CHAPTER – II

Transport and Its Role in Economic Development

Transport is the basic need of mankind. Time and space utilities are two important ingredients that make it indispensable for human beings. Transport in other words means mobility and the latter is considered as index of progress of modern society. In fact, modern civilized life cannot be thought of without adequate means of transport. Kurt Widen Field has rightly stated that Transportation is the sum of all technical instruments and organizations designed to enable persons, commodities and the news to master space. In fact, Transportation is the movement of persons or property from one place to another.

In general, Transportation has a aim to increase the utility of the consumer or to fulfill the demand of the customer. All means of transport have to create and establish a image in mind of users that they are providing a system which is very cheap, properly regulated, safe, reliable and comfortable. Means of transport have contributed to the progress of the world to considerable extent. The position of the world what it is today, is mainly due to the development that have taken place in the sphere of transport. Transport is the servant of the people – the genie which makes their dreams come true – the magic carpet of their future – the mobility of their desires, their aspirations, and their resources.

“Transport” serves mankind by bringing people to place there they want to go and deliver goods to places where they require them. Transport is required to enhance trade, enable general public to improve the quality of their life and bring nations together for their personal interest. Transport sector bears a close and complex relationship with all other sectors of a country’s economy. The modern society is its present form is inconceivable without the development of rapid transportation systems. The present seen of International Market and Multinational Business is the outcome of accelerated and well developed transport system. Rapid growths of population in the cities, the appearance of large manufacturing activities, and the fast urbanization of various
territories have all contributed to the development of various modes of transport world over.”

Road Transport

The extent of availability of, and accessibility to road transport reflects the level of actual and potential mobility people, goods and information. It substantially affects the location of people and the facility they need. Road transport is the basic and fundamental necessity of mankind. It can function in an unexceptionally flexible and diversified manner in relation to other means of transport. Road transport accounts for the pre-eminence of road transport over all other forms of transport. It plays an important role in passage transportation of the country and is particularly suitable for all short and long distance travels.

The future will doubtless be won by those who have greater knowledge and those who can harness their resources for equitable growth and reduction of disparities between the rich and the poor. The legacy of 20th century will be different for he developed and the developing worlds. The challenge of 21st century, however, will be social and economic convergence for the benefit of all. In the middle of the century, soon after independence, public sector was justified not only for improving the living conditions of the people at large but also for a fair deal to the workers. Looking back, whatever be the sins of public sector, it served the cause of the worker, often at the expense of the average citizen. But in a world which is slowly moving away from ideology towards pragmatism, the new paradigm will take its toll on ideology and will question every new idea on its utility to serve as large a section of the society as possible.

In quantitative terms by a larger spread and a wider reach, the State has intervened a lot in the matters of mobility people and goods. As with all monopolies the accent was less and comfort. The new pragmatism will demand the attention of the providers of goods and services to the concept of value of money. People may no longer accept services from the Government and the Public Sector as charities doled out to be helpless section. The march of liberation towards liberalization will mean more and more providers of services and goods and greater accent on choice, which barely existed.
before. The first lesson for State Transport Undertakings will be to live with competition and to improve in relation to what the market is demanding. In order to succeed in the new paradigm, STUs will be forced to improve their bottom level services. At least the new decade should begin with new strategies of marketing. The IT revolution is yet to comprehensively influence STUs. Networking of the Depots to sell tickets from anywhere to anywhere should be the immediate priority. Unless tickets are available in reachable places, STUs may not be able to service in competition. There are scale advantages to large organizations which are yet unperceived. Liberalization in the field of transportation in its first flush poses more threats than opportunities. The true meaning of liberalization is choice, convenience and accessibility. The 21st century will have neither the bias of production nor the process. It will be the century of the consumer. It is time that the old cliché customer is king is reinvented in the State Transport Undertakings not only for them to fulfill the objectives of which they have been established but for the sake of their very survival.

