



# The Ethnic Hierarchy of the Taxi Industry: Structural Changes and Social Mobility Among Migrant Drivers

RESEARCH

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## ABSTRACT

The Norwegian taxi industry is an immigrant niche. Immigrant niches are often structured hierarchically, where workers are positioned in relation to their nationality or ethnicity. This article shows the existence of an ethnic hierarchy in the Oslo taxi industry, primarily between Pakistani and Somali drivers, and it unpacks the elements that shape this hierarchy. Extending the argument that the role of structures should receive more attention in exploring niches, I argue that industry regulations contribute to shaping an ethnic hierarchy in this occupation. Furthermore, I emphasize the importance of time of migration and investigate how this intertwines with regulations in forming a hierarchy. The article proceeds to explore how social mobility for Somali and Pakistani drivers has been facilitated and limited through the occupation and how this also relates to the time of migration and (de) regulations. Building on these findings, I conjecture about how current deregulations can alter the ethnic hierarchy, but simultaneously limit paths to social mobility.

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Taxi Depot is a waiting lounge and cafeteria for taxi drivers at Oslo airport. The common area, where the cafeteria is, has tables and chairs, a large TV, and a pool table. Furthermore, Taxi Depot has a room to pray, offices for managers, enclosed rooms, alcoves, and a basement with toilets. Drivers park their cars at the large parking lot in front of the building and as they wait for customers, often for hours, some drivers use this time to go for walks outside. The two largest groups of migrant taxi workers, Pakistanis and Somalis, have separate areas they tend to stay in at Taxi Depot. Pakistani drivers often retreat to an enclosed room with sofas, while Somali drivers gather in a less comfortable alcove by the main entrance. This observation points to the presence of an ethnic hierarchy within the industry.

The Oslo Taxi industry can be defined as an immigrant niche. When a cluster of migrants is found in specific occupations, industries, or segments of an occupation it is considered an immigrant niche (Eckstein & Peri 2018; Ruhs & Anderson 2010; Waldinger 1994; Wilson & Portes 1980). During interviews, industry representatives discuss how the taxi industry in Oslo is predominantly an immigrant occupation, where Pakistanis and Somalis make up the largest groups of migrant drivers. In interviews with taxi drivers, the drivers also clearly state that taxi driving has become an 'immigrant job'. Drivers are either permit holders, who own one or multiple permits, or employed drivers, who work for the permit holders. Pakistanis were in the first group of large-scale labor migration to Norway, which began in the late 1960s, and they were among the first migrants to find work and establish a network in the taxi industry. Meanwhile, Somalis on a whole arrived in Norway as refugees decades later, after the outbreak of the Somali civil war in 1991. I argue that this variation in the time of migration has influenced the groups' different positions in the taxi industry. The findings suggest that Pakistanis more often than Somalis hold permits, sometimes multiple, in sought-after dispatches. Moreover, Pakistanis more commonly employ Somalis, rather than the other way around.

Immigrant niches can sometimes have hierarchical builds where migrant workers are placed according to ethnicity, race, and nationality, known as *ethnic hierarchies* (Friberg & Midtbøen 2018; Waldinger & Lichter 2003). Such hierarchies are not necessarily consistent or permanent but can develop and change. Waldinger explains how longer-established ethnic groups in a host country tend to advance in niche occupations by securing better positions within the industry or occupation or they move out of the niche to more prestigious jobs. This creates space at the bottom of the employment ladder where new groups of immigrants enter (Waldinger 1999; Waldinger & Lichter 2003; Rath 2001).

In reaction to Waldinger, Rath suggests that more emphasis should be placed on the role of structures when exploring how immigrant niches arise and alter (Rath 2001). These structures include the market, technological innovations, or political contexts such as welfare regimes and national or local regulations (Rath & Kloosterman 2001). Responding to Rath's call for increased focus on the role of structures in exploring niches, this paper highlights how *regulations*, combined with time of migration, shape ethnic hierarchies within immigrant niches. This is a contribution to existing research, as the role of regulations has received little attention in exploring ethnic hierarchies. Moreover, on the basis of findings concerning how a hierarchy has developed in the industry, I discuss how deregulations could hypothetically contribute to alterations

in the ethnic hierarchy. Finally, I consider how positive advancement in some regards also relies on regulations, and how industry deregulations could jeopardize drivers' social mobility.

