

Pedestrianism
Market Dynamics of the Subways in Delhi

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CCS Working Paper No. 159
Summer Research Internship Program 2006
Centre for Civil Society

www.ccs.in

Executive Summary

It is not uncommon to hear of pedestrians being run down by vehicles or being victims to other such road accidents. Most of these accidents occur when people are trying to go from one side of the road to another. To ensure the safety of pedestrians as well as to allow smooth and free movement of vehicular traffic various government bodies have emphasised the need for pedestrian facilities. One result of such emphasis has been the construction of subways.

The role of the subways is as facilitators in the free flow of pedestrian and vehicular traffic, but their usefulness as hubs of commercial activity is what this study proposes to look at. The study was initially aimed at looking into the feasibility aspect of the shops inside the subway, to gather facts from a sample of five subways across Delhi and to conclude if a decent level of sales, present a case in favour of their existence. However, what emerged eventually was not a general trend but case specific findings that explain flourishing business in some such shops while a decaying one in the others.

All the data for the project was obtained through primary work. The information was obtained from various stake holders by means of structured questionnaires and then collated to arrive at conclusions.

It was observed that there was a general reluctance among people to use the subways especially because of the effort it takes to climb up and down the stairs. However, those who made that extra effort did recognise how useful the subways are when faced with busy roads of Delhi. As for the shops inside the subway, the idea of having them cannot be condemned. Though some shops are not doing very good business but certain others are flourishing. Therefore, what determines the success or failure of shops is the environment surrounding the subway (for example a chemist shop will do well in a subway next to a hospital while a garment shop will not). It also appeared that to further improve the business private participation would prove fruitful.

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Introduction

Drivers endlessly honking horns, grumbling pedestrians dodging their way past vehicles of all sizes, motorists grimacing as they have to reduce speed or come to screeching halts and the drivers yelling abuses at pedestrians they just about managed to avoid hitting- one would not hesitate in defining this as anything, but chaos.

The pedestrians are the worst victims of road traffic accidents arising out of such human-vehicular conflicts. They constitute an important traffic unit and hence require prime consideration in planning of a total system of traffic movement. The first priority has been providing a "conflict free" passage to pedestrians that would ensure their safety as well as allow smooth movement of vehicular traffic. Towards this aim various civic bodies have laid emphasis on pedestrian facilities. In Delhi, Municipal Corporation of Delhi (MCD), New Delhi Municipal Council (NDMC), Public Works Department (PWD), Delhi Tourism and Transport Development Corporation (DTTDC) and Delhi Development Authority (DDA) provide such pedestrian facilities and construct side-walks, foot over-bridges¹ and subways². However to one of these bodies, the NDMC, the pedestrian subways offer a more acceptable solution to problems pertaining to pedestrians as compared to pedestrian foot over-bridges. They believe that in practice it has been observed, that a pedestrian's likeliness to use a subway, to cross the main road, is much more than the foot over-bridge. Also from urban design/ city planning point of view the subway is more acceptable aesthetically than a foot over-bridge.

The design and finishing of the subways is worked out in a pragmatic and cost-effective manner. To further enhance the aesthetic acceptability and attract usage provision of shops/kiosks is made a part of the design. These shops are then allotted either as show-windows or to permit need based trade. The other benefits of shop provision are: more safety for users of such underpasses as they do not remain uninhabited and reduction of congestion on the roads/ side-walks as the street vendors can be relocated in these subway shops.

However, with every benefit comes a counter benefit. Encroachment of public space by these shop owners as they do not hesitate in setting up counters extending well into the passage meant for free movement of passengers and a mere relocation of congestion from outside to inside, are just to mention a few. And yes, not to forget, more shops means more consumers which in turn means more rubbish thrown around, out of place.

The study was initially aimed at looking into the feasibility aspect of these shops, to gather facts from a sample of five subways across Delhi and to conclude if a decent level of sales, present a case in favour of their existence. However, what emerged eventually was not a general trend but case specific findings that explain flourishing business in some such shops while a decaying one in the others.

