

Should taxi apps be regulated?

Level: Intermediate–advanced

Time: 90 minutes +

Summary: This lesson is about Uber, a new company that is competing in more and more cities worldwide with existing taxi companies. In this lesson, students:

1. discuss their experiences of taking taxis;
2. study one half of a text about taxi-app firms, and then exchange information with a partner;
3. study phrasal verbs and expressions from the text;
4. take part in a discussion about taxis.

Materials: One copy of the worksheet per student; one copy of the vocabulary record per student

Group size: Any

Note: This lesson plan for both pre-experience and in-work business students is based on an original article published in *Business Spotlight* issue 3/2015.

Warmer

Hand out the first page of the worksheet. Students discuss their answers to these warmer questions either in small groups, followed by class feedback, or as a whole group.

Key words

Hand out article A to half the students and article B to the other half. Students read the definitions for their part of the article and find key words that match these definitions in the article. Explain that the definitions are in the order in which the key words appear in the article. Then, students should read either article A or B thoroughly to understand the content while, at the same time, taking note of the key words to see how they are used in context.

Key:

Article A – no

1. evolves;
2. age;
3. suppressed;
4. substandard;
5. mechanisms;
6. medallions;
7. cartels;
8. established players;
9. flourished;
10. rivals

Article B – yes

1. per ride;
2. regardless of;
3. excess earnings;
4. compensate;
5. fares;
6. unravel;
7. dominant;
8. uniform;
9. cartel;
10. monopoly

Background and further information

These articles and websites provide further information (for the teacher and advanced students):

- www.uber.com
- www.technologytell.com/in-car-tech/12249/medallion-prices-down-but-uber-aint-killed-nyc-taxis-yet/ – an article about taxi medallion prices in New York
- factually.gizmodo.com/nyc-taxi-medallion-prices-have-fallen-almost-25-since-1678107694 – and another
- www.tfl.gov.uk/modes/taxis-and-minicabs/taxi-fares – typical taxi fares in London
- www.gov.uk/dvsa-taxi-driving-test – requirements for becoming a taxi driver in London
- www.nyc.gov/html/tlc/html/industry/licenses_main.shtml – requirements for becoming a taxi driver in New York

Key points

Hand out the final part of the worksheet, if students don't yet have it. In a, students read their article and underline the main points and arguments. In b, students sit together with someone who read the same article and compare what they have underlined. Tell them to come to an agreement so that they both underline the same points. In c, they should go and sit with someone who read the other article and – without showing them their text – explain what the main points and arguments are. Tell them to try to use their key words from task 2 when they explain their article.

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Phrasal verbs

A four-part task in which students complete the phrasal verbs with the prepositions, find out and make a note of which article they are in, explain what they mean (using a dictionary, if necessary) and, finally, write sentences of their own that contain the phrasal verbs. The whole task can be done in pairs. Check the answers before the students do part d.

Note that other combinations are possible – for example, *walk off* and *flag up*. Talk about these after establishing the correct answers from the article.

Key:

1. *walk away* (article B)
2. *flag down* (both)
3. *push up* (article A)
4. *pick up* (article B)
5. *drop off* (article B)
6. *open up* (article A)
7. *snatch up* (article B)

Expressions

Students put the words in the right order to make expressions that were used in the articles. Then, they should scan the articles and decide what or who they were used to describe or talk about before using them in sentences of their own – tell students to use the expressions in personalized sentences that are not related to the content of the article.

Key:

1. *don't have a chance* – substandard drivers
2. *don't want to abandon their old ways* – the established players
3. *in the long term* – benefit to clients and industry
4. *for good reason* – there is regulation of the taxi market
5. *the chances are high* – that a driver can pick up new passengers instead of driving back with an empty taxi
6. *enter the market* – unlicensed drivers

Discussion

Students discuss the questions, directly relating to the article, in class.

Vocabulary record

Here, students should be encouraged to record all of the new and useful vocabulary they have learnt during the lesson, not only in the form presented in the article but also in related forms.

Related topics on onestopenglish

This Business Spotlight lesson also explores the topics of regulation and monopolies:

www.onestopenglish.com/business/business-spotlight/should-digital-giants-be-broken-up/554277.article

A reading activity about taxis:

www.onestopenglish.com/skills/reading/topic-based-lesson-plans/reading-lesson-plans-taxi/146276.article

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1 Warmer

1. Have you ever done any of the following?

- Stood in the street in the hope of stopping a taxi
If so, were you successful?
- Phoned a taxi company when you needed a taxi immediately
If so, how long did they take to arrive?
- Booked a taxi more than 24 hours in advance
If so, why?
- Queued up for a taxi
If so, where were you?
- Shared a taxi with people you didn't know
If so, would you do this again?

2 Key words

Read the definitions for article A or B and find the key words in your article.

Article A – No

1. gradually changes and develops over a period of time
2. a period of history
3. stopped, especially by making laws or by using authority
4. not as good as you would normally expect or not good enough to be accepted
5. methods or processes for getting something done within a system or organization
6. taxi licences in the shape of a flat piece of metal that is attached to the vehicle
7. groups of people or companies who all agree to sell something at the same price so that they can all make profits without competing with one another
8. companies and businesses that have existed for a long time and are therefore recognized as good or successful (two words)
9. became very successful
10. businesses that compete with one another

Article B – Yes

1. for each trip or journey (two words)
2. without being affected or influenced by anything else that happens or exists (two words)
3. a larger amount of money from your job than you expected (two words)
4. change or remove the bad result/s of something
5. passengers in a taxi
6. begin to fail
7. more important, powerful or successful than other businesses of the same type
8. the same everywhere
9. a group of people or companies who all agree to sell something at the same price so that they can all make profits without competing with one another
10. a company that has complete control of the service it provides because it is the only company that provides it

Should taxi apps be regulated?