Building on Waldinger and Rath's perspectives, this paper poses the following research questions: What role do time and regulation play in forming the ethnic hierarchy in the Oslo Taxi industry? Have these same factors facilitated or prevented social mobility for drivers? If so, how? To answer these research questions, I rely on 29 interviews: 26 with taxi drivers and 3 with industry representatives from the Norwegian Taxi Association and the labor union. Moreover, I rely on multiple hours of participant observation and informal conversations with additional drivers.

The structure of this article is as follows: first, the theoretical framework and review of literature are introduced, where *immigrant niches* and their interconnections with *ethnic hierarchies* and *dual labor markets* are presented. Next, an account of the historical status decline and previous deregulations in the Norwegian taxi industry is provided. Methods and analytical approaches are then described, followed by findings. The findings are divided into two sections; first, the elements that contribute to forming the ethnic hierarchy in the Oslo taxi industry are presented. The focus is placed on structure and regulations as they intertwine with time spent in Norway and the occupation. Second, I discuss how the taxi industry has facilitated a certain degree of advancement and social mobility, and how this varies between Somali and Pakistani drivers. Proceeding to the discussion, I consider the implications of the findings. I discuss potential movements and alterations of the ethnic hierarchy, and how this intertwines with regulations and deregulations. A conjecture in the discussion is that the recent deregulations may flatten the ethnic hierarchy while hampering the occupation's promises of social mobility.

## THEORETICAL FRAMEWORK AND CONTEXT

### IMMIGRANT NICHES AND ETHNIC HIERARCHIES

As suggested, immigrant niches are industries or occupations with a concentration of migrant workers. It is common to define an industry or occupation as a niche when its migrant representation is one and a half times greater than that of the general labor market (Friberg & Midtbøen 2018; Wright, Ellis & Parks 2010). Immigrant niches are typically, but not always, found in the secondary sector of the labor market. Jobs in the secondary sector can be identified by low wages, little job security, and poor working conditions, while employment in the primary sector provides high income, job security, and good working conditions (Friberg 2012; Piore 2014). Faced with employment barriers such as lack of formal qualifications, language barriers, or discrimination, employment in the secondary sector can provide a path into paid work for migrants, contributing to the rise of niches.

Furthermore, niches may include immigrant workers with varying nationalities and ethnic backgrounds. In this connection, hierarchies between different groups of migrants are sometimes found in niches (Anthias 2007; Friberg & Midtbøen 2018; Waldinger & Licher 2003). As suggested in the introduction, Waldinger argues that hierarchical positions within niches can change. This occurs when better-situated migrants, often ones who have been in the host country longer, move up the hierarchical ladder of employment to the more desirable positions in an industry (Waldinger 1999). This creates a vacancy at the lower end of employment, which

becomes available to new groups of migrants (Rath 2001; Waldinger 1999). Eventually, *niche succession* could occur, where later arrivals of migrants become the dominating group in a niche. Meanwhile, earlier migrant groups move out of the niche and into employment in the primary labor market. As such, time of immigration matters to the ethnic and hierarchical structure of a niche. However, it also implies that upward movement tends to occur in niches over time. In this connection, employment in a niche in the secondary sector can be used as a springboard to enhance social mobility (Waldinger 1999).

In response to Waldinger, Rath suggests that niche succession will not automatically occur over time. Rath argues that institutional structures can significantly influence niche succession and development. For example, if the demand for a service is reduced, such as by result of innovations or regulations, this could undermine the advancement of migrant workers in a niche (Rath 2001). As such, he suggests more focus should be placed on the role of structures when exploring how niches form and alter (Rath 2001). Rath and Kloosterman describe these as *opportunity structures*, which include the market, technological innovations, or national, regional, and local political context, such as different welfare regimes or specific regulations (Rath 2001; Rath & Kloosterman 2001).

