

Section 1

History

Introduction

An understanding of historical developments in urban transport provides a useful framework around which to analyse the current situation and make some inferences about future directions. The lessons learned from history are important to facilitate decision-making at policy and operational levels.

This analysis addresses issues which have had and will continue to have implications for urban transport and the livelihoods of the poor in Karachi. Some of the main issues include the growth pattern of the city, processes involved in the transformation of the city, socio-economic dynamics in the political context, and the reasons for some decisions that worked and those that failed.

Urban public transport in Karachi provides a critical link between the two activities of the city: economic/industrial growth and the resulting precipitation of low-income settlements. A well-functioning transport network facilitates the economic and industrial growth at micro and macro levels, thus providing the means for the city to develop. A non-functioning urban transport network, on the other hand, can degrade urban life. A glance through the history of Karachi shows both these aspects of urban transport. In recent times the effects of the non-functioning transport system are having an increasing harmful impact on the lives of the urban poor.

This document presents some of the key events in the history of Karachi since the city was settled about three hundred years ago. The history of Karachi is a story of the transformation and growth of a city which now provides livelihoods to most of Pakistan's urban poor.

The historical analysis involved the collection of primary as well as secondary data. The study involved a review of both published and un-published documents, interviews with the key informants, and the use of news items. A proactive approach was adopted not only to describe the historical events but also to actively look for lessons learned. The lessons offered by past successes and mistakes facilitate the future decision-making process.

The analysis is presented in chronological order. A number of trends came and vanished, but some have persisted. Repercussions have at times been positive, but the more negative ones have finally come to dominate the public transport activity in Karachi. A successful application of the recommendations, however, holds the promise of establishing a more relevant, efficient, and sustainable transport system for Karachi, which can also contribute to the sustainable livelihoods of the poor.

Pre-independence Karachi

Karachi is Pakistan's largest and most populous city, and it has both an international airport and a port. Even before Pakistan won independence from the British Empire, Karachi was a commercially vibrant city.

Transport

Up until 1885 private animal-drawn carriages were the only means of passenger transport, as the population was small and the layout of the city convenient for walking. At that time the British government introduced conventional public transport services in the form of a tramway with pre-set timings and routes.

The Victoria

Animal-drawn carriages had been used since the first settlers came to the area now known as Karachi (Baillie 1997:83). Horse-drawn 'Victorias' were imported from England during British rule, and a few of these models are still in use today (Lari 1996).

The Tramway

Soon after being appointed Secretary and Municipality Engineer, James Stratchen started to improve the infrastructure of the city. The municipality accepted a tender submitted by Edward Matthews of London for a concession to operate a tramway system (and the system was later sold to the East India Tramway Company). The Karachi Tramways Act of 1883 was passed, and on

20 October 1884 construction began on a light rail tramway. The line was open for public traffic within six months (ibid.:131) and was initially operated by the East India Tramway Company (Baillie:122). Some people think that the use of modern tramways could be appropriate today and that they should be reintroduced. It is interesting and important to note that some sort of public-private partnership (PPP) was in place to fund this system some 115 years ago.

Buses

Petrol-fueled buses were introduced in the 1930s using buses released by the British Army (Mian 1982:4). Three large companies were operating just before independence in 1947 according to the Karachi Bus Owners' Association: Heera Nand Transport Company, Hussain Bus Service, and the East India Tramway Company. General Motors began to assemble 'Bedford' buses (URC 2000).

Government policy

The first legislation to control transport activity was enacted in 1939 (Waqar-ul-Haq 1999:178) as a result of recommendations made in a study that had just been completed (Hasan 1999). The adequate provision of transport for the public, including safety, cleanliness, accountability, and proper management (Kamal 1995) was co-ordinated with the planning and development of the rest of the city, covering the width of streets, open spaces, etc. (Khuhro and Mooraj 1997). District and municipal administration and police were already in place, as were the implementing and regulating authorities (Baillie 1997).

Even at that time there was some consideration given to the links between different sectors. Public transport was seen in the context of the overall development of the city. The administrative and management skills required to run the system were available, but the skills were restricted to the ruling Europeans (Lari 1996).

Repercussions

Karachi grew again during the first half of the century, as did the transport system, and the whole population benefited from the increased economic activity. In fact in the period between 1901 and 1911 labour had to be imported (Hasan 1999:20).

Karachi had the organizational and technical capacity to run the city at that time. So what has happened, since then?

Post-independence Karachi: 1947-1958

West Pakistan struggled to establish itself during its first ten years. Karachi was the capital of the new country, and this period was very unstable for the city, with sudden demographic and economic pressures on transport activity.

The population of Karachi was about 450,000 in 1947, and this number more than doubled in the first three years after independence. The city accepted an influx of approximately 600,000 refugees from India between 1947 and 1951, while approximately 170,000 people migrated to India (Hasan 1992). The 1941 and 1951 census figures show a net increase of approximately 629,000 — more than 150 per cent.

Although the government made arrangements for addressing the new demands, there were periods when the transport activity was being handled purely by private concerns (Khuhro and Moraj 1997; Qasim 1978).