¹ A foot over-bridge is an elevated structure carrying a pathway/ roadway over a depression or an obstacle that allows pedestrians to cross over to the other side safely.

² In British English the term subway normally refers to a specially designed underpass for pedestrians and/ or cyclists beneath the road or railway, allowing them to reach the other side in safety. The term is used in the United States for a road under-crossing that is depressed.

It is my attempt to showcase these findings- the difference in license fees of the shops inside the subway and those outside (AIIMS subway), dead business due to delay in policy formulation (south-ex subway), seasonal booms in business (Bhagwan Dass Road subway), tried and failed story (Bahadur Shah Zafar Marg subway) and competition issues (Sansad Marg subway).

Most of us would like to believe that business in these underground shops can never be as great as that outside because these shops will at best be frequented by a limited number of people, those who want to cross the road, while the shops outside have access to a definitely larger consumer base. But I would like to emphasise that this cannot be taken as a generalisation. What determines business activity is the whole environment and location of the subway and the identification and exploitation of the associated opportunities by the prospective shop keepers.

Then and Now

As has been already mentioned above, the study revolves around five subways chosen as a representative sample. The authorities designed them in such a manner, that they would require little maintenance. The 55 metre long AIIMS subway, for example, was proposed to be provided with modern permanent finishes, both internal and external, to make it both user friendly and relatively maintenance free. It was constructed at a cost of Rs 200 lac in 1995. The subways at Sansad Marg and Bhagwan Dass Road were built in 1987 and 2001 respectively, at a respective cost of Rs 80 lac and Rs 1.5 crores. The emphasis here was again on using materials that would not demand too much attention for renewal or replacement purposes. However, all these subways are at least four years old now, thus calling for a perennial expenditure on maintenance. The table below summarises the year of construction of each of the five subways and the monthly expenditure incurred on their maintenance.

Table I: Current Maintenance Expenditure

Location	Constructed by	Year of construction	Current expenditure on maintenance (Rs per month)
AIIMS	NDMC	1995	24,771 ¹
Bhagwan Dass Road	NDMC	2001	76,000 ²
Sansad Marg	NDMC	1987	20,000 ³
South-ex – I	PWD	2002	15,920 ⁴
Bahadur Shah Zafar Marg	DTTDC and MCD	1995	0 ⁵

Sources: ¹ Additional Accounts Officer, R-III division, Civil Engineering Department, NDMC

² Assistant Engineer, R-I division, Civil Engineering Department, NDMC

³ Assistant Engineer, R-V division, Civil Engineering Department, NDMC

⁴ Auditor, PWD, Division- 24

⁵ Assistant engineer, PWD, Division- 21

But the fact of the matter is...

Now that we have some figures laid out before us, it will be interesting to know what all services actually constitute 'maintenance'. What is being broadly referred to as maintenance actually involves:

1. Providing security.
2. Cleaning, sweeping and scavenging.
3. Running and maintenance of booster pumps.
4. Removal of blockage and routine cleaning of drainage and sewerage lines.
5. Provision of dustbins and regular disposal of garbage.
6. Internal maintenance by way of cleanliness and aesthetic upkeep of the common and external areas of the structure.

However, just one visit to any of these subways is enough to conclude that most of the services are not being provided efficiently. Security guards are seldom visible, water logging during monsoons is not taken care of and dustbins are either absent or overflowing with rubbish. But it will be unfair to doom all these subways as filthy and not usable. The subway at Bhagwan Dass Road is relatively clean with no overflowing dustbins or clogged drains. But it still loses out on account of one of the parameters- security. No watchman is to be seen at any time of the day, not even an empty chair, which could tell you that he was 'once' there. But if the figure for the expenditure on maintenance of this subway, in the above table caught your eye you would know. Also, the proximity of the subway to the Supreme Court of India seems to have a role to play in keeping the concerned officials on their toes. In direct contrast to this is the subway at Bahadur Shah Zafar Marg- dark and dirty to the extent of repulsion. Doesn't the zero maintenance expenditure on it say it all? But apart from these extremes each of the subways fails on one or the other of the counts listed above. The AIIMS one on security, cleanliness and drainage; Sansad Marg on security and cleanliness and South-ex on general maintenance (leaking roof during monsoons)

Outsourcing: Does it work?