This article extends Rath's argument about institutional structures, by illustrating how *occupational regulations* contribute to forming an ethnic hierarchy in an immigrant niche. This addresses a gap in the research, in that insufficient attention has been paid to such regulations. Moreover, I show how regulations interplay with Waldinger's perspectives on time and the concept of niche succession. Structure and regulations, in combination with time spent in the host country and in the occupation, shape the ethnic hierarchy in the Oslo taxi industry. In line with Waldinger, I discuss how positive advancement in the industry has the potential to occur for drivers at the lower end of the hierarchy. However, returning to Rath's argument regarding the importance of structures, I discuss how positive advancement likely depends on regulations, while industry deregulations could undermine advancements.

## THE NORWEGIAN TAXI INDUSTRY: STATUS DECLINE AND DEREGULATIONS

To explain the occupational context in which this niche is placed, this section provides an account of the status decline within the taxi industry, and how this in part connects to previous deregulations. As suggested in the introduction and theoretical framework, the Oslo taxi industry is an immigrant niche in the secondary sector. Researchers suggest that the taxi industry exists on the margins of the Norwegian labor market, with low and commission-based pay, long working hours, and a low degree of unionized workers (Valestrand & Oppegaard 2022). However, the occupation has not always been on the periphery of the labor market. In the first half of the twentieth century, taxi drivers had more status comparable to that of independent craftsmen (Aarhaug et al. 2020; Steen 1988). Drivers owned their own businesses and organized their own rides, finances, and maintenance (Oppegaard 2020). The literature suggests the status of the occupation began decreasing after World War II. At that point the industry became organized around dispatches, and permit holders began employing drivers (Aarhaug et al. 2020; Oppegaard 2020; Steen 1988). In the 1980s the industry became more digitalized, occupational skills less important, and unskilled labor migrants began entering the occupation, which led the

status of the occupation to decline further (Aarhaug et al. 2020; Steen 1988). Despite the occupational decline described in the literature, taxi drivers refer to the 1980s and 1990s as good times in the industry compared with today. During that period, Oslo Taxi was the only dispatch in the Oslo region, and it operated as a cooperative where permit holders were the majority owners (Aarhaug et al. 2020). However, in 1998 certain industry deregulations were introduced. As a result of these changes, more permits were issued, new dispatches were established, and the fare for riding a taxi increased (Aarhaug & Skollerud 2019). Drivers in this study connect these deregulations to a decline in occupational status.

In November 2020, more extensive industry deregulations were introduced. Before these deregulations, the limit on ordinary taxi permits in the Oslo and Akershus area had remained unchanged since 2003 (Aarhaug & Skollerud 2019). In principle, permits were restricted to one per car, and per permit holder, though exceptions had been made to this rule (Aarhaug et al. 2020). One of the most central aspects of the 2020 deregulations was that the numerical cap on permits was removed, which entailed that an unlimited number of permits could be issued. In addition, drivers were no longer required to be connected to a dispatch, meaning that permit holders could drive individually without any dispatch affiliation. The requirement of having taxi driving as one's primary occupation was also removed, entailing that permit holders could drive part time, such as next to another job (Aarhaug et al. 2020). The labor union and the employer organization strongly criticized these changes, as did most drivers. Drivers predicted that such deregulations would ruin the income and remaining status of the occupation and that driving a taxi would primarily become a part-time job. Moreover, these deregulations paved the way for the entrance of TNCs (Transportation Network Companies) and platform work.

## METHODS

This article relies on a case study of the Oslo taxi industry, which consists of interviews as well as participant observation. The study entails 26 semi-structured interviews with taxi drivers who are either permit holders or employed drivers, as well as 3 semi-structured interviews with industry representatives. Industry representatives are from the Norwegian Taxi Association and the labor union. Furthermore, six of the interviews are follow-up interviews; four of these focused on work and home life during coronavirus disease 2019 (COVID-19) restrictions, while two addressed the aftermath of deregulations. In addition to the interviews, follow-up emails were exchanged with a handful of the participants, and their employment status after deregulations was discussed. In sum, the study consists of 29 semi-structured interviews and email exchanges conducted with approval from the Norwegian Center for Research Data. On average, the interviews with drivers were approximately 1 hour long, while the interviews with representatives lasted close to 2 hours. When referring to all interviewees, they are described as *participants*. When the industry representatives are not included, interviewees are referred to as *drivers*.

