

THE STUDY ON THE IMPACT OF BANGALORE METRO RAIL PROJECT ON RETAIL BUSINESS



Prof. Suchetha Hosamane
Department of Commerce and Management.
GFGC, Vijayanagar, Bangalore
Email ID: Suchetha.hosamane@gmail.com

ABSTRACT:

Key words: Namma Metro , Acquisition , Displacement, BMRCL.

Bangalore city has current population of 1.16 crores according to the census statistics for the year 2011, as against the city's 5.7 million according to the census statistics for the year 2001. This shows that the population is growing at a rapid pace and has nearly doubled in the last twenty years. Large city of this size and a rapidly rising population of the above magnitude, demands a whole range of civic services, including the vital transportation sector. The city's mass transport corporation Ltd. (BMTC). Which is exerting to do its best, but still unable to meet the rapidly rising commuter community's demand for a rapid, more efficient and user friendly mode of public transport system. The size of vehicle fleet operating in the urban area is around 2.3 million in the year 2003 and this large vehicle population has naturally had a spiralling effect on many aspects of city's life. Namely (i) severe air pollution levels (ii) high congestion problems (iii) growing numbers of road accidents often resulting in human fatalities and injuries (iv) more non-productive man hours during transit and waiting points etc.,

To address these problems singularly and collectively in order to bring in considerable relief to the travelling public, the Government of Karnataka has desired to introduce in the year 2003 a Metro Rail System for the benefit of the city's commuting population on the lines of the Metro Rail at Delhi. Bangalore Metro Rail Project has been projected as one that will benefit everybody by its reduction in congestion, pollution and increased mobility. But does this project really benefit everybody?

As Metro Rail Project is a major metropolitan infrastructure project for Bangalore. For this purpose BMRCL has acquired total of 228.6 acres of land (Rehabilitation package Metro Project Aug 2007) including 26.13 acres of private properties. It is natural that project implementation has been opposed by property loser both commercial and residential owners. It is imperative to study an impact of Metro rail project on commercial units. For this purpose responses from affected group in the two studies that is CMH road in Indiranagara and KMM road in Rajajinagara are selected to quantify impact due to Metro rail Project on retail business. BMRCL has acquired 48 properties in CMH road and one lakh sq.ft. on MKK road, because both these vibrant localities were seriously affected by project they are among the most active sites of resistance to the metro project. The study focus on issues like what is impact on their business? What is compensation given to them? What is current business condition? Study focus on these objectives. And results are as follows:

- It can be analysed that 45% of respondents belongs to age group of 40-49 years only 12% of respondents belongs to the age group of 50 & above. The study clearly highlights that majority of respondents covered in study area that is (45%) which fall in the age group of 40-49 years.
- It study shows that 88% of respondents belongs to Male group and only 12% of respondents belongs to the Female group. It indicates very less number of women entrepreneurs motivated to start business activity (like beauticians, tailoring shops etc...), hence these results provide important insight in to the trading characteristics of the respondents. Women have still lacking beyond in entrepreneurship skill.
- It can be analysed that over 38% of respondents earning their business income between Rs. 15000-30000 per month, only 8% of respondents earning Rs. 50000 & Above per month. It indicates that most of trader belongs to medium and small scale business industries.
- Study indicates that 52% of respondents are running their business from last 10-15 years and 17% of respondents are doing their business from 5-10 years. This indicates that most of respondents were established their businesses even before implementation of Metro rail project. So metro rail project affected existing business unit.
- 62% of traders affected by the implementation of BMRC and 38 % are not affected by the implementation of BMRC. Hence this may affect their business activity. It can be analysed that 45% of respondents belongs to Petty Business Ownership, 37% of respondents belongs to Medium Business Ownership and only 18% of respondents belongs to the fairly Big Firms Business Ownership. Hence it indicates that 45% of traders are running petty business (panbida shop, tailor electric shop), 37% of traders are doing medium business but only 18% of Big Firms traders business was affected by BMRC.
- 51% of traders indicate, BMRC does not affect their business profit portion and their earnings remain constant even after implementation. 16% of traders indicate that their business profitability was decreased; this shows that negative impact of BMRC on their business in lesser ratio.
- Total of 85% of traders running their business in Rented and Leased buildings and only 15% of traders are running their business in their own property. This indicates that most of tenant traders are affected by BMRC project than the owned property traders.
- 42% of properties are partially acquired and 48% of property not acquired where as 10% of properties were completely acquired. In total 52% of properties are affected by metro rail project
- Affected traders tried to influence the implementation process using a variety of strategies, 95% of traders were participated protest rallies & bunds which held in both areas, 3% shows their response through press and media, 1% file a case while 1% formed and became a member of association.
- The main demand of 87% of the affected trader in both areas is to request to change the alignment of Metro route.
- Owners of shop (property) have protested against the BMRCL compensation package saying it is not based on Market Value (0%), 79% of shop owner received compensation at FMR Rate less 25%. However the owners lost right over their property and they have not received compensation at market value and FMR value is fixed without their negotiation .This is their main complaint against BMRCL from the side of owners of the property.
- The 35% of tenant traders are got shift and business reestablishment allowance on the basis of sq. Ft of area lost. Business loss allowance is available to only those traders who are paying Value Added Tax (VAT) & Sales Tax (ST), but most of traders are being small and

medium. Trader not paying any tax did not get business loss allowance only(18%) and only 12% of traders received all three type of compensation. These allowance amounts to very little compensation, most of these traders have been trading in these areas for a long time. The key issue according them is not the amount of compensation but one of loss of prime location and time required to rebuild their business and loss of business links or trade links.

- 52% shops are smaller shops like provision stores employed 2-3 workers, the many restaurants and hotels in this area provides employment to as many as 20 & Above i.e. 10% and other establishments employed between 10-20 people. The employment generated by the shop considerable being about (600*6=3600) employees and their families.
- 54% of traders re-establish or continued their business in the same area they do not want to lose their old and existing customer, 16% shifted to some other area, 12% changed their business activity while 18% left the business and joined other firm as an employee. This shows that entrepreneur became employee due difficulty of re-establish business in that area as land prices rise along the Metro corridor.
- Traders complained that their business activity is hampered due to narrowness of road is 30% and due to encroachment of roads by Metro stations. Respondents indicates that 40% establishment by big retail malls like Big Bazaar, Mantri Mall, Orion Mall near the Metro station and also hamper their business, heavy traffic problem of 10% is also responsible for decline in the business profit.
- Respondents have given equal rank impact due to project design. Respondent complain that due to combination of elevated and underground track (25%),Associated infrastructure (25%), Heavy moment of commuter(25%) and project layout equally affect their business.
- Respondents have given equal weight age to all reasons like barricading of site, traffic diversion, public utility network and disposal of excavating of soil and derbies (25%each) This inconvenience caused heavy loss to their business for more than two years but this inconvenience and losses are for temporary period that is for period two years.

CONTRIBUTION OF THE RESEARCH:

The present research tries to evaluate the socio-economic impact of Metrorail project from the perspective of traders within in a particular jurisdiction, i.e. chinmya mission hospital road and Mahakavi kuvempu road in Bangalore. It reveals that traders aspiration and preferences regarding their own business problems due to acquisition. This research also attempts to draw some policy recommendation for authority in concern to make it user's friendly project, with proper Government Negotiations with traders and public.