

WHY TRANSPORT IN SRI LANKA CONTINUES TO GO FROM BAD TO WORSE

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INTRODUCTION

A common question that people ask in this country is as to why passenger transport cannot improve in Sri Lanka. It seems a rather obvious question when countries all around us are improving their railway, bus and road systems. This is also a reasonable question given that, 50 years ago, Sri Lanka's was one of the best transport systems in Asia; second only to Japan. Of course our economy at the time was also second only to Japan. This clearly shows that the quality of the transport system and the strength of the economy are related. Our economy has gradually slid to the bottom half of Asian economies, as has the quality of our transport system. There is no country which can claim to have fixed the economy without improving the means by which to access it and the mobility within it.

TRENDS AND EVOLUTION

Pre-Independence Developments

Sri Lanka's record of developing the transport network since Independence in 1948 has been dismal. This is particularly sad, given that colonial powers such as the Dutch built an extensive canal transport network that was on par with the world's best at the time, and the British built the railway and, later, the road networks which laid out the transport network and connectivity which is still used, nearly 200 years later. The canal network connecting the Port of Colombo succeeded in uplifting the Sri Lankan economy by increasing trade with Europe, particularly in coconut and spice products, while later on the railway directly succeeded in improving this further by adding tea and rubber as new commodities (Kumarage, 2012).

However it is also known that, while transport for economic gains improved, rural areas in Sri Lanka, particularly in the dry zone and paddy cultivating areas, suffered since Europeans had no particular use for rice. As a result, the economic conditions of such areas and living conditions including access to health and education suffered.

Evolution since Independence

(a) Interventionist Period (1948-1977)

The grant of independence saw this trend changing with many urban-based political aspirants contesting rural areas, succeeding to get elected by promising roads and later bus transport. Sadly, the trend in developing ports and connectivity to them as well as in developing intercity transport was given lower priority over rural transport (Kumarage, 2001). The plan to build a network of expressways in the 1960s was overruled in favor of increased spending on rural roads and more rural bus services. Both these expanded rapidly from the 1950s to the 1970s, leading to a very large 80,000 km network of rural roads that became expensive to maintain and a bus service that also became loss-making due to plying many non-remunerative routes. The trunk road network did not improve, and very few new roads were built during this period; while the railway also lost the profitable goods transport business to trucks and began to concentrate on urban passenger transport which was more difficult to convert into profits.

Buses and trains were subsidised. Ceylon Transport Board (CTB), the State monopoly operator of public bus services, expanded their route network in spite of ever-weakening financial economics. Though recent research has highlighted the social benefits with which such expanded public bus services were associated - particularly their role in facilitating remarkable progress in the Physical Quality of Life Indices in spite of low per capita incomes (Gunaruwan and Jayasekera, 2015) - the gradually weakened financial strength, both at institutional and national levels, eventually led to service quality degradation and the inability to meet the ever-increasing customer demands. This happened at a juncture when motor vehicle and fuel imports were heavily taxed. Private means of motorised transport were therefore expensive and were beyond the reach of the majority of people who did not have the means to own or operate a private vehicle. The result of this dual effect, namely the inadequate qualitative and quantitative expansion of the State-run public transport system and the weaker affordability of private means, led to more-over-crowding, unreliability, and consequently, the quality of service becoming unacceptable to the majority in society (Diandas, 1983).

(b) Post-liberalisation Period (from 1977 to early 1990s)

This pattern changed with the free market economy in 1977 which led to an increase in import and export activity, and gave rise to a requirement for improved port operations. Equipping the Port of Colombo to handle containers resulted in its re-emergence as a leading port in the region. But the trunk road connectivity remained poor, and development, especially industrialisation, was limited to areas close to Colombo. Moreover, the public transport system, which was largely in the hands of the State sector,

was very resistant to change and incapable of catering to the growing demand. As a result, the open economy saw a huge demand for private vehicles which put pressure on road-building, especially in urban areas. Private investment was allowed for bus transport and this sector gradually became the largest public transport supplier. However the industry was poorly structured from the beginning, with regulation that encouraged single-bus ownership and the huge political clout it gathered making it resistant to change and improvement (Kumarage, 2015).

(c) The war years and the period after defeating terrorism (1990s to date)

The slowdown of the economy during the 1990s and the two decades that followed due to the internal conflicts saw moderate economic growth with congestion in and around Colombo only. However, Sri Lanka on becoming a lower middle income country after the end of conflict in 2009 saw a virtual explosion of vehicle ownership. Congestion also increased and spread to many urban centres including Kandy and Kurunegala and the suburbs of Colombo. Public transport was still not a priority and was therefore underdeveloped, thus being unable to provide a viable alternative to private means of transport. Different forms of intermediate transport such as office vans, school vans, and lately, three-wheelers grew rapidly to fill the vacuum created by deteriorating public transport. Since private vehicles were highly taxed, motor cycles and low-quality, cheap motor vehicles as well as imported used vehicles entered the roads: increasing pollution, accidents, and fatalities. The three-wheeler fleet in particular has grown to about 1 million. Though it provides a source of employment to our youth, it has at the same time also become a problem by diverting youth away from developing any other productive skill. This might be one of the causal factors behind Sri Lanka now facing a dearth of skilled young workers, with many of them spending their time in three-wheeler parks awaiting clients. The earning capacity of a three-wheel driver unfortunately appears to be high, owing to the high demand caused by the poor public transport system; even higher than the wage levels prevailing in economically more productive types of employment.