The interviews were conducted at four locations: Taxi Depot, a waiting lounge and cafeteria for taxi drivers located next to Oslo Airport; over Zoom; in the taxi while driving; and at the offices of industry representatives. A total of 23 interviews were conducted during the spring and summer of 2019 and interviews regarding work and home life during COVID-19 restrictions were conducted in June 2020, while the remaining interviews and email exchanges were conducted during the spring and

summer of 2021. Furthermore, drivers were compensated with a sum of 500 NOK for participating in the first interview. Taxi drivers were interviewed during work hours and had to take time off from driving passengers to participate. As the drivers receive commission only and work in a low-income occupation, they receive compensation for loss of income. Industry representatives received no such compensation; neither did drivers in any of the follow-up interviews.

The case study also relies on participant observation at Taxi Depot and in moving vehicles. I spent approximately a week at Taxi Depot, where I conducted interviews with drivers, but I also had lunch and participated in celebrations and games. This allowed me to see drivers interact with each other in a relaxed environment and to observe the dynamic between different groups, such as Somalis and Pakistanis. In addition to participant observation, I had informal conversations with several drivers and office managers. During such conversations I asked about the organization of the taxi industry and the entrance of TNCs, but also more informal things, such as how long they had been waiting at Taxi Depot and what they typically do while waiting there. The social codes of Taxi Depot were also discussed, such as who would hang out together and in which areas. The interviews conducted in moving taxis allowed for further participant observations and facilitated informal conversations. Regarding observations, I could explore drivers' work 'in action' and take note of their cars, traffic challenges, and interactions with other drivers at taxi stands. During these interviews, we also stopped at different taxi stands and talked informally to other drivers about their working conditions and the entrance of TNCs. This improved my understanding of the unwritten rules of the industry, and it gave me insight into the environment in which drivers work.

A few drivers were recruited for interviews through an organizer at the Norwegian Taxi Association. However, most drivers were approached randomly, such as at Taxi Depot where I had no scheduled appointments with drivers. Rather, I would approach the drivers who were there at the time and ask them to partake in an interview. Considering the demographics of participants in this study, all drivers are men and with the exception of industry representatives, all have a minority background. The drivers are first-generation migrants born either in East Africa (Somalia) or Pakistan, except for a couple of participants who migrated from India and Afghanistan, in addition to one second-generation Pakistani. The three industry representatives are white and born in Norway. The ages of the participants vary from early 20s to mid-60s, and most have no higher education.

As an ethnic majority white woman in my 30s, my positionality differs from the participants. Reflective of the implications of this, topics concerning family life and personal prospects may have been more sensitive to discuss. It could have been easier for participants to share personal experiences with somebody in the same group as themselves, or at least in a more similar situation. Moreover, a few participants were self-conscious about their Norwegian language skills, which they expressed before the interview. Language barriers could have influenced how accurately certain drivers could express themselves, and they may have skewed the power dynamic between the drivers and me in the interview situation. At the same time, most interviews were conducted at Taxi Depot where drivers were surrounded by other men in a similar situation, while I was a clear outsider. This may have helped mitigate some of the uneven power dynamics. Moreover, participants gave the impression of answering openly and genuinely, and nobody refused to answer a question, though all were informed upfront that they could do so at any point.

To answer the research questions, interviews were in broad terms divided into two parts: first participants were asked about their trajectories in the taxi industry and their working conditions, as well as their thoughts on deregulations and what they believe such changes could mean for them. Next, participants were asked about their personal background and history, family relations, and their experiences as migrants, as well as their hopes and plans for themselves and their children. Upon completion, all interviews were transcribed and categorized in NVivo. The material was sorted into categories through an inductive approach, where codes were developed directly from the data material. Though the analysis was primarily inductive, the categories also related to the research questions and interview guide, and during the analysis I went back and forth between research questions and categorization of material (Blaikie & Priest 2019). First, I developed main categories on the basis of reoccurring topics such as work content, personal social mobility, immigration trajectory and experience, integration and inclusion, and industry organization and deregulation. Each of these had multiple subcategories, which were connected by applying NVivo tools such as annotations and relationships. In this article, all excerpts from the interviews have been translated from Norwegian to English.