An increasing demand for transport services

The rapid population growth in the city resulted in a corresponding growth in the demand for transport. The main demand was for travel between job locations and settlements (URC 2000).

The new migrant population initially settled mainly in the city centre or around an area called Saddar, in whatever open space was present, including parks, playgrounds, school buildings, cantonment lands, and also in the vacant public and religious buildings of the old town (Hasan 1997) such as the government secretariats, and civic and educational institutions. These settlements became concentrated around the Saddar bazaar, and the city became a 'high density multi-class compact city with no transport problems' (ibid.). The main place of work was the city centre (although the Sindh Industrial Trading Estate or SITE had already been established in 1946 towards the north-west of the city) (Khuhro and Mooraj 1997).

But the migrants gradually shifted out into other locations. Co-operative housing societies were developed for government employees around the periphery of the city, while other migrants were successfully relocated on land belonging to the Sindhi Goths the boundary of city was expanded by converting rural land along the Lyari river. Other colonies were also developed between 1950 and 1953 on over 2500 acres of land at a considerable distance from the city centre.

Addressing the increased demand

In 1948 the government began to provide transport services to and from the new settlements (URC 2000). In 1950 central government handed over the system to the newly established 'Karachi Improvement Trust', which was upgraded to the 'Karachi Development Authority' in 1957 (Hasan 1997). This initiative soon proved to be inadequate. The newly formed independent government had limited resources in terms of both manpower and finances, so a number of private companies appeared to meet the increased demand. Details about the number of companies, their names, buses owned by each, how the buses were purchased, government policies at that time, and the operating structure, etc., were recorded by the Karachi Bus Owners Association (URC 2000).

In 1956 the purchase price of a new bus was almost 200 per cent more than in 1946, and the private bus owners asked the government to revise the minimum fare limits. The request was turned down, and as a result all of the large companies disbanded, and all of the buses were sold to individuals (ibid.).

The expansion of the private sector

Large buses and the tramway were the main transport options during the 1950s, along with a limited number of taxis. The planning and organization of the transport system and transport activities was non-existent, which resulted in much mismanagement: at one point 29 different makes of bus were being imported into the country. According to the Karachi Bus Owner's Association, the Heera Nand Transport Company changed hands and became the A.M.Qureshi Co., and it is reported by the Chartered Institute of Transport that the East India Tramway Co. was purchased by Mr. Mohammad Ali in 1951, and became the Mohammad Ali Tramway Co. Five more new companies were formed: Rehman Transport, Ehsaan Corporation, Pakistan Transport (Riyasat Bros), Choudhry Transport Co., and Gujarat Bus Service; each owned between 30 and 50 buses (ibid.). The makes of the buses being used were Bedford, Mercedes, and Leyland, and later other makes were introduced, such as the Thames, while the name of General Motors was changed to Gandhara Motors and they continued to assemble Bedford chassis. Diesel buses were introduced in 1951-2 (ibid.). After the disbanding of the transport companies in 1956 moneylenders financed the purchase of buses from vehicle importers. The buses changed hands frequently and continue to do so today, as one operator after another finds the business to be unprofitable (URC 2000).

The expansion of the municipal sector

The Chartered Institute of Transport has documented in detail public sector involvement in transport activity (Qasim 1978). In June 1948 Government Commercial Transport (GCT) was established with capital of Rs750,000 (35 per cent contributed by the central government, 65 per cent by the provincial government). GCT began to operate twenty Chevrolet and Dodge buses between Bolton Market and Malir Cantonment/Malir City, and reportedly a fixed time schedule was efficiently maintained (ibid.).

In 1949, twenty more Morris buses were introduced on two routes: Bolton Market to Clifton, and Paradise Cinema to Mauripur. In that year GCT made a profit of Rs320,000 (ibid.).

Twenty-four additional buses were introduced in 1950 and a new route from Bolton Market to Landhi was added. The GCT continued to run as a profitable government organization, and in 1953 its name was changed to Sind Road Transport Corp.

On 20 June 1954 a decision was taken to shift all provincial government offices from Karachi to Hyderabad, and for a period of three years from July 1954 to August 1957 the public sector was completely out of transport activity in Karachi (Khurho and Mooraj 1978).

The Karachi Transport Syndicate was formed on 1 December 1957 under the patronage of the minister at that time. A depot was established behind the Central Jail, and a fleet of 280 buses started operation on route numbers 13, 15, 15B, 15C, 16B, and 16E. The syndicate was not successful and broke up in December 1958 (URC 2000).

Government policy

Planning and policymaking activity remained confined to the immediate consolidation issues being faced by the newborn country. The first planning activity consisted of developing a Six Year Plan prepared in 1951 (for 1949-55), then the first Five-Year Plan appeared in December 1957. In 1954 the four provinces of West Pakistan were amalgamated into the single province of West Pakistan (Khuhro and Mooraj 1997).