For all those who have already started lamenting on the involvement of government agencies and think that private participation would do better- the maintenance of all the subways has already been outsourced to private contractors (except the one with zero expenditure, of course!). The maintenance responsibility is granted through the process of tendering to the lowest bidder. The concerned authority for each subway, lays out the requirements and the terms and conditions of the contract. They then issue a notice inviting tenders (NIT) in response to which various contractors state the cost at which, they propose to execute the stated responsibility. The contract is then awarded to the lowest bidder. The concerned government agencies also prepare a document of estimated costs of various heads of expenditure and after awarding the contract, disclose how much above or below the tendered amount was the estimated amount. The tenders are generally granted for a period of 90 days, open to both extension after the expiry of the contract or termination before the expiry, if the authority feels the need for it. Currently the AIIMS subway is being maintained by

Shubham house keeping³. The Bhagwan Dass Road subway and the Sansad Marg subway have been contracted out to R K Jain & Co. by the NDMC⁴, while the PWD has awarded the tender to maintain the South-ex subway to Maheshwari contractors⁵.

The sanctioned expenditure amount has to be divided into the remuneration for labour services and purchases of material for the cleaning of subways. A certain number of watchmen, sweepers, pump drivers, and helpers have to be employed and paid for. In the document of estimated costs the authority also lists out the material and their respective quantities that need to be purchased. This list consists of phenyl, lit powder, duster, mop, brooms, industrial brush, plastic buckets, taat, brooms with stick and scrubbers.

The obvious question that now arises is that, what incentives do the Civil Engineering Departments have to outsource the maintenance work? According Mr. A Mathur, the Assistant Engineer of the R-V division of the Civil Engineering Department of NDMC, the maintenance job requires labour and resources. The options then available are to increase the labour strength by hiring more labourers or to outsource. The latter option is preferred as it allows better maintenance at a lower cost. The low cost and better quality arise out of four factors.

First, outsourcing to an agency whose only work is care-taking brings in work efficiency and other benefits of specialisation. The engineering department being loaded with several other responsibilities may not be able to devote the requisite attention to one such responsibility.

Second, various public structures come under the jurisdiction of different government agencies and their maintenance and upkeep is the responsibility of that department. On the other hand, if one contractor is able to get the tender passed for the maintenance of several structures, economies of scale accrue to him though concessions on bulk purchases and volume discounts.

Third, if the amount agreed upon in the tender is lower than the estimated cost of the engineering department then they save the differential of the cost straight away.

Fourth, a private contractor has the flexibility to fire workers if they do not deliver quality work. On the contrary, with government employment comes job security for the workers and their incentive to work decreases and the laxity has to be tolerated.

As for the incentive for a private contractor to take up such work- well, he is providing a service and just like any other service provider, he hope to earn a profit by doing so.

Also the contactor has just the right amount of incentives to execute is responsibilities well, once the task has been assigned to him. The sanctioned amount is paid to the contractor only after the delivery of one month of service to the satisfaction of the supervising engineer. The government agency also keeps a close check on the

³ Source: Additional Accounts Officer, R-III division, Civil Engineering Department, NDMC

⁴ Source: Assistant Engineers, R-I and R-V divisions, Civil Engineering Department, NDMC

⁵ Source: Auditor, PWD, Division- 24

workmen while on duty. In case the government agency finds that the workmen are absent during duty hours, deduction is made at the prevailing rate. Any sub-standard material purchased by the contractor can be rejected by the engineer-in-charge and kept separately at the cost and responsibility of the contractor. Also the authorities are entitled to terminate the contract in case of any neglect or lapse on the part of the contractor to keep the subway in a state of good maintenance, repair and operation. In such eventuality the subway will be got maintained during the remaining period of the contract at the cost of the contractor. The expenditure incurred in this regard is recovered from the amount of the security deposited (Rs 25,000 per subway) by the contractor and in case the expenditure is more than the security deposit available, the contractor is liable to make the payment in a legally permissible manner.