During the study, the COVID-19 pandemic started and restrictions followed. Because of restrictions, four interviews had to be conducted over Zoom, which was somewhat limiting as the element of participant observation was lost. Another limitation is that few Norwegian-born drivers are included in the study, only industry representatives and one second-generation Pakistani driver, which prevents the study from discussing how Norwegian-born drivers are positioned in the industry and the ethnic hierarchy. However, it is clear from the interviews that there are several Norwegian-born permit holders in Oslo Taxi, and one representative holds multiple permits in the dispatch himself. During interviews, a handful of foreign-born drivers suggest that many Norwegian-born drivers are older and close to retirement, which they believe will be used as an exit strategy if the industry fares poorly after deregulations. Moreover, I did not encounter any Norwegian-born drivers at Taxi Depot, which is where most interviews were conducted. I would speculate that this is because Norwegian-born drivers are more likely to work with permanent contracts, and as such are less reliant on the street segment of the market, or that they more often are permit holders who organize employed drivers and drive less themselves. In sum, I suspect that Norwegian-born drivers are in a position of advantage, holding a high place in the hierarchy of the industry.

Finally, regulations in the taxi industry will continue to change. A new government was installed in Norway in October 2021, which promised to reverse many of the deregulations in the taxi industry that the previous government had introduced. Some of these regulations were re-introduced in 2023, such as requiring taxis to be connected to a dispatch, while other regulations are still being discussed (Ministry of Transportation 2023; Oppegaard et al. 2023). Most interviews conducted in this study took place shortly before the implementation of industry deregulations, while a couple of follow-up interviews were conducted shortly after the deregulations. Therefore, this study departs from a period of anticipated or implemented deregulations, though the future of the taxi industry and the migrant workers in it again are subject to change.

## AN ETHNIC HIERARCHY IN THE TAXI INDUSTRY

Several interviews were conducted at Taxi Depot. By spending time in this social gathering arena, dynamics within the taxi occupation became apparent. A find from this site was that the Somali drivers and the Pakistani drivers tend to socialize in separate groups, even in separate rooms. As mentioned, one of the enclosed rooms with sofas was only used by Pakistanis, and an office manager at Taxi Depot expressed that Somalis would 'get in trouble' if they tried to use this room. The Somali drivers, on the contrary, would often gather in the hallway by the entrance door. Compared with the enclosed room with sofas used by Pakistani drivers, the Somali area appeared less comfortable, with hard chairs, the outer doors opening and closing constantly, and people walking by. The common area and cafeteria at Taxi Depot were used by all, and a few drivers made statements such as 'we are all friends here', suggesting that there is not a complete separation between groups. Still, the observation of separate areas pointed toward the presence of an ethnic hierarchy within the industry.

Moreover, drivers would show boundaries in their behavior. During interviews at Taxi Depot, it was more difficult to find Somali drivers who would partake in interviews compared with Pakistanis. On a couple of occasions, groups of Somalis I approached would direct me to Pakistani drivers. They suggested that Pakistanis speak better Norwegian than them, that they were permit holders, and in sum that Pakistani drivers would be easier to talk to. In this sense, they made a distinction between themselves and Pakistanis, emphasizing the latter's advanced position in language, cultural knowledge, and the industry. However, I explained that I wanted to capture the perspectives of Somali drivers to encourage their participation.

The presence of an ethnic hierarchy is not only found in boundaries drawn by drivers, but also in the structure of the industry. One hierarchical structure that follows ethnic lines relates to who permit holders are and in which companies. According to participants, the most profitable dispatch is Oslo Taxi, which has the largest volume of customers through dispatch orders and in the street segment of the market. Among participants, there were multiple Pakistani – but no Somali – permit holders in Oslo Taxi. The main reasons for Oslo Taxi's superior position in the market and its popularity among many customers relate to its position as the largest and oldest dispatch, its competitive prices, and its requirement for extra courses and certificates from its drivers, which suggests professionalism. Some Somali drivers are dissatisfied with the hierarchy among dispatches, perceiving it as unfair. Somali-born driver Yunus, who holds one permit in a small dispatch, shares his opinion:

Yunus: The only thing I do not like is that it should be one dispatch and one price and one system, so that the customer doesn't think: 'that dispatch is good and that dispatch is not good.' Instead, today we wait for hours for customers and Oslo Taxi just drive customers. Why? It's unfair. It should be one dispatch, everybody has the same price, the same profile, the same color, the same people, and the same taximeter in the car.