Journeys booked via apps cost less and are causing competition for regular taxi firms. Should they be regulated by law? The answer is yes and no ...

No! “Consumers should decide”

by Charlotte Bowyer



Over time, the way we use services evolves. In an age of smartphones, who wants to stand in the rain to flag down a taxi? A decade ago, it would have been impossible to provide a taxi service without good knowledge of the streets. And, because passengers had no

way of knowing how trustworthy drivers or firms were, licensing and regulations protected passengers.

- 1 Nowadays, regulations are used to push up the incomes of drivers and the new technology used by taxi-app services removes many of the problems regulations were meant to solve. These transport innovations should be welcomed, not suppressed.
- 2 A key criticism of taxi-app services is that they put the consumer at risk, for example because the taxi drivers may be inexperienced. Certainly, minimum standards should exist, which would include running full background checks on drivers and making sure they have the proper insurance. However, further regulations are not necessary.
- 3 One is often warned that “almost anyone” can work as a taxi-app driver but, in fact, using such a service is unbelievably

safe. Passengers can be sent the photo, phone number and number plate of their driver, and the exact journey route and times are centrally recorded. Driver rating systems are highly effective, meaning substandard drivers don't have a chance. These feedback mechanisms probably make taxis contacted via an app safer than most other forms of transport.

It is also said that taxi apps are “unfair” competition to existing firms. This is partly true; regulations like taxi medallions raise the cost of becoming a taxi driver, whilst fixed and minimum fares keep prices high. However, until tax-app competition, this suited the industry and its cartels.

The solution is for outdated businesses to be opened up to competition and to use the model of taxi apps to consider how regulation could be reduced for all taxi drivers. Sadly, the aggressive reaction of established players against taxi-app firm Uber shows they don't want to abandon their old ways, even if it would benefit their clients and save their industry in the long term.

In cities where such apps are permitted, they have flourished alongside traditional services without negative consequences. Consumers should decide how effective and safe a service is – not regulators and certainly not angry business rivals.

Charlotte Bowyer is head of digital policy at the Adam Smith Institute, a UK-based, free-market think tank.

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Yes! "Regulation prevents monopolies"

by Eric Posner



The taxi market has been regulated for good reason. Imagine what an unregulated taxi market would have meant before the invention of the apps. If the price sounded a little high, you could have walked away and flagged down another taxi – and continued doing this

until you were offered a better price. But no one has time to do this.

- 1 The greater problem, however, is that the driver's cost is based on factors that are not easy for passengers to understand. One factor is whether the driver can pick up new passengers at the drop-off site. If the chances of doing so are high, the driver will make money on a return trip. If there are few such passengers, he may not.
- 2 Taxi companies solved this problem long ago by charging a price per ride (or per unit of distance), which reflects drivers' average costs rather than their actual costs. You pay the same amount regardless of whether the driver expects to pick up a return passenger or not. The excess earnings when the driver can pick up return passengers compensate him for the losses when he cannot. Because prices are fixed, bargaining is avoided.

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This system can work only if the government limits the number of taxis by law and requires drivers to pick up all passengers. The problem with the taxi apps is that they allow a large number of unlicensed drivers to enter the market and snatch up the most profitable passengers – during periods of high demand, for example.

By taking away the licensed taxis' most profitable passengers, the apps force licensed taxi drivers, who must, by law, continue to pick up money-losing fares, out of the market. The remaining unlicensed drivers – those who use apps – will themselves face this problem, causing the market to unravel. This is why government regulation of taxi markets has always been thought necessary.

A company could solve this problem by obtaining a dominant position in the market. The company could then limit the number of drivers who use its app and force those drivers to pick up everyone who wants a ride and to charge uniform prices. But, if this happens, then the company will be a monopolist – or, more precisely, the coordinator of a cartel of drivers – and will be able to charge monopoly prices. Government regulation is necessary to prevent monopolies from forming.

Eric Posner is a professor at the University of Chicago Law School and the author of several books.

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3 Key points

- Underline the key points and arguments in your article.
- Compare what you have underlined with others who read the same article as you.
- Explain these points and arguments to someone who read the other article.

4 Phrasal verbs

- Complete the phrasal verbs from the article with the prepositions in the box.
- Which article are they in, A or B?
- Explain what they mean.
- Use the phrasal verbs in sentences of your own.

up (x 4)

off

down

away

- walk _____
- flag _____
- push _____
- pick _____
- drop _____
- open _____
- snatch _____

5 Expressions

- Put the words in the right order to make expressions from the articles.
 - chance / don't / a / have
 - ways / to / their / abandon / want / don't / old
 - long / the / in / term
 - reason / for / good
 - high / chances / the / are
 - the / market / enter

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- b. What or who do the expressions refer to in the articles?
- c. Use them in sentences of your own.

6 Discussion

- How often do you take a taxi?
- Is it commonplace or unusual to take a taxi where you live / come from? Why?
- In what situations would it be preferable to take a taxi and not another form of transport?
- Is working as a taxi driver a good job where you live? Why? Why not?
- Would you consider using a taxi app such as Uber? Why? Why not?