The growth of Road Transport in India has been very fast since 1950s. The total number of vehicles on road has risen from 3 lakh in 1950-51 to 404 lakh in 1997-98, i.e. 135 times. During the same period the goods vehicles have increased from 82000 to 24,13,000 (30 times) and the passenger buses have gone up from 34,000 to 5,12,000 (15 times). But the capacity of roads and highways in India has not been growing in proportion to the growth in automobile vehicles. The rapid increase in the road transport activity created several problems such as congestion on high density corridors, along with the isolation and immobility which affects many people in rural and urban areas, traffic accidents, pollution from transport – both air and noise – and high incidence of consumption of petroleum products, leading to severe health hazards to the society.

Road Transport can handle all types of traffic such as long distance inter-district, intra-district and to remote areas, it is ideally suited for short and medium distance movement of passengers and freight traffic. Road Transport is the main mechanical mode of transport available for highly and rural areas in India which are not served by railway services.6

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According to a study conducted by (RITES) Rail India Technical and Economic Services Ltd., showed that currently 80% of the passenger and 60% of the freight movement depend upon the roads.

The condition of the National Highways (NH) in India is not so good. Out of the total length of the country’s NH, 15% are single lane, 80% are two lane and only 5% are four lane. To drive on NH is not comfortable and safe as the maintenance of roads is inadequate on account of lack of required funds. But recently World Bank and other funding agencies particularly private partners have played an important role in improving the condition of National Highways.

The liberalization policy of the Indian Government and the agenda of the Government adopting progressive innovative practices for sustained growth has opened the economy for multinationals, non-resident Indians and private enterprises to participate as joint venture or to form as consortium under privatization concept on Build, Operate, and Transfer (BOT), Build, Own and Operate, Build, Own, Operate and Transfer (BOOT), Build Operate, Lease and Transfer (BOLT) basis. These organizations can invest their own funds in creating Highways facilities which may be allowed concession to levy or use of the facilities and recoup the amount invested with reasonable amount of profit margin for a certain number of years and after that the facility would be transferred back to the Government.

The Government of India look the following measures to invite private participation in road building:

Declaring roads as an industry to facilitate raising of loans on easy terms to private public sector companies for financing toll-based highways projects:

i) Developing highways as a part of infrastructure sector so as to permit floating of Highway Bonds.
ii) National Highways Act 1956 has been amended to permit private sector to construct, maintain and manage highways, collect revenue and retain it;

iii) Relaxation in Monopolies and Restrictive Trade Practices (MRTP) Act so as to attract a number of large firms and business houses towards this sector;

iv) Custom duties on imports on material and equipment to be drastically reduced;

v) Tax holidays for five years and Tax concessions for another five years.

vi) National Highway Authority of India (NHAI) was set up to facilitate work by co-coordinating with the private entrepreneurs and central/State Government departments for all activities like land acquisition, import of equipment, generalization of strategies for BOT projects, fixation of toll and concession agreement, etc.

Passenger Transportation:

Passenger transportation is an important part of the overall affects in some nearly all aspects of transportation in general. It is ideally suited for short and medium distances because of its inherent advantages such as easy availability and flexibility of operation, adaptability to individual needs, door to door service and reliability. It is also the main mechanized transport in hilly and rural areas which are not served by railways. Passenger Transportation is an important part of the sociological problems of society in particular. Mobility – or lack of it – affects social groups; interaction between groups is in direct ratio to the means of transporting people; the character and structure of neighbourhood and regions are affected by the quality of transportation. 7

The bus was motorized about the turn of the century, after 1930 it became the most widely used form of public transport in urban areas 8

The first motor vehicle was imported into India in 1898. As a result of mass poverty and the rural bias of the citizens, the use of motor vehicles was very limited till the First World War. 9
Passenger Transportation – through Bus Service

For transporting passengers, buses have to more people from a place here they are
to a place where they would be in the future. The buses are relatively a very important
strength in conjunction with road provision and congestion. Buses are flexible form of
passenger transport as they can be different sizes as for the road system. Buses can
change its operations to meet other development in rural or urban areas. Perhaps, buses
are more environmentally ‘acceptable’ than private car. Traveling in a bus is an
organized mode of transport in all regions in India.