Yunus expresses that the current system and hierarchy between dispatches puts him at a disadvantage. He must wait a long time for customers, meanwhile, drivers in Oslo Taxi get plenty of rides.



Furthermore, there is a long waiting list to become a permit holder in Oslo Taxi. It takes almost 18 years before a driver may be issued a permit in the dispatch company, as few permits become available. Olav, who is a representative for the Norwegian Taxi Association, touches on the subject of how Pakistanis came to have taxi permits in Oslo Taxi:

Olav: Pakistanis came as one of the big groups of migrants to Norway from the 70s and onwards, and many also started to drive taxis. And after a while they had experience. And new permits were given out with deregulation in 1998, and then a lot of them got permits too. (...) So today there are a lot of permit holders, in Oslo Taxi, who have a Pakistani background. And after a while, other migrants entered [the industry], Somalis.

Olav points to the time of migration and time spent in occupation, combined with access to new permits, to show how Pakistanis have become permit holders in Oslo Taxi on a large scale, in addition to Norwegian drivers. He explains that Somalis typically did not arrive in Norway or go into the taxi industry until decades later. Different timelines combined with how long it takes to qualify for the limited number of permits in Oslo Taxi help explain why more Pakistanis than Somalis are permit holders in the dispatch.

In this study, many permit holders hold one permit and choose to drive alone. However, among the permit holders who have employees, all are Pakistani, except for one organizer who is Norwegian. Furthermore, a couple of these Pakistani drivers hold multiple permits in Oslo Taxi, which means they have multiple employees – both Somalis and Pakistanis as well as other nationalities. While there may well be Somali permit holders who have employees outside of this study, participants suggest that among permit holders who employ drivers, it is common for Pakistani permit holders to have Somali employees, but not the other way around. This points to a pattern where the employer–employee dynamic follows ethnic lines.

As I have now introduced findings concerning the factors composing the ethnic hierarchy of the taxi industry, I will next present data regarding the social mobility of drivers as it relates to industry development and regulations.

## **SOCIAL MOBILITY IN THE INDUSTRY**

Several Pakistani drivers describe how they, or their fathers, moved from low-paying jobs in the secondary labor market into the taxi industry, and how this enhanced their social mobility. Often, these stories date back in time. For example, Pakistani-born permit holder Samier came to Norway in the 1980s, and he immediately started working at a factory. After 5 years, he left the factory and started as a taxi driver, which he describes as a positive change. Over time he was able to become a permit holder, and today he holds multiple permits and runs a small firm within Oslo Taxi. He likes his work and suggests it has provided a comfortable income. Similarly, Pakistani-born driver Zahid, who grew up in Norway, describes his father's entrance into the industry in the 1990s:

Zahid: My father had washing jobs, he couldn't do anything else, he didn't speak Norwegian. So a couple of years with that, and quickly he got his taxi license. He has driven a taxi until today.

Zahid explains that with time his father became a permit holder in Oslo Taxi. Moreover, growing up with a father who was a permit holder, Zahid suggests his family always had financial stability. Several Pakistani drivers have similar stories of moving from low-paying jobs into taxi work, often into positions as permit holders. This is considered as a step up on the employment ladder, one which enhances financial and social mobility. These stories are to a lesser extent shared by drivers who entered the industry in more recent years, such as Somali drivers.

Furthermore, a handful of Pakistani drivers, primarily ones who have been in the industry for a couple of decades or more, discuss how being a taxi driver assisted them in buying a home. Samier explains that during the period when he worked at a factory, his living conditions were humble. He describes sharing a shower and a bathroom with his neighbors. However, after becoming a taxi driver he bought his first home. Pakistani-born Kassim has been a taxi driver since 1999, and permit holder in a small dispatch since the early 2000s. Kassim describes a similar process to the one shared by Samier:

Kassim: Because driving a taxi gave you a good income in those days, and I managed to buy my first apartment. (...) I worked even more to show the bank that I have a high income (...) So I bought my own apartment in 1999, shortly after I started driving a taxi.