But as is apparent to every observer, private participation does not seem to have worked wonders either. In spite of stringent conditions of the contract, the contractors have not delivered their best. Part of it can be explained by the laxity of the government officials in enforcing the terms and conditions of the contract and imposing the penalties when violation occurs, but the other part can be explained by the incomplete incentive structure applicable to the contractors.

While the incentive to perform well lies in avoiding the penalties, but there exists no direct force to propel the contractors to give it their best- no direct monetary gain that accrues to them. On the other hand, if the tendering is on the 'Maintain Operate Transfer' (MOT) basis then the genesis of the propelling force becomes easy. Under this scheme, the contractors would be given the maintenance responsibility but along with it the privilege of selling the advertisement rights in the subway to various agencies. A part of the revenue obtained from this exercise would go to the concerned government department of course. So here the contractor would know that to obtain the best advertisements he will have to project the subway as a viable and suitable location. Thus, the incentive to maintain will be inbuilt in the incentive to obtain (revenue)! So what appears as an incomplete fulfilment of responsibility has its roots in the incomplete structure of incentives.

Footfalls

Given the busy roads and the apparent condition of the subways, a pedestrian wanting to cross the road has two alternatives. First, insist on crossing by pushing his way through the speeding vehicles and second, make the 'extra effort' to climb down and then up the stairs of the subway to cross the road. How many pedestrians actually choose the second over the first, is indicative of the success of the subway culture in Delhi. To quantify the popularity of the subways and hence of the underground shops I counted the number of people who use the subway and those who do not, in a sample time of 5 minutes. The results obtained are presented in Table II and Table III.

Table II: Number of people using the subway (in 5 minutes)

Location	Number of men	Number of women	Total
AIIMS	112	41	153
Bhagwan Dass Road	5	2	7
Sansad Marg	50	31	81

South-ex	171	46	217
Bahadur Shah Zafar Marg	7	3	10

Source: as per survey

Table III: Number of people crossing the road otherwise (in 5 minutes)

Location	Number of men	Number of women	Total
AIIMS	22	14	36
Bhagwan Dass Road	2	2	4
Sansad Marg	5	3	8
South-ex	3	0	3
Bahadur Shah Zafar Marg	5	1	6

Source: as per survey

The figures are suggestive. Of the 189 people who cross the road to move between the AIIMS and Safdarjung hospitals 80.95% do so with the help of the subway. Of these 80.95% percent 73.2% are men. However, this is not indicative of women being biased against the use of the subway. Of the total number of women who actually need to cross over, 73.2% actually use the subway. Taking another example, that of the subway at Bahadur shah Zafar Marg, the least user friendly amongst all- 37.5% of the people avoid using the subway, 16.66% among whom are women. The poor maintenance surely has a role to play. Another fact evident from the table is that, in absolute numbers, the south-ex subway receives the maximum number of footfalls as well as the minimum number of avoidances.

A round of questions with the pedestrians highlighted reasons for the observed behaviour. The reasons for avoidance again are case specific.

- **AIIMS-** The major reason for avoidance that emerged here was reluctance to climb up and down the stairs. A very few people complained about the lack of cleanliness and none at all about safety.
- **South-ex-** In the absence of any evidence to blame poor maintenance and safety (a security guard is always on duty!), the only kind of reasons that avoiders could come up with were again reluctance to climb up and down the stairs and the saving of time by crossing otherwise. However, these pedestrians are unaware that what they label as time saving strategy is actually not one. I decided to check for myself. It takes on an average 5 minutes to get across to the other side waiting for the road to clear, while the subway alternative costs only 3 minutes of ones time.
- **Bhagwan Dass Road-** Being one of the most user-friendly, no other reason fits the scene except again the reluctance to use it, especially when the road is not as busy and provides an opportunity to cross easily.
- **Sansad Marg-** Poor maintenance was the reason cited in this case.