In most of the countries, work place and living accommodation are no longer in
close proximity to each other and thus people choose to be long distances from their
place to work and travel every day using public passenger transport. They have to live in
places for removed from the city, factory or office, in suburban or rural areas and still
work efficiently. Since 1960’s, there was substantial amount of long distance travel
both business and pleasure and the tonnage of intercity freight carried by trucks was
increasing steadily, brining a powerful demand for direct long distance express routes,
including suitable links and by – passes in the metropolitan areas. Growth of long
distance bus travel is still inhabited in India by poor highways and restrictive licensing
policies, but the sharp upward trend in bus riding can be expected to continue as these
obstacles are gradually overcome. In many States, the STUs have started long distance
buses as they have special feature of passenger transport services as compared to the
buses normally running over shorter routes.

Good Transport

Goods Transport is an activity which involves movement of goods of
considerable size from one place to another place where they are required. It is an
activity of considerable size and complexity and accounts for perhaps a quarter of the
Nation’s transportation expenditure. Just - in - time deliveries and lower inventories are
responsible in increasing goods movement and quite often adding to the congestion. The
different commodities transported have heterogeneous attributes and transportation requirements.

The movement of goods is as important as the movement of people. An efficient and secure system of procurement and distribution of goods, avoiding delays is beneficial, not only to the shipping company and the businessmen but also to the city and the nation at large. While contributing to the economic growth, goods movement also claims a huge share of the nation’s assets like fuels and road space. It also contributes to the congestion and pollution in an area. Therefore, the economic planners have to recognize the importance of planning for the improvement of freight mobility in rural and urban areas.

Goods movement is heterogeneous by nature. The commodities involved are dissimilar, which may not be transported together, which may not be different handling facilities, which exhibit different patterns of supply and demand, and different trends of growth. Hence, these commodities can not be fitted accurately into any common demand forecasting models like those are used in planning for passenger movement. For the same reasons, the conversion of total goods volume into truck equivalents will also not yield acceptable results. In fact, there is no one-to-one correspondence between movements of consignments and movements of vehicles. More accuracy can be obtained by studying the patterns exhibited by individual commodities.

Goods Movement Patterns

A pattern is a situation. In the case freight movements, patterns can be physical/spatial, temporal or seasonal. Patterns of goods movement also vary according to the modes transport used. Movement the physical patterns of goods are governed largely by the location of where houses and markets, and the sources and destinations of commodities. A study of the physical patterns helps to identify the sensitive links which are most affected by goods movement. Temporal variations in goods traffic are to be considered while imposing time-zoning to manage peak-hour traffic and for taking
efficient measures for traffic and parking management. Seasonal variations are observed in the case of commodities like umbrella, soft drinks, foot wear, fish, etc.

The mode of transport used is another key factor in the analysis of the patterns of movement. The truck equivalents do not give an accurate picture of the impact of goods movement. In most cases, 10/8 ton trucks do not enter the Central Areas during the peak hours. It is the smaller goods vehicles that are found in large numbers in Central Areas. This is to be an important consideration while planning for parking/docking spaces. State Transport Undertakings traditionally looked upon goods transport as an untouchable. The origins of goods transport’s untouchables are not far to seek. The overwhelming desire for injecting public sector into road transport was to provide an efficient and adequate transport service for the movement of people, in addition, of course, to prevent exploitation of the transport worker.

In the formative years of State Transport, railways were major transporter of goods and the bulk business was with them. Goods transport by road was by and large considered something more informal which was best left to market forces to negotiate.

During the last two decades, tables were turned on the Railways - and Road Transport now accounts for more than 70 per cent of goods movement. The Railways are mainly left with low-rates bulk goods such as coal and iron ore whose movement can be leisurely and whose pilferage less expensive. The high rated, perishable goods have all been monopolized by road transport which went from strength to strength.