Kassim expresses that becoming a taxi driver in 1999 helped boost his financial situation, which allowed him to become a homeowner. Other Pakistani drivers share similar stories of financial increase and homeownership. As such, the taxi industry at one point functioned as a springboard to mobility for Pakistani participants. Moreover, Kassim was celebrating on the day of our interview. He was just informed that he was off the waiting list and had qualified to become a permit holder in Oslo Taxi, which he predicted would improve his position and enhance his finances.

Though Kassim is happy to receive a permit in Oslo Taxi, he suggests the status and income of the occupation have been declining for the last couple of decades, which has limited the paths of social mobility achievable through the occupation. Several participants connect occupational decline over the last two decades in part to the 1998 deregulation of the industry. Ragnar, who is an industry representative, describes how the 1998 deregulations opened the market for more permits and new dispatches, which he argues undermined the status and income of the industry. Interestingly, as suggested by Olav, 1998 deregulation also sped up the process of providing permits to several employed drivers, among them Pakistanis. Though drivers in this study tend to suggest the 1998 deregulation was a collective loss for the industry, these deregulations may simultaneously have helped individually employed drivers more quickly become permit holders, either at Oslo Taxi or the new dispatches that emerged.

Furthermore, though most drivers, Somalis and Pakistanis alike, are critical of industry deregulations, some Somali drivers are ambivalent. As described, none of the Somali drivers in the study have multiple permits, permits in Oslo Taxi, or employees. The ambivalent drivers believe deregulation will cause problems concerning the profitability of working as a taxi driver, but they also predict it may even out elements they see as unfair. Somali-born Amir holds a single permit in a small dispatch. He is skeptical of how some taxi owners hold multiple permits and employ multiple drivers without driving themselves. He points out how deregulations will make it easier for

employed drivers to become permit holders and more difficult for existing taxi owners to keep multiple permits. Though Amir is skeptical of deregulations overall, he believes this aspect can be positive for the industry, especially for employed drivers.

Other Somali drivers are solely critical. Somali-born and employed driver Cismaan has driven a taxi since 2010. He expresses that his goal has been to become a homeowner, but that it has been challenging because the income of the occupation has been declining. With the coming industry deregulation and predicted TNC entrance, he believes his chances of qualifying for a mortgage are evaporating. In connection to the foreseen entrance of TNCs, he asks rhetorically:

Cismaan: Do you think I can get a mortgage, a mortgage for an apartment (...) with a company that is in the air?

Cismaan is frustrated. He expresses that he has spent years in the industry but will have nothing to show for it. He is not the only one in this position. Other drivers also voice concerns about reduced income and declining opportunities to become homeowners. As such, industry decline, but most importantly deregulations, are typically understood as reducing drivers' paths to financial and social mobility.

## DISCUSSION AND CONCLUSIONS

This study finds that industry regulations, in combination with time of immigration as it connects to the time of entrance into the occupation, are primary factors in the formation of an ethnic hierarchy in the Oslo taxi industry. First, drivers recognize a hierarchy among dispatches where certain companies, especially Oslo Taxi, are more sought after for permits. Ownership in this dispatch is understood to provide more customers and income. Among drivers in this study, ownership in Oslo Taxi reflects ethnic background, with several Pakistanis but no Somalis holding permits in the dispatch.

The ethnic lines reflecting who has permits in which dispatches connect to Waldinger's description of how time influences niches and ethnic hierarchies. Pakistanis as a group have been in Norway and the industry for longer than Somalis. This allowed Pakistani drivers to get permits in popular dispatches over time and when these became available. Furthermore, as Pakistanis more commonly hold permits in popular dispatches, it is likely easier to find employees as these dispatches are preferred by employed drivers. This helps explain the employer–employee dynamic that tends to follow ethnic lines. In addition, a couple of Pakistanis hold multiple permits in Oslo Taxi, which likely became available long ago, as there has been a significant waiting list in recent years. Holding several permits makes it necessary to have several employees.

