IMPACT OF COVID-19 PANDEMIC ON CITY BUS OPERATORS IN GUWAHATI CITY, ASSAM (INDIA)

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ABSTRACT

The Covid-19 pandemic has disrupted the normal lives of the people all over the world. As on 15th December, 2020, India is the most affected country after U.S.A. Most of the countries had adopted 'Lockdown' as a strategy to contain the spread of the virus. Going to a complete lockdown, it is obvious that a country have to face a severe economic consequences. Public transport is one among the most affected sector, being identified as one of the high risk environment for the spread of the virus. It was also predicted that, even after the resumption of services, the demand for public transport service will not be at par to the pre-lockdown period due to the risk of spread of virus. India has relaxed the lockdown, most of the services and activities have resumed. Therefore, it is necessary to study the current position of the public transport services in a country. City bus is identified as the prominent modes of transport for commuters in Guwahati, Assam (India). Therefore, it is necessary to have more research in relation to city bus operators. The present study is undertaken in Guwahati city, Assam (India) to understand the current position of city bus operators in terms of revenue, expenditure, demand and the financial losses incurred during the lockdown to the operators.

Key words: Guwahati city bus operators, revenue, demand, financial losses

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1. INTRODUCTION

Guwahati city is the largest as well as the gateway city to the North Eastern Region of India. It being the non-metro city, city bus plays an important for transportation in the city. Most of the daily commuters are dependent on it for the daily travel. Moreover, considerably good number of people earn their living by working in the City Buses. Therefore, it is necessary to understand the impact of the city bus operators in lieu of Covid-19. All over the world

'lockdown' had been used as the strategy to contain the spread of Covid-19. India had announced a complete lockdown to the country from 25th March, 2020 for a period of 21 days. Later due to increase in the number of cases, the total lockdown of the country continued till 7th June, 2020. Central Government had begun a phased reopening from 8th June, 2020. However, the operation of the city bus in Guwahati started on 16th August, 2020 with 50% seat capacity restrictions and all other Covid-19 protocols, after the issue of notification by the Assam Government. It resumed after 144 days of complete halt, yet with only 50% seating capacity. On 9th October, 2020 the Assam Government has granted a permission for carrying the passenger up to the seat capacity (100%), but without the standing passenger, after a continuous strike by Guwahati Metro transport Association (GMTA), as well as by All Assam Motor Transport Association (AAMTA) an apex body for transport union in Assam.

The effects of the Covid-19 can be seen in all the industries. Public Transport along with the Tourism and hospitality is the most affected industry as a whole. City busses being one of the most important means of transport in the city. Also, a means of employment to considerably good number of people, deserve attention. The study is undertaken as an effort to understand the effects of Covid-19 on the operators of the city buses. Its losses and the situation of the employees and any other people engaged in the business of the city bus at Guwahati.

2. LITERATURE REVIEW

The researcher has come across the following literature:

Gerald Paul Ollivier, Tatiana Peralta Quiros, Ravi Gadepalli and Rupa Nandy; World Bank and UITP India (2020) in their study, Impact of Covid-19 on Indian Bus Operators gives an overview of the specific challenges faced by bus operators and the support needed to address those challenges. The study recommended the support needs of private bus operator's post-Covid resumption. Some of which are financial support to cover the 50% of the revenue losses occurred during lockdown, extending insurance cover for vehicles to the extent of lockdown days, extending the government's moratorium on principal amount of loans, waiving of road taxes on public transport, etc.

Saurabh Dandapat, Kinjal Bhattacharyya, Sai Kiran Annam, Kaustubh Saysardar and Bhargabh Maitra (2020) in their study Impact of Covid-19 Outbreak on Travel Behaviour: Evidences from early stages of the Pandemic in India stated that almost 98% of the respondents started 'work from home' even before lockdown was started. Highest perceived risk of the infection from travel was observed from international flights. Almost 25% of the respondents have been observed changing modes of transport from Public Transport (PT) to personal vehicle, and 21% from intermediate public transport (IPT) to personal vehicle. The study indicated that personal vehicle are like to become more favourable modes than PT or IPT. The study also laid an assumption that public transport may take a longer period to recover in the post-covid era unless the infection risk perception are not addressed.

3. OBJECTIVES

The present study aims to fulfil the following objective:

- To examine the nature of revenue in pre and post lockdown.
- To understand the impact on the staffs of the buses.
- To examine the losses of bus operators during lockdown.