Public Transportation Vs. Private Transportation

A study on Rail – Road Co-ordination initiated by the Mitchell - Kirkness Committee (1932) in its report stated that “The evils from which the public service motor transport is suffering are largely due to the unemployment amongst buses and their concentration on the more popular routes. We think that the evils attending unlimited competition are now such that the alternative, namely monopoly, would be preferable. In any event, we believe a controlled monopoly will be necessary to encourage enterprises
on less popular routes." The committee has further recommended that "the number of buses on any route should be restricted and that conditions such as issue of time tables, publication of schedule of fares and compulsory insurance of motor vehicles also should be prescribed."

**Enactment of Road Transport Act 1950**

The Government of India enacted the Road Transport Corporations Act 1950 enabling the State Governments to form Road Transport Corporations in the Public Sector.

With the passing of the Road Transport Corporation Act 1950, a State Government could establish a Road Transport Corporation for the whole or any part of the State having regard to:

i) the advantages offered to the public, trade and industry by the development of road transport;

ii) the desirability of co-ordinating any form of road transport with any other form of transport;

iii) the desirability of extending and improving the facilities for road transport in any area for proving an efficient and economical system of road transport service therein.

The enactment of the Road Transport Act, 1950 created a monopoly of State Government as far as the ownership of Government and Operation of transportation is concerned State.

In the Third World, the role of Public Sector is tied up with the advancement of modernization or development, the historic summary goal for underdeveloped countries in the present epoch.\(^1\) The father of Political Economy Mr. Adam Smith has advocated and allowed for the Government an active economic role to protect the interests of the society as a whole, particularly the interests of the weaker sections.\(^2\)
In the beginning of the First Five Year Plan, the Planning Commission observed that “We are of the opinion that whatever road transport services are run by the State, a Corporation should be formed for the purpose as would lead to more efficient administration. The Planning Commission in the First Five Year Plan also observed that only large organizations with adequate financial resources would provide workshop and other facilities essential for rendering efficient and economic bus services. It further added that it was desirable for the existing private operators to amalgamate wherever possible into big viable units to enable them to achieve better returns and maintain better standards of operation.

The Second Planning Commission for Second Five Year Plans observed that “inadequate development of road transport in the proceeding years could be attributed amongst other reasons to the fact that the majority of private operators were small individual owners without resources, who could not extend their operation on sound and business like lines. Viable unit was an expression which referred to a unit of vehicles and not owners of vehicles so that a Joint Stock Company, Co-operative Society or Union of Operators having an effective control over the requisite number of motor vehicles could come within the ambit of such a unit.”

The Industrial Policy Resolution 1956 which included the passenger road transport industry in Schedule – B. among the industries marked for being undertakings. State Governments were asked to form new State Transport Corporations or convert the developmental transport undertakings into transport corporations.

Nationalization – Through Amendment to RTC Act 1950

Taking into consideration the concept of Nationalization for State Transport Undertakings, the Motor Vehicles Act 1950 was amended in 1956 so that State Transport Undertakings could work as the agents of the Government. Chapter IV A was added to the Act for the preparation and publication of Nationalization Schemes and for the approval of such schemes by the Government.
Chapter - IV of the Act was added for issuing permits to operate buses. The rules of issuing permits under the Act are as follows:

i) The concerned Regional Transport Authority should make an assessment on the need for introduction of a new or an additional service on the route;

ii) The RTA should decide the course of the route;

iii) A public notification should be made inviting applications for operation of bus service;

iv) The evaluation of the applications received for permits should be done by a mark system;

v) RTA should fix up a date for open hearing and hearing the applicants in person;

vi) The grant of permits should be subject to the various conditions contained in the Motor Vehicles Act.

Chapter IV-A for amending The Motor Vehicle Act 1950 has been thoroughly examined and the following drawbacks have been noticed:

i) There is no guideline for the Board on choosing a route or routes, area or areas for nationalization scheme;

ii) STCs were empowered to formulate and publish any number of schemes;

iii) STCs were authorized to decide as to which operator should be eliminated and who should be allowed to continue in the event of the approval to continue in the event of the approval of the scheme by the State Government;

iv) No uniform procedure was laid down for elimination of the existing private operators;

v) The State Governments were not duty-bound to dispose of the notified schemes of the STCs within a reasonable time-frame with the result in some cases the courts had to intervene and criticize such prolonged suspension of services;
vi) Inordinate delay in the disposal of notified schemes by State Governments encouraged the STCs to notify schemes according to their will and the political power also used. This is a weapon to treat private operators.