A plan for Karachi (MRV) was prepared in 1952 by the Karachi Improvement Trust, in collaboration with a Swedish firm (Hasan 1992). The main transport proposal of this plan was a scheme to house the working-class residents and skilled refugees in ten-storey apartment blocks within the city so that they

would be near their place of work. A new civic centre to house government activities was proposed for the outer boundary of city (where the *sabzi-mandi* is presently located). A road network and a mass transit rail system for the future expansion of the city was also proposed (Hasan 1997). This plan was never implemented, mainly because the high capital investments envisioned were beyond the resources of the new state (Hasan 1992:3).

Repercussions

Karachi has had access to few resources since its relatively recent birth, and this situation persists today. There have been numerous advantages to the involvement of private investment in urban infrastructure, such as the reduction in capital investment, planning and management costs, and overheads and salaries of the government. But these advantages existed alongside quality service only when the private investment was in the form of large transport companies with sizeable fleets of vehicles, as was the case until 1956. After the abolition of the large companies in 1956, these advantages were offset completely by the weaknesses of the resulting fragmented private sector involvement. Transport activity was pursued as a meagre means of survival rather than as a public service. The resulting compromises on long-term quality-based profits in preference to immediate petty gains resulted in poor maintenance of vehicles, discourteous behaviour of operators, infrequent services, non-adherence to schedule, lawlessness, unsafe driving, unabated noise and air pollution, and *ad hoc* service activity arrangements.

1958-1968: Martial Law

The instability in the government finally resulted in a military take-over, and a number of decisions were taken which have since had a major impact on the demography and development of Karachi (ibid.). Direct and sweeping changes were attempted in both of the two main income-generating activities of the country, namely the introduction of green revolution technologies in the agricultural sector, and an aggressive approach to speeding up the industrialization of the country (ibid.).

A decision was taken to build a new capital, Islamabad, while a well-known Greek planning firm was engaged to develop a fresh Master Plan for Karachi (ibid.).

Government policy

Greater Karachi Resettlement Plan (GKRP)

The resulting Greater Karachi Resettlement Plan (GKRP) dealt with two main concerns: the removal of the refugee colonies from the centre of the city, and the co-ordination of their relocation outside the city with the creation of new job-generating industries through the establishment of incentive-based formation of 'industrial estates' (ibid.). The plan aimed to remove 119,000 homeless families from the city centre, and to develop housing for 300,000 additional families in a fifteen- to twenty-year period (ibid.).

New townships were created fifteen to twenty miles to the east and west of Karachi. Initially 45,000 one-room nuclear houses were planned for these two colonies, complete with all urban services and centred around the proposed new industries, but by 1964 only 10,000 were built, and the plan was shelved (ibid.).

The main reason for the shelving of the GKRP was that the industrialization planned for the colonies did not take place, perhaps because the incentives were not attractive enough, and so no employment was generated. With no jobs near their new homes, the people who had been forced to vacate the city centre started to settle into new squatter settlements (*katchi abadis*) which began to emerge just outside the city in the open ground along the roads leading to the proposed new satellite towns. These new *katchi abadis* were mostly developed by middlemen, and were located on or along natural drainage channels. Expected repayment from the few beneficiaries did not materialize either, causing the state to face serious financial problems in providing housing (ibid.).

Increased transport demand resulting from policy decisions

Since new industries in the satellite towns did not emerge at the pace envisioned, the inhabitants of these new *katchi abadis* had to travel to the city, the port area, and the SITE area. This was the beginning of the long-distance transport problems which have plagued the city ever since (ibid.). In addition there was a massive influx of peasants and smallholders, mostly from the Punjab, to the urban areas (ibid.). Almost all of the industrialization took place within Karachi, albeit at a slower pace than planned and not located in the planned industrial estates. The people displaced by the green revolution migrated to the city in search of jobs, accounting for a 50 per cent growth of the city during this period, and also laying the foundations for the physical division of the city into rich and poor areas (ibid.).

The resettlement that took place was contrary to the basic GKRП concept, and the resulting transport activity was also an unexpected consequence. In spite of the removal of the lower-income families from the city centre, congestion in the city increased because of the traffic generated by the displaced people commuting back to their jobs in the city and turning the area of Saddar, the city's cultural centre, into a transit area. As a result of industrialization and surpluses produced by the green revolution, port activities expanded greatly, but the rail transport system and warehousing did not expand correspondingly. This, combined with state support for trucking, caused an increase in cargo traffic on the roads, and haphazard roadside warehousing began to emerge, leading to further congestion of the city areas nearer to the port. This was aggravated by the expansion in the wholesale market activities in these areas to cater to the growing population of the city (ibid.).

A response to the demand: The Karachi Circular Railway

The Karachi Circular Railway (KCR) was set-up in 1964, and reportedly carried thousands of commuters punctually every half an hour, charging a mere 0.25 paises for its fast and reliable service. It used to make 104 trips daily during the 1970s (Hoodbhoy 2000). The service started to decline in about 1979, as a result of the failure of successive governments to replace the worn-out engines and bogies and maintain the tracks and stations. The need to navigate 23 railway crossings hampered the trains from maintaining their schedules, while 'ticketless travellers' increased among the already declining numbers of users. By 1985, the train service had been reduced to 93 trips daily, and the service was losing Rs12 million per year. In 1998 the trains were making only 12 daily trips, and the KCR was losing Rs6 million annually (ibid.).

