INTRODUCTION

The public sector has been growing in size and importance in India since independence. Designed to solve the serious problems of a developing economy, it has brought in its wake a number of problems of its own which are of great interest to the student of public administration.

Valuable studies of the problems of public enterprise have been made abroad, particularly in the U.K. These deal with the general problems as well as with those of particular undertakings. The special agencies of the United Nations have also made some studies on a regional basis.

As research in the field of public administration in this country is of recent origin, no attempt has been made to study these problems on similar scale. A few studies dealing with the general problems of the public sector in India are available, including two reports brought out by the Indian Institute of Public Administration. No attempt has been made so far to undertake an intensive study of an individual enterprise. Of course, some of the reports of the Estimates Committee of Parliament have covered particular undertakings, though for different purpose. The contribution from the academic field has been almost nil, with a singular
Moreover, most of these studies are confined to the Central Government undertakings and scant attention is paid to undertakings belonging to the State Government. Though the latter cannot be compared with the former in respect of size and importance, a study of their problems is equally necessary, as they are important in their own way. The study of individual enterprises is highly essential to serve as a basis from which generalisations regarding the public sector could follow.

Here an attempt has been made to study a public corporation of a State, constituted for operating road transport services — an important field of State Government undertakings all over India. Instead of a theoretical study of public corporation in general or that of different public corporations together, attention has been focussed on a single corporation in order to make an intensive case study. However, the study has not been made in isolation. The discussion is related to the problems of the public sector in India — a developing economy. An extensive use of the experiences in the field of public sector in the

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1 Indian Railways — A Study In Public Utility Administration — by Amba Prasad (Asia Publishing House).
U.K. has been made as a background material.

The main idea behind selecting the Bombay State Road Transport Corporation for doctoral research has been as follows:

It is the study of a public enterprise – a public corporation constituted to run a transport undertaking. It has been studied mainly from the administrative point of view. Other aspects of its working have been also studied to get an insight into the intricacy of its functions. As such the emphasis has been quite different from that of the student of Economics or Transport. For an organization of this kind can be studied from different angles with relative emphasis. There are, however, certain common points in the approach of the student of Public Administration and that of Economics.

Other reasons for the choice of the Bombay State Road Transport Corporation for the kind of study mentioned above are:

1. The nationalization of passenger road transport has been adopted as a general policy. Road transport was one of the first enterprises nationalized by various States in the country. Since then the field of State Transport has been ever-increasing.
2. The Bombay State Road Transport Corporation was the first public corporation set up in India to run a nationalized transport undertaking. It is also considered to be the leading State Transport Corporation in the country.

3. The Bombay State Road Transport Corporation is the most important public undertaking in the Bombay State.

4. As a public utility undertaking, it closely touches the life of the common people in the State; it is also an important agency facilitating the economic development of the State.

5. There are peculiar administrative and organizational problems of a transport undertaking as its operations are highly diversified and local in character. So it is interesting to study these problems vis-a-vis the problems of central control, co-ordination and standardization.

6. The twelve years' existence of the Organization justifies a study of this kind, since it has been through its formative stage. As the title of the work suggests, the study centres round the three aspects:

(a) organizational set-up of the Undertaking;
(b) its administrative problems; and
(c) a critical review of its working.
As a background material three introductory chapters dealing with the motivation and scope of the public sector in India, the nature of road transport prior to nationalization, and its nationalization in the Bombay State, have been introduced. Though the motivation, scope and organization of the public sector have been discussed, its place in the national economy has been taken for granted. No reference, therefore, has been made to the polemical question of the merits and demerits of nationalization and public enterprise in general. The focus of attention is on the working of a state enterprise, once nationalization has taken place.

The discussion regarding the organizational set-up is preceded by the account of three important aspects of the Corporation. These are: the choice of the form of management of the Undertaking in view of the relative merits and demerits of different forms; the structure and powers of the Corporation Board; and the relationship between the Corporation on the one hand and the Ministry and the Legislature on the other. All these aspects are very important from the point of view of successful working of the Organization.

Information regarding the structure and working of the Undertaking has been collected as follows:
(i) on-the-spot study of the working of various units;
(ii) official documents;
(iii) information from in-charge of a unit on the basis of questionnaire-cum-interview. The questionnaire was brief and of general nature, applicable to every unit. The peculiar nature of the working of a particular unit and other relevant details were filled up through interview and informal discussions with the head of the unit;
(iv) informal discussions with cross-sections of the employees of the Corporation.

This field-work took nearly a year and a half.

In addition, special efforts were made to understand the intricate working by "participating" in important activities such as: accompanying key officials on their inspection tours; attending certain short-term courses for certain categories of employees; attending cases of appeals by workers.

Other efforts belonging to the same category are: extensive travelling by State Transport buses to get acquainted with the quality of service; and attending the sessions of the Bombay Legislative Assembly in 1958 and 1959 on the occasion of the debates on the annual reports of the Corporation.

Extensive use of newspaper cuttings, reports of the debates of the Bombay Legislature and other official
Though maximum efforts were made to understand the working of the Organization by various means, there were certain serious limitations, the most important being inaccessibility to material labelled as confidential. Though all of such material was not useful for the study that was undertaken, some of the important documents which could have given real insight into the working of the Organization were denied. These were: review of the set-up and working of the Undertaking by outside agencies; resolutions of the Corporation Board on important policy matters; correspondence with the Ministry on important issues which would have thrown considerable light on the Minister-Corporation relationship; and data collected by the Organization on financial and operational results.

The line of demarcation between confidential and non-confidential material, as decided by the authorities, was always very thin and generally went against the purpose of inquiry by an academic observer. This was a serious handicap under which the data was collected.

To this could be added the reluctance on the part of the officials to discuss certain important aspects of the working of the Corporation, which reflected on its efficiency. In the case of some officials indifference rather than parrying of certain questions
was obvious. A restrained treatment of some of the important aspects of the working of the Undertaking could be attributed to these limitations. One could go thus far and no further, inspite of sincere attempts.

The presentation of descriptive account of the structure and functions, howsoever platitudinous it may appear to those from the Organization, is an essential pre-requisite for the analytical review of its working that follows. The voluminous material was not readily available, nor has it been copied from the departmental manuals. A painstaking and careful sifting of the data was required to achieve the purpose of the study, which has a particular emphasis. It is for the first time that a systematic presentation of the working of all aspects of the Organization has been attempted.

The concluding chapters form the original part of the work. These deal with the relationship of the Corporation with the worker and the consumer and the working of its financial aspects. A review of the working of all important aspects of the Undertaking during last 12 years has been attempted in the last chapter. It has been done on the basis of various criteria of efficiency. A generous use of comparisons of different kinds has also been made for the purpose. The analysis, however, does not contain any cut-and-dried solutions for the various problems of the Organization. For that is not the purpose of an academic inquiry.