4. METHODOLOGY

The study is based on descriptive research design, and was conducted among the City Bus operators in Guwahati city, Assam (India). For the purpose of the study, both primary and secondary data were used. The primary data has been collected through a random sampling method. For the purpose of collection of data 50 buses were selected randomly and thereby all the staffs of the buses selected were interviewed amounting to 125 respondents. The data has been collected through a well-structured open-ended as well as close-ended schedule by interviewing the respondent. For the secondary data news articles, journals, websites, etc. were consulted. Appropriate statistical tools were used for analysing the collected data.

5. DISCUSSIONS, ANALYSIS AND FINDINGS

The researcher from the study comes with the following discussions, analysis and findings-

Chart 1 Percentage of age group distribution in 'years' of the driver as a respondents

Source: Primary study by author.

From the chart 1, it can be concluded that the maximum number of drivers as a respondent constitute to the age group of 41 and above years (34%). While the least is the age group of 18-25 (6%).

Chart 2 Percentage of age group distribution of bus staffs other than drivers as a respondents.

Source: Primary study by author.

Chart 2, depicts that, most of the staffs (except the drivers) working in the city bus belong to the age group of 18-25 years and followed by 26-30 age group (25.33%). The least belong to the age group of 31-35 years.

Chart 3 Showing percentage of the education qualification of the respondents.

Source: Primary study by author.

Chart 3, depicts that most of the respondents (61.49%) have an education qualification of U.P. (VI-VIII), followed by L.P. (I-V) which is 41.33%. Illiterate which means not going to school, constitute to 6.5%.

Table 1 Different facts and figures with respect to different phases as compiled by the author from the study.

Particulars	Before lockdown In (Rs.)	Unlock with 50% seat capacity restrictions In (Rs.)	Unlock with 100% seat capacity In (Rs.)
(Q). Average daily revenue collection per Bus	6096.4	3303	4013
(R). Average daily wages for driver	772.9	340.1	467.8
(S). Average daily wages for other staff 1	585.4	267.5	350
(T) Average daily wages for other staff 2	386.4	203	241
(U). Average daily expenditure	2235	2100	2147.07
(V). Average daily additional expenditure in lieu of Covid-19	0	20	20
(P). Profit of the Bus Owner (Q-R-S-T-U-V)	2116.7	362.39	777.2

Note:

- Average calculation of various particulars for ‘before lockdown’ = Immediate 15 days prior to lockdown imposition.
- Average calculation of various particulars for ‘unlock with 50% seat capacity = Total days of the restrictions imposed.
- Average calculation of various particulars for ‘unlock with 100% seat capacity = Immediate 30 days prior to 15th December.
- Average daily expenditure includes only expenditure which are of recurring in nature i.e. fuel and daily food and refreshment for staff during operation. Does not include any form of capital expenditure.
- Profit of the bus owner (P) = [Q (Average daily revenue collection)] – [R (Average daily wages for driver)] – [S (Average daily wages for other staff 1)] – [T (Average daily wages for other staff 2)] – [U (Average daily expenditure)] – [V (Average daily additional expenditure in lieu of Covid-19)]. This formula is created by the author only for the purpose of coming to the conclusion of the study. This may not be applicable for other purpose.

Chart 4 Average daily collection/ revenue of the city buses in different time situation.

Source: Compiled by the author from the primary data collected.

In the study, the researcher found that, there is a significant reduction in revenue of buses to 45.82% in the Unlock Phase (with 50% seat capacity restrictions) with respect to the normal phase before lockdown. Meanwhile the study also has evidenced that there is an improvement of 21.49% in the Unlock phase (with 100% capacity) from the unlock phase (with 50% seat capacity restrictions). The study also finds that, the daily revenue of city buses are yet to be recovered by 51.91% from unlock phase (with 100% capacity) as compared to the normal phase before lockdown imposition for Covid-19.

Chart 5 Showing the average daily wages of drivers of city bus in different phase.

Source: Compiled by the author from primary data collected.

From the study it is found that, the daily wages of the bus drivers has reduced to approximately 56% in the unlock phase (with 50% seat capacity restrictions) from the normal phase (before lockdown). It has slightly recovered from the unlock phase (with 50% seat capacity restrictions) to unlock phase (with 100% capacity) with 37.54%. Meanwhile, it is yet to be recovered by 65.22% from unlock phase (with 100% capacity) as compared to normal phase (before lockdown).