New policy directions

After the failure of the GKRП, the government decided in the mid-sixties to develop new plot townships to the west of the city, namely Orangi, Baldia, and Qasba. These settlements had no infrastructure but the state provided transport and water was supplied by tankers (Hasan 1992). The unexpected problems of transport, increasing inner-city congestion and degradation, development of unserviced *katchi abadis*, and related infrastructure inadequacies, led the government to engage the UNDP to prepare a Master Plan for Karachi in 1968. A semi-autonomous body known as the Karachi Master Plan Department was formed in KDA to prepare the Karachi Master Plan (KMP) 1974-85 (Hasan 1997). Also, a Motor Vehicles Taxations Act was enacted in 1959, a Motor Vehicles Act in 1965, and The Stage Carriages Regulation in 1969 (Waqar-ul-Haq 1999).

The expansion of the municipal transport sector

On 5 January 1959, the Karachi Road Transport Corporation (KRTC) was established as a joint venture of the central government and the public, who were invited to buy shares. A total of 324 Bedford buses, including 24 double-deckers, started operating from four depots at Landhi, Malir, Orangi and Liaquatabad. The headquarters, along with Central Stores and a Central Workshop, were established at SITE. After a promising start, KRTC operations started deteriorating within a couple of years (Qasim 1978).

Privatization

The KRTC was wound up only five years after its creation, and the government's share of the organization was bought by Gujarat Transport in February 1964. Further deterioration took place, however, and for the next three years KRTC operations were taken over by a consortium of Commerce Bank and Valika Group, under the name of Khalid Riffat Transport Company. This organization also broke up, in December 1967. From January 1968 to May 1968 urban transport in Karachi was once again totally in the hands of private operators (*ibid.*). Private transport operators continued to expand in Karachi during this period as new route permits for both passenger and cargo transportation were issued — mostly to people from the NWFP province of the country, the home province of the Martial Law Administrator (Hasan 1999).

The informal response

Just as the new *katchi abadis* were being developed by middlemen — the beginning of large-scale informal sector housing development in Karachi and the origin of the land 'mafia' — a similarly informal mechanism or 'mafia' began to emerge in the transport sector (Hasan 1997).

1968-1978: Elected government

In 1969, fifteen years after its amalgamation, West Pakistan was again split into four provinces, Sindh (where Karachi is located), Punjab, NWFP (North West Frontier Province) and Baluchistan (Ahmad 1978). After the India–Pakistan war of 1971, it is estimated that about 350,000 refugees arrived from Bangladesh (Bakhtiar 1989). The development of the Steel Mills complex, the Export Promotion Zone, and Port Qasim took place, creating what is known as the eastern corridor, and adding to Karachi's transportation problems (Hasan 1997).

Government policy

In 1969, the government liberalized the route permit system. (Before then permits had been granted according to political affiliation, and individuals rushed to enter the transport business and the big companies offered them loans and gained control over them (Ilyas 1991).) In 1973-4, the Provincial Transport Authority divided the city into two routes (Dawn 1996a,b; News 1996).

In 1970 small Suzuki pick-ups were allowed to be imported without duty restrictions (Hasan 1999).

Summary of transport in Karachi at the end of 1960s

At the end of this decade Karachi had (Qasim 1978):

- 45 per cent of all motor transport in Pakistan;
- over 75 per cent (12,000) of all the auto-rickshaws in the country;
- 60 per cent (10,000) of all the taxis in the country;
- 900 buses;
- 1800 mini-buses;
- local trains operating on a main line, the Malir Cant. Branch, the Korangi Branch, and the Circular Railway; and
- over 100,000 private cars and about 75,000 motorcycles and scooters (ibid.).

The city was consuming more than 33 per cent of the motor fuel in the country (ibid.).

By 1976, Karachiites undertook 7.59 million daily trips (including return trips), a rate of mobility of 1.62 trips per person each day. Most (75 per cent) travel was for necessity (i.e. work, business, schooling, and shopping), and the remaining 25 per cent for social and recreational visits. Mass transport carried 58 per cent of passengers (buses and mini-buses accounted for 95 per cent, and the railway 5 per cent), while 42 per cent used private cars, scooters, taxis, and auto-rickshaws.

Municipal transport

The Karachi Omnibus Service

As a result of persistent public demand, in June 1968 the government initiated the Karachi Omnibus Service, a subsidiary of the West Pakistan Road Transport Corporation, and operations began with a fleet of 100 buses from Malir Depot (ibid.).

In November 1968, 532 Swedish buses were received as a gift from the Government of Sweden and the Landhi sub-depot was opened, while the Korangi sub-depot, built at a cost of Rs3,232,446, was commissioned on 1 January 1970 (ibid.).