The establishment of Nationalized STUs followed the failure of the attempts made to bring in the formation of viable units through amalgamation and incorporation of a large number of very small operators. It is worth to mention here that in 1968 there were 13,600 single operators, 14,046 operating 2 to 5 vehicles, 2888 operators with 6 to 10 buses, 721 operating 11 to 20 vehicles, 278 within 21 to 50 buses, 32 with 51 to 100 buses and only with more than 10 vehicles.  

Association of State Road Transport Undertakings (ASRTU)

The Association of Road Transport Undertakings was formed on 13.08.1965 as a cooperative society under the Societies Registration Act. 1960. The first President of the ASRTU was Special Secretary, Ministry of Shipping and Transport. It was a kind of standing organization of STUs for dealing with various problems being faced by STUs and for helping the STUs to improve their performance.

Main Objectives of ASRTU

i) It undertakes and promotes research studies in transport economics and engineering, etc. affecting the transport industry;

ii) It receives and provides a technical consultancy service for the benefit of STUs;

iii) It renders common service to the members of the Association and assisting them in such matters as standardization of equipment, purchase of materials at economic prices promotion of efficiency of road transport services and reduction in the operational costs;

iv) It provides facilities for instruction, training and research for persons employed in STUs;
v) It encourages the adoption of modern tools of scientific management like work study, budgetary control;

vi) It publishes bulletins, notices, journals, etc. for dissemination of useful information and to encourage seminars, inter-unit visits, etc.

Chapter IV-A of Motor Vehicle Act, 1956 has defined a State Transport Undertaking, any undertaking providing road transport service where such undertaking is carried on by:

i) The Central Government or a State Government;

ii) Any Road Transport Corporation established under Sector 3 of the Road Transport Corporations Act, 1950;

iii) Any Municipality or any Corporation or Company owned or controlled by the Central Government or one or more State Governments.

On the recommendations of the Working Group a new Motor Vehicles Act, 1988 was passed in both the Houses of Parliament, which came into force from July, 1989. The Motor Vehicles Act, 1988 is aimed at promoting adequate bus transport services through liberal issue of permits to anyone make application anywhere, any time. The Act also withdraw the powers vested with State Transport Undertakings for notifying schemes of Nationalization areas and routes as well those with the State/Regional Transport Authorities for preferential treatment of STUs in the grant of permits.

**Private Participation in Passenger Road Transportation**

The Seventh Plan document advocating private participation in passenger road transportation has rightly stated, “In the interest of optional use of existing resources, it would be preferable to consolidate existing STUs than to provide for their proliferation during the Seventh Plan. As such, concentration on replacement programmes acquires particular importance, more so, when an estimated 59,000 buses would have to be phased out in the Seventh Plan. This necessary fleet replacement will involve an investment of Rs.1,800 crore. Moreover, a substantial amount would be required for a modest augmentation of the fleet. Considering the demand for passenger transport in the context of the difficult resource position, the alternative of private
operators meeting the shortfall would be actively pursued, within the framework of an
assured policy regarding the future role of private transport."

The Nationalized passenger road transport is bound to survive along with
the Private Sector in the present context. STUs have comparative advantages and with
their well built infrastructure along with the stronger operating systems, trained managers
and skilled workforce they can successfully face the fierce competition of private
operators. They have acquired confidence among the public because of the safe and
secure travel they provide and have proved as the only cheaper mode of transport for the
common man in the country. However, there are immense challenges for the STUs
which can be turned into opportunities, provided the mangers consider the present crises
as an opportunity for turn around and like drastic steps to come out of it.

Privatization in road transport offers manifest advantages such as higher
efficiency, lower operating costs, and mutlicity of resources. On the other hand, the
Public Sector bus transport has been losing steam. Most of the STUs are incurring huge
losses. And are in no position to expand services to meet the escalating demand. Even
the quality of their services is getting degraded badly maintained buses, crowded,
unpunctual.