- **Bahadur Shah Zafar Marg-** Faulty location, dark and filthy underneath and the feeling of insecurity along with the general tendency to avoid because of the 'extra effort' criterion deters the pedestrians to use this subway.

It is also interesting to note that replies as suave as 'we use it when we feel like it and avoid it otherwise, all depends on the mood', were also frequent. There is a general lack of enthusiasm to use this structure but going by the word of the majority who actually make use of them, the subways are an important part of the traffic management programme and do offer a risk free passage.

So...do I still foresee good business?

The first question that should be answered before starting any business is that of feasibility- whether there will be enough demand, enough sales and a large consumer base for the product. The footfalls in the subways do not seem to be so low as to be able to kill the incentive all-together. The second question pertains to estimating the profits i.e. the surplus of revenue over costs. Since the shops in the subways are government property- built and owned by the government agencies, a major chunk of the costs accruing to the shopkeepers is the cost of renting the premises. This is where the differences between the subways arise and what emerge are five case studies- each attempting to analyse the state of business and attribute it to the specific factors associated with the particular subway. Given below are the case studies.

1. **AIIMS:** When NDMC began the construction of the subway at AIIMS it envisaged its construction as a grade separator. It was conceived as an underground pedestrian mall with a provision of 16 kiosks⁶ where the hospital patients' and visitors' need based trade would be permitted. The shops were allotted through a tender released by the estate department of the NDMC. The same authority is responsible for the collection of rents and other charges from the shopkeepers.

The 16 kiosks in the subway comprise of chemist shops, pathology labs, STD and Photostat shops, general stores and small confectionaries. They pay a license fee, 5% of the licence fee as maintenance charge⁷ and separate electricity bills as per usage.

Their main competitors are the shops just outside the subway. These shops interestingly have not been tendered out but are rehabilitation allotments. In 1991 a committee called Thareja Committee identified 5000 squatters and hawkers who were to be given a compensatory allotment for being uprooted from one place or the other. Some of these rehabilitation allotments were outside the AIIMS subway. The licence fee of these shops is therefore very low. Thus, they already have an edge in the competitive environment. It is interesting to note here that being government property, rent control laws are not applicable to the shops. So the advantage of lower rent obligation that accrues to the outside shops is merely due to the different purpose and method that was adopted to allot them.

⁶ A kiosk is a small structure with one or more open sides, that is used to vend merchandise or services.

⁷ Source: Director (Estate), NDMC
Centre for Civil Society

Just to get a feel of how much of an added advantage do these shops have over those located inside the subway, a list of the licence fee collected from them is given in table IV and table V.

Table IV: License fee collected from the shops inside the subway

Shop No.	Licence Fee (Rs per month)
1	4,52,460
2	28,319
3	23,788
4	14,612
5	26,141
6	26,101
7	45,618
8	1,56,659
9	2,97,852
10	21,321
11	20,390
12	9,724
13	23,105
14	28,546
15	29,737
16	2,97,852

Source: Director (Estate), NDMC

Table V: License fee collected from shops outside the subway

Shop No.	Licence Fee (Rs per month)
1	168
2	189
3	525
4	525
5	2,815
6	139
7	500
8	1,108
9	106

Source: Director (Estate), NDMC

Some of the interesting findings from the tables are as follows:

- Since each of the shops inside the subway have been given out on tender and also because they offer different kinds of products the rents are not uniform.

They range from as low as Rs 9,724 per month to as high as Rs 4, 52,460 per month.

- Four shops pay more than 1.5 lacs of license fee per month.
- The average rent paid by rest of the 12 shops comes out to be Rs 24,783.5 per month.
- Of the nine rehabilitation shops outside, the maximum license fee is Rs 2,815 per month while the minimum is a mere Rs 106 per month.
- Seven out of the nine shops pay less than Rs 550 per month as the licence.
- The average figure for all these 9 shops turns out to be Rs 675 per month.