The SRTC experience

The West Pakistan Road Transport Corporation was disbanded when the province was split into four, and the Sindh Road Transport Corporation was established, starting its operations in Karachi with 636 buses (278 in Malir, 299 in Korangi, and 59 in Landhi). The Central Stores for SRTC were established in the SITE area in June 1973 (ibid.).

The SRTC later embarked on an ambitious five-year plan with a capital outlay of Rs250,000,000 and a fleet of 2000 buses. Gulbai Depot was commissioned in June 1974, with a fleet of 65 buses, but had to be closed on November 1976 due to losses (ibid.). The Orangi Nullah Depot was commissioned in July 1974 with 75 Bedford buses and started operating on routes 2, 2B, 2C, and 3, while the Deh Mehran Depot was commissioned with a fleet of 50 buses for University Operations on 45 different routes, but these also proved to be ill-conceived projects and both depots had to be closed in January 1975 (ibid.).

Model depot was commissioned in July 1974 with 65 Bedford buses operating on routes 1C, 1E, 1F, and 1K, while the Landhi Depot was converted into Central Workshop in November, 1973. Within eight months the workshop was shifted to the SITE area, and finally had to be closed in August 1975. It was converted into Central Depot, with 45 buses running on route 1D (ibid.).

Although various measures were taken and the provincial government invested heavily, the SRTC losses continued to grow, and finally the central government appointed a high-level committee in November 1975 to investigate the lack of performance. On the recommendation of this committee two Urban Transport Corporations (UTCs) were to be created under the Ministry of Communications, one for Karachi, and the other for Lahore/Islamabad. The SRTC was divided on 1 February 1977 into Karachi Transport Corporation for the city (one of the two UTCs), and SRTC for the rest of the province, under the provincial government (ibid.).

Initiation of KTC operations

The Karachi Transport Corporation (KTC), a federal corporation under the Ministry of Communications, was owned jointly by the federal government (two thirds) and the provincial government (one third). It had a board of six

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directors, of which four were from the federal government — the Secretary Communication (Chair), Joint-Secretary Communication., Financial Advisor, and Communications and Managing Director — and two were from the provincial government — the Secretary Transport and Secretary Finance. KTC took over SRTC's assets in Karachi, consisting of the headquarters, six depots, Central Stores and the Central Transport Training Institute, and 347 buses — the other 797 were beyond economical repair. Out of these 347 about 200 were on road while the rest needed major repair and overhaul (ibid.).

According to a former KTC official, the whole fleet was not even five years old, and the bulk of the buses, which had been turned into junk, were less than two years old. Out of the 113 vehicles received from Hungary in February 1976 only about 55 were running, 10 needed major repair, while 48 had been declared junk as they had been so cannibalized for spare parts (Qasim 1979a). On the other hand there were 5332 staff to run the surviving fleet of 200 buses at a monthly salary cost of Rs1,700,000, thus about 27 people were on the payroll for each bus that was on the road. The total outstanding liabilities on 31 January 1977 were Rs3,580,000, with a monthly loss of Rs4,500,000, on average. The cost of running each of the buses was Rs6.82 per mile, whereas the income was Rs2.18 per mile. Thirteen employees of the former SRTC had been permanently stationed at the residence of the former chairman for domestic services, and income from the buses was used for personal purposes at the expense of the Corporation. Workshop facilities were practically non-existent, there was no system for maintenance, inspection, or repair of the vehicles, and nothing remained of the 532 buses received from Sweden in 1968. There was no system of accountability, dishonesty was evident in all purchases and procurement, and 'most of the employees admitted to me that they were ashamed of identifying themselves in public as Sindh Road Transport Corporation employees', relates Brig. Qasim, a former KTC official (ibid.).

It took about three months to bring the ratio of employees per urban bus down to the internationally accepted figure of 10 (bringing the total down from 5000 to about 3000). Some of the former employees went to court to try to get their jobs back, but none succeeded in being reinstated (the fact that KTC was a federal corporation rather than a provincial one helped them to get the result they wanted in court) (ibid.). Within one year the tasks of re-organizing the five inherited depots, establishing a Central Workshop and a Transport Training Institute, overhauling about 200 repairable buses taken over from SRTC, and the introducing 100 new Bedford buses had been completed. The new buses cost Rs20,000,000. The chassis were purchased from National Motors,

and the bodies were built through State Enterprise by Republic Motors and the Trailer Development Corporation. Operations began in November 1977 and these buses continued to run satisfactorily for a number of years (ibid.).

During the political turmoil of March to May 1977, KTC lost 10 buses which were completely burnt out, and most of the remaining buses were damaged by broken windscreens, window-panes, lights, etc., while the unprecedented rain and flood of 30 June 1977 also damaged the vehicles (Qasim 1979b).

Introduction of the mini-bus

Mini-buses were introduced by the newly elected government following the 1971 war with India. Route permits were handed out as political bribes and favours to people who were not from the NWFP (people from NWFP had been heavily involved in transport activity during the past regime). Those from NWFP did purchase the permits soon afterwards, however (Hasan 1999).