In 1990 the Planning Commission issued some guidelines to the State
Governments for service sector:

  i) Operational Efficiency of State Transport Undertakings must improve;

  ii) STUs should gradually make room for Private Sector except in cases
      where Private Sector is unlikely to come; and

  iii) There should be no expansion of STUs.

Private/Public Seen of Passenger Transport in India

In India, at present most of the State Transport Undertakings are losing their
prime position in the passenger transport sector and making way to haphazard growth of
various modes of transport. Uncontrolled growths of all types of vehicles have taken
away the sizeable chunk of passengers of STUs. These vehicles include private buses.
jeeps, tempos, Lorries and three wheelers. The State Government was obligated to provide an efficient and adequate transport service for the movement of people, in addition, of course to present exploitation of the transport worker. The aim of the Road Transport Act, 1950 was to meet social obligation by providing an affordable, safe and reliable transportation in urban and rural areas.

The decline of public transport and the unbridled growth of personalized vehicles have already contributed to urban chaos. Even the search for alternative fuels can only be termed as tackling the symptoms and the root cause. With more and more cities carrying out for increased public transportation it is the high time to take more policy initiatives to put them in use. The problem is – as Michael Thompson said three decades ago in his pioneering book Great Cities and Their Traffic, “Decisions on public transport are taken from behind the steering wheel of a car and those taking are not users of public transport.”

The Decline of Public Sector Transportation

The song of economic liberalization was well started in the beginning of 1990. The erstwhile socialists sang praises of privatization and even diehard communists were unable to confront arguments in its favour.

The State Transport Undertakings became the prime targets and there was little patience in analyzing the causes of their losses and bankruptcy. The fact that they paid enormous amounts of taxes to the Government itself, bore concessions which should be in normal course have been reimbursed by the Government and put up with stagnant and uneconomic fares was totally ignore.

The planning commission took up the cause of STUs in the 1980s and 1990s issued strange guidelines which would have demolished even the better performance STUs. The guidelines required abandonment of profitable routes for operation by the private sector, redeployment buses into uneconomic routes to fulfill social obligations
and to stop growth altogether so that the incremental demand could be met by the private sector.

Outlook for 21st Century – Public/Private Participation Hands Together

If the Passenger-Bus-Transportation has played a major role in transporting people in the 20th century, it will play an even greater role in the 21st century. Public policy should aim strengthening existing institutions rather than running them down in the name of privatization. While competition is necessary it cannot serve the society unless there is level – planning field supervised by a strong and independent regulatory mechanism. There should be greater transparency in the costs incurred and whatever costs attributable to social obligation must be reimbursed.

Some basic measures to establish the role of Public and Private participation in the field of passenger-bus-transportation will have to taken. They are briefed as follows:

i) To encourage public transport as an overall strategy to reduce the ill-effects of personalized transport, it will be necessary for the Government to provide cheaper capital, improve road conditions and ensure better traffic management in order to ensure higher productivity in the transportation sector.

ii) The taxes paid and concessions given by STUs should be included in their contribution to the society. The overall contribution of STUs should be assessed and the yearly computation of profit or loss should be read accordingly.

iii) Privatization should be effected in two ways. The first is for the Government to disinvest in STUs and offer shares to the public. This should reduce the bureaucratic role of the Government in exercising power without responsibility and hopefully result in a more professional management. Private sector should also be guided to blend efficiency and professionalism with environmental concern and safety.
iv) There should be a re-look at the entire transport policy and to adopt a pro-active stance to invest in Public Transport in the cause of cleaner environment, greater safety and reduction in per-capita consumption of petroleum products.

v) As there is big scope of employment in this sector, the Government should spread technical and management education relevant to transportation. Training of drivers and mechanics as part of vocational education and funding it from budgetary resources will be essential.

vi) New technology to make driving safer and easier and travel comfortable and convenient be introduced. Fuel efficient technologies be encouraged as a long-term measure and manufacturers should be required to produce environment – friendly vehicles.

vii) There should be a professional regulatory body to plan for transport needs in keeping with economic and social priorities. It should advise the Government on various issues such as fares, taxation and subsidies so that ultimate burden does not affect investment in the transport sector.

