VI Chapter

Feasibility of the Village Link
Transport Services Scheme
The crux of the problem is how to make village Link Transport Services Scheme feasible and viable. Indeed in the initial years, the scheme has been in the red. It has been incurring losses. This does not mean the village Link Transport Services Scheme should be wound up. If the continuance or withdrawal were to be judged by loss incurring, most of the public sector schemes should have been given a clean go by long ago. The public sector continues in the public interest, regardless of profit or loss. Moreover, loss incurring is not an exclusive phenomenon of Village Link Transport Services Scheme. Even the urban transport of the Road Transport Corporation too, faces the problem of loss.

As long as surpluses from other areas of economy are diverted to contain the losses in Village Link Transport Services Scheme, we can afford to be indifferent. This amounts to maintaining Village Link Transport Services Scheme under a continuous subsidy. Such required subsidies need to be assessed from time to time. True subsidies and surpluses tend to match and compensate each other. This is an inbuilt flexible
arrangement pointing to inter-dependent relationships for the smooth functioning of the economy.

However losses are to be avoided. All this can not be gainsaid. We can not fail to take note of continuous loss incurring in Village Link Transport Services Scheme. To contain losses, earnings per kilometer should be raised. Similarly no stone should be left unturned to reduce cost per kilometre. The divergence between earnings and costs needs to be reversed, if not arrested into an equality.

We may pay attention to cost aspect first. The cost per kilometre in the Village Link Transport Services Scheme is higher by 50 percent compared to other routes. This is largely due to poor surface of the roads, improper maintenance and other physical barriers impairing smooth and speedy movement. Road surfaces can be improved. Human factor can also be effectively geared up. By applying skills and talents vehicle drivers can certainly reduce the costs on the vehicle and fuel. If all this can be made possible, higher cost per kilometre may be treated as a transitional
phenomenon. Hence there is an imperative need, to improve the quality of the roads. Until then cost per kilometre can not be brought down to equal to the levels obtaining in other routes. The level of earnings per kilometre are lower by 50 per cent compared to the levels obtaining in other routes. Other things being equal, low earnings may be attributed to undependability of the transport system. Unplanned frequencies, inflexible timings disregard to the norms of punctuality tend to divert potential users into other modes of transport including giving up the idea of use also. Further until one gets fully aware of the possibilities and advantages of transport, the full demand may not materialise. All these things are a function of labour efficiency and management talent and skill. Only an empirical study would give us the components of the efficiency talent and skill.

Winning customers, retaining them after having won and providing satisfaction to riders are important for a transport system. Andhra Pradesh State Road Transport Corporation does not enjoy such a reputation.
The image of Andhra Pradesh State Road Transport Corporation is poor, unimpressive and unattractive. It is not without reasons. The Andhra Pradesh State Road Transport Corporation has monopolised almost all routes. It does not face healthy competition from other modes of transport. The bureaucratic functioning of the system too contributed in a measure to the poor and unattractive image of the organisation.

The employees are members of one or the other trade union organisation. Their trade union activity at times turnout to be militant. All these deficiencies may make one to raise doubts about the relevance of road transport organisation in undertaking promotional functions like attracting the rural folk to ride on the Village Link Transport Service buses. But the fact is that the rural people are left with no other alternative except to use Village Link Transport Service buses. Therefore the generation of sufficient demand is not difficult.
It is very necessary to draw our attention to the problem of pilferage and its effects on the Village Link Transport Service Scheme. Loopholes regarding pilferage need to be plugged. If pilferage continues unabated, it leads to low level of earnings per kilometre. Such low level of earnings may be used both to discredit the Village Link Transport Services Scheme and to strengthen the practice of leakage of earnings. If additional costs are to be incurred to overcome these losses, they would add to the cost per kilometre. This would make the Village Link Transport Services Scheme appear financially not feasible and viable. Hence there is an imperative need for a new organisational framework and a new set of management and values. Under the cover of non-feasibility and non-feasibility of village Link Transport Services Scheme many corrupt and vested interests operate through the higher cost and lower earnings per kilometre. Sometimes a bad road would come in handy for an unscrupulous driver to inflate repair and maintenance charges. Similarly a poor yielding road may be abused by the revenue raising staff. It is very necessary to adopt appropriate measures to make the Village Link Transport Services
Scheme feasible and economically viable. Top priority may be given to the development of roads and rural areas. Village Link Transport Services scheme should be brought under tax concessions before they could be made remunerative. It is necessary to design model vehicles for rural transport to make Village Link Transport Services Scheme economical. Fresh licence seekers to rural services, under the village Link Transport Services Scheme may be encouraged by the Regional Transport Authorities. Institutional financial agencies, on a top priority should give financial assistance to operators willing to extend their services to villages. In the fitness of the things, social cost benefit analysis should be applied rather than physical financial parameters, to evaluate village Link Transport Services scheme. Regular frequencies and proper timings need to be maintained in the case of village Link Transport Services Scheme. It is very necessary to have committed personnel for rural services. Therefore Andhra Pradesh State Road Transport Corporation should motivate its personnel with all the resources at its command. Further, to promote the sense of involvement in the duties, preference should be given to the local people in the matter of recruitment of the personnel for the village Link Transport Services Scheme.