In the beginning most owners operated their buses through hired operators but later another system was introduced. This involved the permit holder advancing a loan to operators for the purchase of the bus, and recovering it in monthly instalments, along with a high rate of interest. This system had the advantage that the permit holder no longer had to haggle with the operators over financial matters, or worry that he was being cheated, and his earnings also increased (ibid.).

This development led to the birth of the Karachi mini-bus mafia, whose powers were admittedly limited, because public transport and private transport companies still handled most of the activity. Although a demand for more mini-buses existed, loans for their procurement were not easily available. In the seven-year period between 1973 to 1979, it is estimated that loans for only 600 mini-buses were advanced by the financiers (approximately Rs90 million) (ibid.).

New government plans: Greater Karachi Resettlement Plan (GKRP)

By 1971, it was estimated that approximately 1.3 million people were living in squatter settlements, and combined with other problems this provided the background for the 1974-85 UNDP Master Plan (Hasan 1997). A very ambitious housing programme was proposed and developed but failed to materialize because the related proposals for credit, technical advice services, and other social sector facilities did not materialize. The cost of development

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remained unaffordable to the low-income groups, in spite of large subsidies. The schemes therefore remained empty for years on end, and speculators or middle-class residents subsequently purchased many of them, till the programme was all but abandoned by the late seventies (ibid.).

The Karachi Master Plan had also developed land-use plans that identified areas for institutional development, recreation, environmental enhancement, and industrial growth. Locations for metropolitan and sub-metropolitan centres were identified in the suburbs of the city, and the concept of cohesive and sustainable communities was developed for these areas (these areas included Liaquatabad, NIPA Chowrangi, North Karachi, and Baldia) (ibid.).

Transport-related proposals

The KMP stressed the need for the development of an appropriate bus system. The vast majority of Karachiites also wanted improved roads. The KMP identified the needs of the services sector for transport, and proposed locations for bus terminals, depots, and workshops. It proposed the upgrading of the circular railway as a mode of mass transit, and studies were undertaken and proposals developed to expand the rail system into the suburbs and develop a rail corridor through the city to serve Saddar and various locations in the business district (ibid.). A road network along with a number of bridges on the Lyari river was proposed to link up various areas of Karachi, reducing distances and preventing unnecessary movement through Saddar and the inner city. To make rehabilitation of the city possible, southern and northern by-passes were planned to allow all port traffic and inland trade-related activities to move out of the inner city, in order to reduce congestion (ibid.).

Implementation of the plan

The road network was developed, the bridges built on the Lyari, and part of the southern bypass completed, but the other proposals in the master plan failed to materialize. The development of the road network did open up new areas for development and shortened distances (ibid.).

Other policy decisions

The state encouraged the construction of high-rise buildings by making new building by-laws. This was facilitated by investments from expatriates who were now working in the Middle East and sent money home. This encouraged speculation, making land prices unaffordable for the urban poor. The resulting 'flat (apartment) culture' was introduced in Karachi and new markets started appearing in an un-planned manner, increasing the congestion in the inner city and Saddar area (ibid.).

Repercussions

The non-implementation of many of the Master Plan proposals (such as the bypasses, a proper bus or rail system, terminals, depots, and workshops, etc.) later compounded the city's transportation problems. The spaces earmarked for terminals and depots were either encroached upon or given away eventually through a process of political patronage, while the roads became the sites for these activities. A service sector thus developed around these roads causing further encroachments, and in the absence of the bypasses the inner city became further burdened with warehousing and storage for port-related and inland trade traffic (ibid.).

1978-88: Military rule

The military ousted the government in 1977, and their policy of covert support for the Afghan struggle against the Russian invasion of 1979 resulted in lenient cross-border controls and high traffic of refugees, arms, and heroin (Hasan).

Karachi became the centre of the drug trade that financed the Afghan war, which was accompanied by a trade in guns and the subservience of important state institutions to the emerging mafias. This, combined with the political alienation resulting from the dictatorship, led to ethnic politics, violence, and large-scale administrative apathy and corruption (Hasan 1997). Refugees were coming in both from the Afghanistan war and the Iranian revolution, and it is estimated that about 200,000 refugees were added to the city's population (ibid.).

The population of the *katchi abadis* increased from 2 million in 1978 to 3.4 million in 1988, while in the 1980s the eastern corridor became the fastest growing corridor of the city, further adding to the transportation problems (ibid.).

In 1988 there were 1500 buses in the city (Bakhtiar 1989).

Municipal transport

The KTC service

By mid-1978, about 14 months after it began operating, the KTC was experiencing a number of problems. About 700 unserviceable buses were still lying in the KTC depots, creating many operational and maintenance problems. The Central Workshop was geared-up to undertake major engine overhauls and

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prevent the sub-standard ex-SRTC fleet from deteriorating any further. Its capabilities were limited, however, and there was still a large backlog of major repairs. Finally measures were initiated to supplement the workshop by using the capacity of some manufacturing units and the private sector. The 20-year old bus routes and termini were becoming out-dated and the low fare structure was causing losses; between 1947 and 1978 the operational costs had increased by more than 400 per cent, while the fares had been increased by only about 25 per cent. There was also a shortage of buses: between 1947 and 1978 the population had increased ten-fold, but the number of buses, including privately operated ones, had only increased from 543 to 1000 in 1978. There was also a need for one centralized transport authority for the Karachi metropolitan area (Qasim 1978).

