a living by transporting goods and people to understand the changes to their lives and livelihood after receiving the cash assistance and skills development support.



*Joyanal Abedin, father of three, is hopeful to educate his children with the income from Tomtom that he bought with the cash grant received from the V2R project. Sources: BDRCS.*

### Content

#### *Changes in income and spending behaviour*

The initial income from transportation services is quite unstable where it can vary from as low as BDT 200-1,500<sup>1</sup> daily, depending on passengers' availability and seasons. There are quite high number of Tomtom<sup>2</sup> drivers on the streets of Teknaf which is quite competitive. During assessment prior to receiving cash assistance, the estimated daily income for small Tomtom drivers is BDT 500-700 while for big Tomtom drivers is BDT 800-1000.

After 3 months or more of receiving the cash assistance, there was not a significant change to their income. This could be due to the beneficiaries spent and invested the cash in purchasing batteries. The impact is likely to be seen in the longer term. However, it is evident that the cash support has helped them to keep their business running and most importantly they no longer need to take loans. One of the beneficiaries was able to purchase a used Tomtom with the cash assistance. He used to rent a Tomtom for BDT 150 per day which can be a burden if he is not able to work or does not have enough customers.

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<sup>1</sup> BDT 10,000 is equivalent to USD 94 or GBP 78.

<sup>2</sup> A Tomtom is a locally built small vehicle powered by motorbike and is used for transporting people and goods.



Majority of them said their vehicles are their main working capital, with some valued at resell price of around BDT 50,000. Only one is still renting. Most of them used the cash to buy batteries and for repair (replacing old and partially damaged parts). Tomtom can be purchased from Teknaf or Cox's Bazar market, whilst the parts can be procured from local markets (Henila, Whyhong, Rangikhali Bazar and Teknaf) and available most of the time. They believed that their vehicles are now worth more and have a better resale value.

The additional income is useful when they had to seek medical treatment or to pay for their child's education or materials for school. Prior to the increased income, they would delay getting treatment or prioritising which child to send to school. Now, they able to make decision quickly.

### ***Access to loans***

There is opportunity for the participants to credit access such as loans. Anyone with a valid citizenship paper, proof of residence and has the financial capacity can apply for a formal loan. Loans can also be applied from local lenders such as ASHA, BRAC, Coast Trust, Mukti etc. Two of the respondents took loan of BDT 50,000 from ASHA (a nation-wide microcredit organisation). Whereas for informal loans, they do have constant access to this method where they usually reached out to local people. They generally take informal loans from neighbours or relatives as well. The beneficiaries who took the loan from ASHA, have purchased a Tomtom and paid the money in weekly instalments. The loans have supported them in enabling them to generate income but it is also a burden for them to repay. The interest charge is high in which a loan of BDT 50,000 sometimes comes with an interest payment of around BDT 16,000. During the interviews, it was observed that the participants, particularly women, prefer not to discuss about their loans with the group.

### ***Alternative income source***

Many of them are aware of the risk of not able to drive/work when their Tomtom is broken down or the battery could not be replaced in time due to limited fund. They resort to work as daily labor to put food on the table. There are few opportunities for them to have an alternative income source. Considering the volatility of their livelihood, the options to diversify their income can be very relevant to them. One of them said she was able to cover her family expenses during down time with the financial support from her daughter. Another person was able to support with the small amount of money received from deposit pension scheme (DPS).

Although some have diversified their livelihoods, they have not updated in their business development plan<sup>3</sup>. Three of the participants are rearing goats, pigeons and growing vegetables

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<sup>3</sup> Business development plan elaborates on how they are planning to run, expand and maintain their new/current business, the identified business risks and the measure to protect against shock and disaster related risks.



using their main business income. They believe the diversification method has mostly been beneficial, however as they spent time in cultivation, they are spending lesser time operating their Tomtom. This resulted in lower income coming from their initial livelihood. They did not report any risks or difficulties when diversifying their business. Mostly their family members (wife and children) are involved and supported the diversified livelihoods (vegetable farming and livestock rearing). They can earn an estimated BDT 5,000 each month depending on the season. While selling goats could earn them up to BDT 40,000 in a year.

### *Access to extension services*

Participants reported that they were depending on local cooperatives for information and support when it comes to access to other services offered by the government. The local cooperatives help to facilitate new registration, renewal of license plate. They did not face any difficulties when getting support from or accessing the cooperatives. They have not communicated directly with the government service providers.

### *Increased knowledge and improved relationships*

The participants were generally positive about the cash assistance and skills development training they received. This has improved their ability to maintain and/or diversify their business. Improved financial literacy and risk management has enabled them to manage their expenses and business risks. Their awareness of road safety has increased with knowledge of the traffic laws and rules. They said having their own vehicles has enabled them to be more independent and debt-free. They are feeling more empowered and respected by their peers. They have also reported improvement in their relationship with their family members. When their children help them with the recording of cash book, they spent time communicating and learning from them. They also reported fewer family arguments.

## **Lessons learned**

Although the cash assistance supported the Tomtom drivers in many ways to improve their income level and their wellbeing, the model for diversification of income must be revisited to ensure that the diversified livelihoods are not restricting them from driving their Tomtom. It must be complimentary to their initial livelihood. It must also not put additional burden on other family members who need to tend to household chores or to attend school.

## **Contact information**

For more information on this case study please contact:

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