Clearly, there are repercussions of this on the market inside the subway. One would expect the shopkeeper inside to complain about tough competition and the inherent disadvantage in the form of higher rents. That is the case, but with only one or two odd shops out of 16. Surprisingly, for others, their business is good enough to be able to allow them to pay such high rents and still make reasonable profits. This is because of the way things are placed in the whole setup of this market.

The subway connects the AIIMS hospital to the Safdarjung hospital. All the shops that are a potential source of competition to the shopkeepers inside the subway are all located on the safdarjung side. The only two shops immediately outside the subway on the AIIMS side are a mini restaurant of sorts and a general store that sells beverages and snacks. This means that in the absence of other alternatives, the flow of consumer traffic into the subway, from AIIMS is large. Thus the requirements of medicine, pathology tests and phone calls that come in a package along with the ailment are catered to by the shops in the subway. Apart from a large consumer traffic that flows in from the AIIMS side, a few customers from the safdarjung side also drop in. In the absence of pathology labs in the line of shops outside the subway, the only option that remains open for the patients is the subway shops.

That apart, anybody who drops in either to buy medicines, get tests done or to make phone calls is also a potential customer for the confectionary shops. Besides, people who just want to cross over to the other side might also not mind grabbing a bite while they pass by. So the chemists, those who run the path labs, the phone booth owners and the confectionary shops all have a reason to smile. On an average most of them (except the chemists) manage sales worth at least 5 thousand per day, which amounts to 1.5 lacs per month. After having made a deduction of an average rent of 25,000, they are still left with reasonable profits to keep them in business.

As for the chemists, they are among the highest license fee payers. And to be able to manage a fee of nearly 4.5 lacs per month, they have to be doing well enough. This is evident from the fact that their counters are so crowded with customers, that is difficult to get even five minutes of their time to talk otherwise.

The kind of shopkeepers who are really at a disadvantage are the ones that sell items like bangles, dolls, utensils, toys, mats and daily utilities. There is one such shop in the AIIMS subway as well. This shopkeeper had a shop outside the subway initially and was relocated inside due to some construction and renovation work to be carried out at the place of its original location. This is the case of a business that has suffered a major setback and large loss in the customer base. He complains of sales being so low that he is barely able to feed himself and his family after meeting the obligations of high rent. He also attributes the loss in customers to a higher price that he is forced to charge owing to the high rent obligation (approximately 30,000 per month).

There are a few lessons to be learnt from this case study as a whole and from the above example in particular.

- The environment and the location of the subway have a very important role to play in deciding the success of a business. While certain trades flourish in a particular set up, others suffer.
- Due to high rents that accrue to the shopkeepers inside, a sort of premium gets attached to the articles being sold inside. But in case of articles like medicines, which have standardised printed rates, this does not hold. For certain other types of trades, even if it does hold, it does not make too much difference to their business. Most of the customers are either patients or their relatives- people who are first, in a state of emergency and second, not frequent visitors of the place. Both these factors contribute to the fact that the customers usually do not search for the best bargain and end up paying what is demanded. Good for the producers and bad for the consumers!

2. **Bhagwan Dass Road:** Connecting the Supreme Court to the Indian Law Institute, this 17.40 meters long subway has four shops running- one for court stationary, law files, printing and computing services, two shops by the name of Mohan Publications selling law related books and reference material and one shop offering public calling, Photostat and courier facilities. The licence fee charged from the shops by the NDMC is Rs 12,705, Rs 28,651, Rs 14,491 and Rs 5,797 respectively.⁸

The subway is a typical example of seasonally flourishing and slackening business. When the Indian Law Institute is off for summer or winter break during the year, the footfalls plummet. The table that enumerates the footfalls in the subways on page 5 lists the footfalls in one such break periods. However, during the peak periods they are easily able to manage average sales worth 45 thousand per month.

There are no shops catering to similar need of the people in the vicinity so there is no one else who could potentially eat up into their business share. Given the proximity to the Supreme Court the subway is well maintained and hence the customers do not face any deterrence on that count. The only point of complaint that the shopkeepers have is the lack of advertising. They believe that given an opportunity to put up sign boards outside the subway, their business could gain tremendously.