In India, there is a need to have healthy competition between public and private sectors through appropriate deregulation rather than rusting in for total privatization of STUs. The private sector may be allowed to compete with public sector under an appropriate regulatory mechanism to avoid cut throat competition. Private operators should also be allotted a mix of remuneration and un-remunerative routes and they should asked to operate the services under a set of standards by the Government in respect of the bus timings and frequency, type of vehicle, etc. Private operators should also have a minimum size of fleet.

Role of Transport

It is indeed a truism that the transport is the barometer of economic activity. With the winds of change blowing across the world and globalization has become an accepted phenomenon, the consequent changes in the social and economic environment is affected to a great extent by the transportation system. After almost a sluggish economic growth for four decades since Independence, Indian economy has picked up a pace to match its
plans and goals. Village India is slowly and surely becoming Urban India and motor vehicles of every description are becoming an assertion of freedom. It is expected that by 2011 A.D. two thirds of India’s population will live in urban areas on account of improved transport services. It is said generally that India lives in its villages; but the macro-economic policies are ensuring that its people will increasingly live and earn in the cities.

India’s transport infrastructure does have an excellent inherent strength due to its extensive reach and variety.

The estimated share of vehicle population in different years (2000, 2005, 2010 and 2015) has been shown in Table 2.2. The likely share of passenger traffic (billion passenger kilometers – (BPKM) and freight traffic (Billion ton kilometers (BTKM) for the same horizon years has been shown in Table 2.1 and 2.2 that despite the sky – rocketing jump in the number of personalized vehicles, trucks and buses will carry 3/4th of the passenger as well as freight traffic by roads. Though individual vehicle ownership is bound to increase rapidly, the need for and the installation of mass transportation systems will by and large determine the quality of life.

Road Transport in India occupies a prime position not only for rural and urban mobility but also for accelerating social and economic development in the country. Since mobility is an intrinsic part of quality of life, transport as a public facility becomes a matter of Government policy not only in India but in the entire World.
Table 2.1: Composition and Likely Share of Vehicles

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<th>2010</th>
<th>2015</th>
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BPKM:

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<td>893</td>
<td>1531</td>
<td>163 167 171</td>
</tr>
<tr>
<td>2W</td>
<td>67</td>
<td>98</td>
<td>160</td>
<td>268</td>
<td>459</td>
<td>163 168 171</td>
</tr>
<tr>
<td>Total</td>
<td>2238</td>
<td>3289</td>
<td>5346</td>
<td>8928</td>
<td>15313</td>
<td>163 167 172</td>
</tr>
</tbody>
</table>

Source: CIRT Estimates

Table 2.2: Projection of Possible Vehicle Mix (in 1000 vehicles)

|----------|---------|------|------|------|------|----------------|

27
<table>
<thead>
<tr>
<th></th>
<th>(Base Year)</th>
<th></th>
<th>2000-2005</th>
<th></th>
<th>2005-2010</th>
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<tr>
<td><strong>Freight:</strong></td>
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<tr>
<td>Trucks</td>
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<td>1669</td>
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<td>612</td>
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<td>1656</td>
<td>2893</td>
<td>159</td>
<td>170</td>
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<tr>
<td>Multi Axle</td>
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<td>77</td>
<td>301</td>
<td>512</td>
<td>894</td>
<td>391</td>
<td>170</td>
</tr>
<tr>
<td>Tankers</td>
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<td>122</td>
<td>217</td>
<td>369</td>
<td>645</td>
<td>178</td>
<td>170</td>
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<td>Tractor-trailers</td>
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<td>170</td>
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<td>3W Goods</td>
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<td>327</td>
<td>648</td>
<td>1101</td>
<td>1923</td>
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<td><strong>Total</strong></td>
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<td></td>
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<td>Bus</td>
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<td>614</td>
<td>958</td>
<td>1599</td>
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<td>156</td>
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<td>Car/Jeeps</td>
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<td>10367</td>
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<td>Taxi</td>
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<td>822</td>
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<tr>
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<td>56435</td>
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<tr>
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<td>2173</td>
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<td>167</td>
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<tr>
<td><strong>Total</strong></td>
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<td>38127</td>
<td>70755</td>
<td>118158</td>
<td>202720</td>
<td>186</td>
<td>167</td>
</tr>
</tbody>
</table>