During this period, there were many studies and policy reports presented to the government to address many of these issues (Ministry of Transport, 2000, 2009). However, political considerations always overran professional advice, backed by the desire to keep public transport fares low and to continue to provide for the ever-expanding network of rural roads; both of which were becoming financially difficult. Trade Unions in public transport agencies were powerful, and succeeded in keeping such institutions from evolving to better serve the needs of the public. These institutions have now become inefficient, outdated, and poorly-managed.

(d) Unprofessionalism: a commonly observed pattern

Campaigns by some transport professionals over the last two decades and attempts to improve public transport have also been met with political indifference, as more and more funds were spent on highway development. The highway budget has grown by 10 times as a share of GDP over the last two decades. On the other hand, investment in public transport has remained static and insignificant. Even the comparatively small investments made in the public transport sector (such as railways, for instance) were in highly expensive and poorly-justified projects, both on grounds of viability and given their non-competitive methods of procurement. In addition these projects did not lead to sufficient employment of local entrepreneurship and the accumulation of unnecessary foreign debt (Gunaruwan and Jayasekera, 2012).

CAUSAL FACTORS

- i. In summary the current status of the passenger transport industry can be attributed to several factors:
- ii. Concentration on rural road building which resulted in a large rural and provincial network of roads that are expensive to maintain and from which adequate rural economic benefit is yet to be obtained.
- iii. Creating a public opinion that public transport is the poor man's transport, not positioning buses and railways to be used by the middle income groups - who have hence resorted to using private vehicles - and the consequent congestion of urban traffic.
- iv. Not providing structural change and reform to public transport institutions to enable them to provide and regulate quality services in keeping with increases in per capita income.
- v. Allowing trade unions to dominate public transport institutions and not appointing a professional leadership and capable managers to such institutions
- vi. Creating the social view that road-building is the way to improve mobility and spending large amounts of funds on road development without balanced spending on trains, stations, bus terminals, better buses etc.
- vii. Encouraging the import of a large number of three-wheelers, primarily to overcome employment issues – thus creating a major imbalance in the labour market and increasing overall transport cost.
- viii. Government making vehicle imports a lucrative source of revenue by levying high taxes and thereby creating a large and low quality motorised vehicle fleet.
- ix. Lack of real interest in road safety, the absence of which claims nearly 3,000 lives a year.
- x. Not developing the railway to transport goods especially to serve port and container traffic.

- xi. Not introducing new modes of urban transport: thereby exerting immense pressure on the urban road network.
- xii. Not developing transport according to a plan. Each government performed piecemeal improvements, with buses, railways and roads seen as different instruments as opposed to integrated multi-modal transport solutions.
- xiii. Not resorting to proper appraisals of public investment projects, particularly in the road and the railway sectors, giving rise to highly inefficient capital deployment with no or little national economic benefits or business for national enterprises, and plunging the national economy into heavy foreign debts to finance such transport infrastructure projects through non-competitively selected contractors from lender countries (Kumarage, 2016).

FUTURE PERSPECTIVES

The way ahead to make Sri Lanka's passenger transport network able to drive its economy as it did for 200 years before Independence is to align transport investment with economic development plans. Even the transport plan in the current Megapolis Plan (Ministry of Western Megapolis Development, 2016), sadly, is deficient in integrating transport and economy, is costly, and does not meet the requirements for providing economically-efficient mobility or to strengthen the equity and affordability of such mobility (Kumarage 2016c). The failure to arrest this would result in high costs of mobility: making goods and services produced in Colombo and its environs uncompetitive in global markets.

An important first step is to reform the transport sector institutions to be customer oriented and provide modernised and more efficient services. This requires strong political leadership and funding. It also requires professionalism and management expertise to be restored in these institutions.

Funding for public transport should be increased so that it matches the spending on roads. Greater priority should be given to public transport facilities on roads. The railway network should be expanded and new urban transport modes such as Bus Rapid Transport (BRT) and Bus Priority Lanes (BPL), should be pursued (Kumarage, 2015).

Transport infrastructure projects, including road building and railway projects, should be thoroughly evaluated for adequate benefits (Kumarage, 2016a). Road and railway construction has become extremely costly and much of our international debt is for constructing roads: especially expressways. Many road projects do not have comprehensive feasibility reports before public funds are committed (Kumarage, 2016b). Their ultimate costs often exceed the estimates and benefits are far less. Procurement procedures are neither competitive nor local economy-driving. Tolls are insufficient to

even meet maintenance and operating costs. Loans, often multi-fold escalated owing to lender-tagged contracting, have to be paid back by the common people in generations to come. This has to be corrected.

Road Safety should become a national concern. The stipulation of standards in road design, standards of vehicles imported as well as enforcement of traffic rules need to be made a national task.

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