⁸ Source: Director (estate), NDMC
Centre for Civil Society

The proximity to Pragati Maidan also helps their business during those days when events like trade fairs, book fairs and other such public events are organised. So yes, all the shops provide services that fit well into the environment in which the subway is placed. They do reasonably good business which has its periods of temporary booms and recessions. The only thing that prevents the further growth of their business is lack of advertising which becomes necessary for such underground shops which remain unnoticed otherwise.

3. **Sansad Marg:** When this subway was built in 1987 it was envisaged to solve the problem of 2573 pedestrians per day. Now, nearly 2 decades after its construction, it may be solving the problem for many more pedestrians but that has not given a boost to the 2 shopkeepers in the subway. The shops were allotted to them through a tender and their current rent obligation towards the NDMC is Rs 3,975 and Rs 4,839.

Of the two shops only one is functional now. It sells bags and garments. I was told that the other shop has been lying vacant for almost a year and some legal case is pending, so the shop has not been let out to someone else as yet.

The owner of the functional shop says that he has seen his business steadily deteriorating over the years, as the area developed and more shops of similar nature sprung up all around. Since the items he sells are not necessity items, people can and they generally do wait to be able to explore for the best bargain. Similar are the views of pavement hawkers. They would prefer to sit outside the subway with their items on display, but because of the occasional police raids they are forced to seek a shelter inside. A sudden drop in the people interested in looking at what they have to offer is felt and so they relocate themselves outside at the slightest opportunity.

The development of the area has led to an influx of motor vehicles as well which has made it more difficult to pedestrians to cross the road otherwise. However the pedestrians requiring to cross the road are still much lesser than those who do not require to and stroll on the pavements otherwise. So in this case the shops outside the subway, on the pavement, have access to a larger and more willing customer base. This explains how the lack of accessibility kills the business of the shops inside by giving their competitors an advantage of location.

4. **South-Extension:** This subway connects the two parts of the popular market of south-ex that lie on either side of a busy road. The subway is alive with people, both young and old, making their way to the other side of the market. One might have already started imagining how good the business can be in the shops inside the subway. The belief about good business gets further strengthened considering the fact that people visit this place to shop, spend and have fun. What else can a prospective businessman ask for?

Unfortunately however, all the 22 shops in this subway lie vacant. The subway was built by the PWD in 2002. The shops have been lying vacant ever since. On being questioned about why was it so, an official from the office of the principal secretary of PWD said that the policy to let out the shops was still under formulation.

Shops in certain other subways constructed by the PWD were leased out for 99 years in 2001 through the process of tendering. Under this arrangement, it is the obligation of the allottee to pay besides the tendered amount, 1% of it as ground rent and another 1% as maintenance charges. The rate of ground rent is subject to periodical enhancement after a period of 30 years from the date of allotment. As per the official the shops were tendered out on lease at a price ranging between 2.40 to 9 lac.

The policy that is still under formulation is considering revising the 99 year lease plan. It was realised that a lease for this long a period hampers competition, diversity and causes legal and contractual problems in case some relocation or renovation is required to better serve the interests of the citizens. It is also perceived that shorter term leases would bring in greater revenues for the department, as the process of frequent tendering will fetch them, the then prevailing market rate instead of a rate that was fixed at a time the lease was granted.

Agreed that all these facts seem reasonable but why there is so much delay in executing a rational and reasonable decision is a question that has no clear answer.

A place that could have sheltered a great amount of commercial activity is thus laying vacant and dry, waiting for a decision to come into effect.

5. **Bahadur Shah Zafar Marg:** When a subway was being built at Bahadur Shah Zafar Marg in 1995, it was perceived to be only one of its kind. A joint venture of MCD and DTTDC it was to house 'Media Coffee Home'- a coffee home run by a government agency. The division of responsibility was such that the maintenance and upkeep of the subway was to be done by the MCD, while all matters pertaining to the coffee home-its running and marketing were to be handled by DTTDC.