Source: CIRT Estimates

**Origin, Function and Role of Haryana State Transport**

State Passenger Road Transport Undertakings provide passenger bus services in the public sector in order to cater to the needs of traveling public. By increasing mobility of men and materials, the Haryana Passenger Road Transport Undertaking helped in opening up remote and backward areas of the State. It also stimulated socio-economic changes resulting hastened the pace of economic growth of the State of Haryana.

A successor to Punjab Roadways, the Haryana Roadways started its functioning on 1st November, 1966 along with private operators on fifty-fifty basis as per the agreement between the private operators and the Punjab Roadways in the erstwhile Punjab State arrived at an First July 1959. This system of 50:50 did not work properly in
the separate State of Haryana. The experience\textsuperscript{18} showed that this system did not work well. There were several transport companies which were not in a position to maintain a dependable fleet of buses provide regular services on many routes. The large transport companies were disintegrating and were being split up into small groups which lacked initiative to ply buses on new un-remunerative routes connecting villages and separately populated areas. They did not provide amenities to the bus passengers at the bus-stands and shelters. They did not also provide concessions to the students of schools and colleges. They had also poor operational efficiency.

They had also mal-practices such as over-loading, evading of passengers and other taxes. These companies did not care for the welfare of their employees. They always tried to get work from them for as many hours as possible without paying any overtime allowance\textsuperscript{19}

Having its separate status of a State, Haryana in November, 1966 changed and modified the 50 : 50 scheme of Public Private and thus in July 1967 keeping in mind the changed conditions, the Government of Haryana decided that all the new routes and all additional trips on existing routes should, in future, be given to Haryana Roadways only. It was all done to complete the Nationalization of the Haryana Transport. Process of Nationalization of the Haryana Transport could be completed in a phased manner and took 2½ years which started on first April, 1970. The Haryana was the second State (the Karnataka being the first) in India which totally nationalized the passenger transport w.e.f. 30.11.1972. After the Nationalization, the passenger road transport was given the highest priority.

The fast expansion of bus services in Haryana accelerated the pace of development in all spheres of economic activity. Every village in Haryana has been provided with link roads. Bus service is also provided on all routes. It affected favourably the rate of growth of industrial development and the trade and business of the State. The tremendous progress in agriculture sector could be possible only because of the Government's sincere efforts to develop the Haryana Passenger Road Transport i.e. Haryana Roadways. The State Transport Undertaking started its functioning from only

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three main operational depots. (Ambala, Gurgaon and Chandigarh) in November, 1966 with 475 buses only. At present by the end of March, 2008 the total buses with the Haryana Roadways is 3133. The total strength of depots sub-depots has also been increased to 20. These depots (Faridabad, Ambala, Gurgaon, Chandigarh, Rohtak, Karnal, Hisar, Rewari, Jind, Bhiwani, Kaithal, Sirsa, Sonepat Yamunanagar, Delhi, Fatehabad, Kurukshetra, Jhajjar, Panipat and Narnaul) have been provided with all modern facilities like permanent buildings, repair and maintenance of buses, refreshment for passengers, etc. Under the overall supervision of a General Manager of Depot all functions relating to stores, personnel, mechanical engineering, etc. are controlled. He is delegated with necessary powers so that he can look after the day-to-day functions of the Depot. The presence of the General Manager at the Depot has resulted in better discipline and better operational control.
References

   Edmund J.Gubbins: Managing Transport Operations. op.cit: p.9
16. First Five Year Plan: 1951-56, Govt. of India, p. 484.
19. Ibid, pp. (ii)

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