The Central Transport Training Institute was re-activated, initially by offering refresher training to the existing staff, and later on its scope was expanded considerably to take up the training of apprentices as required by the Apprentices Ordinance of 1962, and then the services were further extended to the private sector. By 1978, 40 boys were undergoing training as fitters, mechanics, electricians, and welders, while the government selected the institute to provide conversion and refresher training to heavy vehicle drivers as part of the measures to minimize the number of road accidents (*ibid.*).

From 1978 to 1982, with the financial backing of the federal government and full support from the provincial government, a five-year development plan for KTC was completed successfully, including the:

- induction of the 100 new Bedford buses and an additional 450 Fiat buses, the arrangement of the transfer of body-building technology — consisting of drawings, jigs, and fixtures — which introduced the building of large (112-seater, as opposed to the 57-seater models of Bedford and Mogurt operating up until then), modern and strong body-making technology in Pakistan;
- establishment of a new building to house the Transport Training Institute, the Central Workshop, and the Central Stores;
- construction of two new depots at Deh Mehran and North Karachi;
- acquisition of land for and establishment of new bus termini and depots (Central Bus Terminus near Empress Market on a 5000yd² plot, handling about 200,000 passengers daily, and two others at Nazimabad and Khokhrapar); and
- acquisition of two floors in the KDA Civic Centre building for a Head Office (Qasim 1979a).

Plans for improving the municipal sector

After the visit of a team of London-based transport experts, various systems were introduced for:

- repair, maintenance, and operation;
- human resource development (including the use of strict merit criteria for new employment applications, as opposed to politically influenced recommendations and patronage);
- financial control and inventory management (to minimization pilferage and misappropriation of funds and stores);
- control of the activities of various labour unions (the existing labour laws proved to be sufficient for achieving this); and
- the setting-up of an Airport Coach Service.

The planning included consideration of the fact that with the expected commissioning of Port Qasim, the Pakistan Steel Mill, the Export Promotion Zone and other industrial commercial and residential development in the east and south-east of the city, Karachi would be a poly-centric city by the late 1980s, instead of it being a concentric city revolving around the economic activity in the Saddar and Port areas only (ibid).

The development of a transport mafia

After 1978, about 5000 mini-buses were added to Karachi's transport system. It is estimated that Rs1.5 billion was given as loans by a handful of transporters to the mini-bus operators in the period between 1979 and 1987 (Hasan 1999). In this money-lending system, the bus legally belongs to the transporter until the operator has paid off his loan along with interest. There is no formal agreement, and if the operator cannot pay an instalment then the bus is simply taken away from him. He has to take care of all repairs and maintenance himself, the transporter arranges for his driving license, and if he is arrested or fined then the transporter uses his influence with the authorities for his release but for this the operator has to pay in cash or in kind (ibid.).

This situation was similar to bonded labour, since the operator is not in an employment contract but instead working to pay off his loan or to free himself. He works long hours and has little concern for civic obligations and/or legalities in his struggle to meet the monthly instalments (ibid.).

This system of finance and operation, backed by huge sums of money made on the black market, established the political and economic power of the trans-

port mafia in this period. The role of the administration was reduced to one of employee rather than authority, or perhaps senior partner in this ruthless business. A number of incidents illustrate the balance of these new relationships. In November 1985 the transporters forced the government to agree that mini-bus drivers who kill people will only be charged under section 304-A (accidental death), and not under section 304 (causing death not amounting to murder), or section 302 (murder), irrespective of the circumstances of the case.

The Bushra Zaidi Case: A public protest

On 15 April 1985, Bushra Zaidi died under the wheels of a speeding mini-bus outside Sir Syed College in Nazimabad. This event provoked a protest during which dozens of mini-buses were set ablaze. The protest soon took the shape of a battle between the people of Karachi and the transporters, and then into an ethnic conflict between the Urdu-speaking people and the Pushto-speakers from NWFP. On 17 April troops were called out and major parts of the city were placed under curfew. Later the conflict triggered a clash between Urdu-speakers and Punjabis and local Sinshis as well, which then spread into other cities. More than 1500 people died in the five years following this incident, despite Bushra Zaidi's father announcing his forgiveness for the driver. The people wanted a better transport system (Abbas 1990).

1989-99: Up to the present situation

A new Master Plan

In the late 1980s the government of Pakistan, with UNDP assistance, initiated another Master Plan, the KDP 2000. Unfortunately the process did not take into consideration the informal development lobbies which had become important providers of services in Karachi during the eighties. These lobbies had by then become influential interest groups and they were neither consulted nor did they participate in the plan formulation (Hasan 1997).