Rath argues that structures, including regulations, shape niches. In support of this argument, I find that industry regulation is an important factor in forming an ethnic hierarchy in the niche. While time is a central piece to understanding the formation of a hierarchy in the Oslo taxi industry, this formation happens within the framework of industry regulations. Regulations, especially the one that placed a numerical cap on permits, made it more exclusive to be a permit holder. This is especially true for permits in the most popular dispatches such as Oslo Taxi. Ownership in this dispatch reflects ethnic lines and is a key structure to the ethnic hierarchy in the industry. Before deregulations, the numerical limit on permits had remained unchanged for decades. Limited permits made it difficult for drivers arriving in the industry at a later point, many of them Somalis, to break into ownership in the most popular dispatches.

According to Waldinger, hierarchical structures in niches can alter over time. This could potentially be true for the Oslo Taxi industry. The findings suggest that drivers who entered the industry earlier on, typically Pakistanis, have benefited by securing better positions in the industry. Moreover, these drivers have been able to use the taxi occupation as a springboard for social mobility, such as to enhance income and to buy a home. A similar process has the potential to take place for drivers who entered the industry later, many of them Somalis, who with time would qualify for permits in popular dispatches, such as Oslo Taxi, as these gradually became available. This could advance their position in the industry. Moreover, if such advancement occurred, the industry could become a springboard to social mobility for Somali drivers, such as that described by several Pakistani drivers.

However, two factors undermine social mobility within the occupation. First, the literature describes an industry status decline dating back more than half a century (Aarhaug et al. 2020; Oppegaard 2020; Steen 1988). Despite this long-lasting decline, drivers express how they experienced enhanced social mobility from becoming taxi drivers in the 1980s and 1990s, such as through increased income and homeownership. Importantly, at that time the industry was more regulated. Participants suggest that the 1998 deregulations exacerbated the status decline. At the time of interviews, drivers still see remaining avenues to advance their position, such as by becoming permit holders in popular dispatches. However, with major structural changes introduced through the 2020 deregulations, drivers are concerned that their income will decrease, that occupational status will decline further, and that the job will become a dead-end. As such, participants fear that the remaining paths to enhance mobility are reduced. While the full impact and consequences of these deregulations are still unfolding, current research overlaps with drivers' pessimistic predictions. Research indicates that following deregulation, there has been an increase in permits, cars, and dispatches, while the turnover in the industry has decreased (Oppegaard et al. 2023). The income of permit holders declined from 2019 to 2021, while the income of employed drivers increased a little in 2021, and then declined the next year (Oppegaard et al. 2023). However, alterations in income were also affected by the COVID-19 pandemic. There are also fewer employed drivers in the industry. It is likely that these drivers have either become permit holders or left the industry.

On the basis of the findings from this study, I make conjectures about how the ethnic hierarchy in the Oslo Taxi industry may alter after the 2020 deregulations. In 1998, with more permits released, more Pakistani drivers became permit holders. Perhaps the same is true for Somali drivers with the 2020 deregulations, as recent literature suggests that many employed drivers have likely become permit holders (Oppegaard et al. 2023). Employed drivers may perceive obtaining a permit as a career advancement. However, like in 1998, this does not prevent a collective status decline of the industry, which could harm all drivers, Somali and Pakistani alike. A decline for the industry as a whole is also what most drivers expect. As such, I suggest a likely outcome of deregulation is that it assists in changing the ethnic hierarchy of the taxi industry by flattening existing hierarchical structures. Deregulations may leave few remaining positions of advantage and undermine the hierarchical compositions present in the industry. However, deregulations are simultaneously likely to erode paths to advancement and leave drivers with worse prospects of enhancing social mobility through the industry. In contrast, regulation stands out as an important factor that has contributed to shaping the ethnic hierarchy of the industry, while

also likely enhancing the potential of advancement and social mobility over time for all drivers. A similar study could be conducted in approximately 5 years, when industry deregulations have been in place for some time, to confirm or reject these conjectures.

## COMPETING INTERESTS

The author has no competing interests to declare.

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