What is unfortunate is that the coffee home did not survive for long. After being unsuccessful at running it, after 3 years DTTDC handed it over to a private south Indian food chain, Kovil. Kovil did not stick around for long either. And now the coffee home lies vacant and dust laden- sending out unpleasant vibes.

There emerge two sides to this story. First, why did the DTTDC fail to run it successfully? And second, why did Kovil not succeed either? In answer to the first question the chief manager of DTTDC, pointed out four things:

- The disadvantage they had at the very outset as the place already had a lot of food joints and coffee homes that that overtime won over customers and their loyalty towards their product.
- The culture of shops in the subways, especially eating joints, is still not very widespread and it was only beginning to emerge at that time. The footfalls were very low and sales never really picked up. The customers some times just came in to sit and chat without caring to order anything. Being public property, nothing much could be done about this.

- To an extent there was poor management of the catering point, lack of innovation and enthusiasm to devise ways to attract customers.
- The purpose of the coffee home was to offer a public utility service and at the same time generate some revenue for the government. It failed to address both the concerns adequately and hence was shut down.

The efforts of Kovil to run an eating joint did not bear fruits either. They have their own story to tell. According to the manager of Kovil, the subway was never very clean and user friendly. The problem of water logging was common during monsoons and the ambience of the place was not very pleasing. Power shortage also added to the problems. It was not worth their while to invest in making the place more attractive as it had been given to them only for 6 months on a trial basis. Therefore, the business continued to deteriorate over the 6 months and at length, they gave up.

The coffee home has been lying vacant ever since Kovil left. Apparently some attempts were again made to let the space out to some other private food chains, but obtaining a safety licence against fire hazards was the main roadblock for them and the plans never really materialised.

One important conclusion that can be drawn from this is that division of responsibility of a task that is actually indivisible only worsens things. Running a shop in the subway and expecting good business, cannot be separated from the responsibility of maintaining the subway in good condition to attract customers. When MCD has the sole responsibility of maintenance and nothing to do with the running of the coffee home it has no incentive to deliver its best (except that being a government agency it is obliged to do its best, but when has that ever worked anyway!). Similarly it will be crucial for the success of the business that the subway is user friendly, but again if DTTDC has no responsibility of that whatsoever, the incentives just run in the opposite direction and that is what spells doom.

Lessons learnt!

At length these are the conclusions that one can draw:

- There is a general reluctance among people to use the subways mainly because of the effort it takes to use the stairs. Providing escalators may be a good idea to attract more users. From maintenance and safety point of view, replacement of damaged and leaking asbestos roofs with transparent material, will allow more daylight to penetrate in and will make the subway more inviting for users.
- Even after the footfalls have been maximised only certain kinds of trades will flourish in a particular set up. This is evident from the flourishing business of the chemist shop while a deteriorating one of the general store in the case of the AIIMS subway. However, there can be no generalisations drawn to the fact that the business in the subway shops is and will remain poor.
- Division of responsibility and incomplete incentives kill! (As was evident from the case study of the subway at Bahadur Shah Zafar Marg).

- There is a case that can be made for allowing the privatization of subways. The government is already seeking private help in maintenance of the subways and has itself pointed out the benefits of the same. But this is again a situation of incomplete incentives where the contractor has no inherent benefit accruing to him by executing his responsibility in the best possible manner.

Consider the option of private agencies providing pedestrian facilities by building and operating the subways. Given the fact that subways are a public good, its private provision may not be the most feasible option since the private entrepreneur cannot easily and cost effectively charge for its usage. And if he does charge, then the whole purpose of the subway construction will remain defeated. As it is reluctant to use the subways, people will get another reason to avoid using them. But if private developers are allowed to set up subways with shops in them which they can rent out or sell, this essential public good can be provided free to the pedestrians by the markets. In this manner the inefficiencies of public provision can be overcome. Also the problem of division of responsibility and incomplete incentives can be kept at bay!

References

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