The plan further assumed that the state planning and development institutions had the necessary organizational culture and skills to implement the plan. In fact the steering committee of the plan, of which the chairman was the chief minister of Sindh, was not even able to convene to approve the plan. Hence the plan has no legal standing and many of its recommendations are being violated (this situation continues to date, showing that Karachi's planning has not been a priority with the four governments that have been in power since the plan document was completed in 1990) (ibid.).

The failure of the transport system

According to a press report, in 1996 there were 1887 buses operating in Karachi, even though 6000 were required, according to the standard set for developing countries of one bus for every 2000 people. Out the 146 routes considered bus-worthy by the Regional Transport Authority (RTA), only 45 routes were being covered (13 by KTC buses and 32 by private buses) (*Daily Dawn* 1996a).

In 1996 the KTC was supposed to receive a monthly subsidy of Rs6.6 million, but in April only Rs3.7 million was received. Funds were not even available to pay salaries. The government had made provision in the 1996-97 budget for Rs10.42 million to repair KTC buses. Between 1994 and 1996 24 new KTC buses were destroyed and 184 were damaged during violence stemming from the city's law and order situation. The damages cost KTC an estimated Rs55.5 million, but they received no compensation. Fifty buses were in the workshops awaiting new tyres and batteries. The Sindh provincial government was finding it difficult to pay the Corporation's subsidy.

According to a KTC official, there were a total of 309 buses, of which 97 were beyond repair and 91 needed repair (at an estimated cost of Rs20 million). In 1976, it cost Rs13/km to operate a bus, including the daily expenditure of Rs1200 on diesel and Rs15,000 per month on maintenance, owing to the poor condition of the roads. It was estimated that buses served barely 2.5 per cent of the city's commuters, while earning was only Rs2.50 per fare. The Managing Director claimed in a press interview at the time (1996) that this was the cheapest fare Asia, although the buses were earning an average of Rs3000 compared with just Rs1800 by other mini-buses. The daily wages for the staff were only Rs100 for the driver and Rs120 for the conductor for on average 16 hours of work and up to 20 hours. According to the Road Transport Ordinance of 1968 and the Motor Vehicles Ordinance of 1965 bus staff were not allowed to work more than eight hours a day. It was reported that buses were operating only 28 of the 45 routes needed by Karachi University (*Daily Dawn* 1996 b,c,d; *The News* 1996).

The President of the collective bargaining authority of the KTC Workers' Union also pointed out in a press statement that private 'coaches' and about 200 'contract' buses had been given route permits, contrary to the directives of the Motor Vehicles Act of 1965, to operate on some of the same roads as KTC buses. These irregularities were attributed to bribes or *bhatta* of Rs2000 per month to police, the Road Transport Authority, and the Provincial Transport Authority (*The News* 1996; *Daily Dawn* 1996) .

By December 1996, it was estimated that the KTC was running at a loss of about Rs10 million per month, as out of a total of 303 buses it owned, only 100 were operational (*Daily Dawn* 1996a).

Privatization of municipal services

On 15 May 1996, the Chief Minister of Sindh assured the public and parliament that there would be no privatization, but in his budget speech which followed a few days later, he announced the opposite. The possibility that KTC would be closed down or privatized became imminent. A task force was established under the Additional Secretary Development, comprising the Secretary Finance, Secretary Transport, and Director General EXPACO and a report was prepared by an appointed sub-committee, including the Managing Director of KTC. It was estimated that KTC's assets were worth 1.4 million, whereas their liabilities totalled Rs1.3 million. KTC's accounts had been sealed by the Income Tax department (a dispute that dated from 1991), and two of its plots, one in Gulistan-e-Jauhar and one in Surjani Town, had been put up for auction in order to raise funds to pay dues to hundreds of its workers (*Daily Dawn* 1996e,f,g,h; *The News* 1996b).

KTC was also supposed to pay an amount running into millions in compensation to the families of those killed by its buses over the years. This included an amount of Rs469,280 decreed by the Sindh High Court resulting from a suit filed on behalf of the three children of a 40 year-old victim named Shujaat Ali. He was an employee of KTC who was killed at the Mehran Depot on 24 August 1996 when he was run over by another employee who had put a bus into reverse by mistake (*Daily Dawn* 1997).

In an agreement between the Sindh Government and the World Bank it was decided to privatize KTC after 20 years of operation. At 5pm on Tuesday, 31 December 1996 all the 100 buses on the road (operating on at least 13 routes, including the far flung areas of Khokhrapar, Malir, Saudabad, New Karachi, Landhi, Baldia Town, Orangi, Korangi, and adjoining localities) were dumped in KTC's seven depots. More than 3400 employees were paid five months' salary in compensation and issued with dismissal letters. Law enforcement personnel were deployed at the depots, the three workshops, and the training institute in order to avert any trouble during the closure. It was estimated that KTC paid Rs1.1 billion to its employees in compensation, while Rs3.75 million was required to pay the benefits of those employees who retired after 1991 (*Daily Dawn* 1996a).

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