

Europe's cabbies decry competition from Uber app (Update)

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Taxi drivers protest in Milan, Italy, Wednesday, May 21, 2014. Milan's taxis have been idle for five days to protest the ride-hailing app Uber, the latest European challenge to a technological advance against old business models. Uber, a San Francisco startup, has been banned in Brussels and is under court scrutiny in Berlin. Milan's 5,000 taxi drivers are seeking similar curbs when representatives meet with Italy's transport minister Wednesday. (AP Photo/Federico Ferramola, Lapresse)

Milan's taxis sat idle for a fifth straight day Wednesday to protest

competition from the ride-hailing app Uber, a high-tech challenge that has Europe weighing its consumer benefits versus its threat to old business models.

Uber, a San Francisco start-up, has been banned in Brussels and faces court scrutiny in Berlin. Milan's 5,000 taxi drivers sought similar curbs as they lobbied Italy's transport minister, but at the end of Wednesday's meeting, he told them bluntly to get back to work.

Since the arrival of Uber over the past 18 months, taxi drivers across the continent have been adamant about protecting their turf from the mobile app. It allows consumers to book a ride over a mobile device, breaking free of rigid fare structures criticized as protectionist.

In Paris, drivers for private car services, including Uber, had their vehicles vandalized when they kept operating during a taxi strike. And in Spain, the National Taxi Federation has called for Uber to be banned, saying it was putting 100,000 jobs at risk.

Alfonso Faccioli, a leader of the Milan wildcat protests, said Uber represents unfair competition to taxi drivers, who can pay up to 160,000 euros (\$220,000) for a license.

"We are fighting to defend our livelihoods," he said at a protest at the taxi stands outside Milan's train station.



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The European Commission begs to differ. Its commissioner for digital technology issues, Neelie Kroes, has expressed outrage at the Brussels court decision to ban Uber and impose 10,000-euro (\$13,700) fines for offenders. She said the judgment seeks to protect cartel-like taxi services and is impractical to enforce.

"Are the police now going to spy on our phones to see when we are making Uber bookings? Don't you think the police in Brussels have something better to do?" she said.

Paolo Beria, a professor of transportation economics at Milan's Polytechnical University, said taxi drivers in Italy so far have been successful in slowing market reforms. He said they have maintained relatively high fares and restricted the number of licenses, which ensures a high resale value on them. But they may now have met their match in Uber.

Beria said Uber's technology would be "more difficult to stop" because it is so easy to deploy and use.

Kroes said her staff has used the service worldwide and loves it for its cost, convenience and safety. She said authorities should work with Uber to make sure they "pay taxes, follow the rules and protect consumers," rather than banning the service.

Two of Uber's subsidiaries, Uber Limo and Uber Pop, face other European-wide criticisms for distinct reasons. Limo uses drivers who are licensed to carry private passengers, but unionized tax drivers in several EU nations complain that the Uber Limo vehicles fail to follow their industry's rule that limosines should operate from a fixed base, not roam freely looking for business.

Beria said Uber Limo should promote competition and lower fares. He said Uber Pop's business model was more controversial, because it allows any driver to offer an ad-hoc taxi service without a professional license, creating a potential pool of unregulated and possibly illegal drivers.

After Wednesday's meeting with cabbies in Milan, Italian Transport Minister Maurizio Lupi said authorities would ensure that Uber Limo operated within prevailing laws, but whoever offered Uber Pop services would be deemed to be working illegally.

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