The researcher came across that, some of the buses have three staffs and some buses has two staffs including the driver. Therefore, the staffs than driver have been classified as Staff 1 and Staff 2.

Chart 6 Showing the average daily wages for the staffs of city bus other than a driver.

Source: Compiled by the author from primary data collected.

From the study, it is evident that the daily average wages of the other Staff 1 has significantly reduced to 54.30% from normal phase (before lockdown) to unlock phase (with 50% seat capacity restrictions). Meanwhile slight improve has been seen from unlock phase (with 50% seat capacity restrictions) to unlock phase (with 100% capacity) amounting to 30%. There is still a difference of 50.33% with respect to unlock phase (with 100% capacity) and normal phase (before lockdown).

Chart 7 Showing the average daily wages for the staff of city bus other than a driver.

Source: Primary data

From the study, it is evident that the daily average wages of the Staff 2, has significantly reduced to 47.40% from normal phase (before lockdown) to unlock phase (with 50% sitting capacity restrictions). Meanwhile slight improve has been seen from unlock phase (with 50% seat capacity restrictions) to unlock phase (with 100% capacity) amounting to 19%. There is still a difference of 46.11% with respect to unlock phase (with 100% capacity) and normal phase (before lockdown).

Chart 8: Showing profits of the bus owners in different phase.

Source: Primary study

From the study it is found that, the daily average profit of the bus owners has reduced to approximately 82.87% in the unlock phase (with 50% seat capacity restrictions) from the normal phase (before lockdown). It has slightly recovered from the unlock phase (with 50% seat capacity restrictions) to unlock phase (with 100% capacity) with 114.46%. There is still a difference of 92.56% with respect to unlock phase (with 100% capacity) and normal phase (before lockdown). Also, from this chart it can be concluded that, there is a significant fall in the demand of the services as the fares is constant.

Table 2 Estimated Revenue losses occurred in the City Bus Industry due to Covid-19.

Phases	Average daily revenue collection per bus In Rs. (Q)	Average daily losses per bus In Rs. (Y)	Number of days (Z)	Average revenue losses per bus In Rs. (Y x Z)
Normal phase	6096.4			
Complete lockdown	0	6096.4	144 (25 th March to 15 th Aug)	8,77,881.6
50% cap	3303	2793.4	48 (16 th Aug to 8 th Oct)	1,34,083.2
100% cap	4013	2083.4	68 (9 th Oct to 15 th Dec)	1,41,671.2
TOTAL AVERAGE REVENUE LOSSES PER BUS (I)				11,53,636

Total Revenue losses in the City Bus industry (L) = 700 (buses) x 1153636 [Total average revenue losses per bus (I)]

= **RS. 80, 75, 45, 200**

Note:

Average daily losses per bus = [Average daily revenue collection per bus (in normal phase)] – [Average daily revenue collection per bus (in the different phases)]

6. CONCLUSIONS AND SUGGESTIONS

Covid-19 has brought disruptions in the lives of the people. It is very tough to forecast the day when the world will start with a full normalcy. It is hard to predict when the economy will recover as to the level of pre-Covid-19 phase. It is clear from the study that, city bus operators have been affected a lot by the covid-19. The daily revenue of city buses are yet to be recovered by 51.91% from unlock phase (with 100% capacity) as compared to the normal phase before lockdown imposition for Covid-19. The staffs of the city bus have been going through a lot of hardship. The pre- and post-lockdown difference in the wages of the drivers, Staff 1 and Staff 2 amounts to 49.18%, 50.33% and 46% respectively. The owners of the city bus are the ones who have been affected the highest among all the sections of people engaged in city bus business. The difference in profit between pre and post lockdown is 92.57% approximately, also from this figure it can be assumed that the demands of the services has been fallen drastically. The future of the bus owners in this business seems uncertain, as it is hard to predict that as to when the demand of the services will back to the level of pre-COVID-19 phase. If this continue for long and becomes out of the survival level, some of the bus owners may have to withdraw from the business. If this happen then, it will affect the lives of the staff as they may have to go unemployed. From the study, the researcher has observed that, it will be very difficult for the city bus operators to revive on its own. Therefore the researcher tend to suggest that, the government has to come up with some favourable, effective and efficient policies to address the issues. Some of the support which may be extended to the operators are; financial support to cover 50% of the financial losses, extending insurance cover for vehicles to the extent of lockdown days, wave taxes, extending government's moratorium on principal amount. The staff are also in a pathetic condition, the government may also extend a financial support to the staff working in the city buses.

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