

## A Case of Coordination Failure

By Syed Abul Basher

Indian economist Kaushik Basu made an interesting observation that people in wealthier countries walk at a faster pace. Those of us who have watched western movies or have had the experience of visiting any western country may agree with Basu's assertion. In contrast, people in poorer countries walk at a relatively slower pace. This apparent contrast in the gaits between the rich and poor countries can be attributed to *opportunity cost*. The term "opportunity cost" denotes the cost of forgone activity. For example, the opportunity cost of going to class early in the morning is sleeping.

People in rich countries walk faster because they place a relatively higher value on their time. The opportunity cost of walking slow is higher in rich countries. Poorer countries like Bangladesh, however, encounter the opposite scenario. The thousands of people walking everyday in Dhaka can be seen maintaining a pace that is relatively slower than that of their counterparts in wealthier countries. Strange as though the slow-walking approach of the denizens of Dhaka is one of the contributors of capital menace traffic congestion! In this article we will discuss traffic congestion as a cause of coordination failure and how the slow-walking phenomenon and other transportation-related problems are contributing to the congestion.

In Bangladesh most people choose to walk on the road rather than use the footpaths. This is because many of the *footpaths* are monopolized by small traders and street hawkers while other footpaths are rendered inaccessible as a result of garbage and odor. Not surprisingly, in areas where footpaths are not under such grievous assault, traffic congestion is relatively less. One statistic shows that, for every 100 people, 61 use foot as a primary mode of their transportation followed by 18 by rickshaw, 13 by buses, 3 by private cars, 3 by auto-tempo, and 2 by motorcycles.<sup>1</sup> The high proportion of foot as a mode of primary transportation coupled with the relatively slower pace of walking results in the interruption of the normal flow of traffic on roads.

The traffic congestion is, of course, exacerbated by drivers who park their vehicles (both manual and motorized) haphazardly on the roads and who show a blatant disregard for traffic rules. This culture of congestion can be attributed to the low opportunity cost of having regard for others in traffic situations. If time were regarded as valuable, we would have walked much faster; if penalties were steeper or traffic rules better enforced, drivers would be less apt to violate the law and common courtesy.

The rickshaw is yet another cause of the high traffic congestion in our city. A misconception about the three-wheel vehicle rickshaw is that it is environmentally friendly. The rickshaw is relatively a slow vehicle and almost 50 percent of the city traffic consists of rickshaws. Although the rickshaw does not directly contribute to pollution, its indirect contribution can not be ignored. It slows down the traffic speed and causes more fuel consumption. By prolonging the travel time, it subjects all commuters to higher levels of exposure to air pollutants. In China, the cycle was once the preferred mode of transportation. Now the Chinese Authority is prohibiting cycles from major subways. It is true that the rickshaw cannot be abolished at a glance in Dhaka. As a quick step, a separate lane should be provided for rickshaws so that they do not overlap with motorized vehicles. Although this has been attempted without much improvement to the situation, lack of enforcement of the rules played a key role in the

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<sup>1</sup> Sumaiya Andaleeb and Syed Abul Basher, "Traffic Congestion: Day in Day Out with a Demon." The Daily Star. March 19, 1999.

failure of the separate lane. The abolition of rickshaws with a single stroke will be impossible and politically undesirable. The market can play a vital role in resolving this issue. Why not reduce the overall demand for rickshaws, thus rendering rickshaw-pulling an unprofitable and costly venture? The demand for rickshaws can be reduced by prohibiting rickshaws from capital roads phase-by-phase. As a starting point, the government can phase out rickshaws from important commercial areas of Dhaka like Motijheel and then extend the prohibition gradually to other important parts of the city. Similar steps can be taken in other cities of the country.

A gradual prohibition will limit the monetary incentive of rickshaw-pulling. Rickshaw-pullers will slowly abandon the profession and seek professions with lower opportunity costs. Calcutta, India has successfully executed such an effort. Opponents will contend that, before taking such steps, public transportation needs to be strengthened. Whether the issue is better public transportation or alternative vocations for rickshaw-pullers, the market will adjust to the demands and needs of the citizens over the course of time.

Another coordination problem of traffic congestion is asymmetry in information. If travelers are informed beforehand about the upcoming flow of congestion in roads, they might fix their time and route accordingly. Radio transmission plays a crucial role in this regard. The collaboration between Bangladesh Betar and Dhaka Metropolitan Police (DMP) can produce a separate program during peak-hours that will report on traffic conditions for different roads in Dhaka city. This has been done in Calcutta, India, where information about possible congestion either due to political protests or road construction is announced a day before on the radio/television. Such a strategy has also been successfully executed in western countries. In the United States, for example, Washington Department of Transportation's website offers an up-to-date map of motorway hotspots, each segment colored according to the speed of traffic flow. Most radio stations in the United States also feature traffic reports that are interspersed with their news and regular programming.

An adverse consequence of traffic congestion is environmental pollution, better known as vehicular air pollution. A recent survey showed that the two-stroke engine alone is contributing 55 percent of the hydrocarbon compounds to Dhaka's air and is growing by 31 percent annually.<sup>2</sup> Apart from environmental pollution, motorized vehicles also seem to contribute to psychological pressures on the commuters of Dhaka. The survey also revealed that people ranked minibuses as the primary stimulant of aggressive behavior, followed by buses and trucks. People perceived the air-conditioned buses to be the least offensive to the environment.

Another coordination failure comes from the construction firms who encroach upon the city's roads with construction material, thus aggravating traffic congestion. The City Corporation has failed to define its property rights vis-à-vis the construction firms. If property rights are clearly defined and followed with strict enforcement, construction firms will be faced with a much higher opportunity cost in violating the law and contributing to congestion.

Recent efforts show that traffic congestion can be abated if traffic rules are properly enforced. The success of military deployment in combating congestion indicates that our current traffic woes can be permanently avoidable if authorities are willing to intervene. The success of military deployment, however, was short-lived as a result of political nitpicking. There has been some coordination crisis between the military and the government over the deployment of the military in controlling traffic congestion. Rumors swirl that the DMP is concerned that military involvement in traffic management

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<sup>2</sup> I M Faisal and A K Enamul Haque, "Eco-coding of vehicles: an assessment for Dhaka city. Published by Center for Sustainable Development. April 1998

will curtail its revenue, whereas the military fears that their role in traffic management will serve to reduce their image. Whatever the issue, the ultimate responsibility shifts to the government. It is, therefore, a coordination problem among the concerned and relevant authorities that is contributing to traffic congestion and depriving city residents of an efficient and stress-free commute.

In conclusion, traffic congestion is the outcome of a massive *coordination failure*, in which the absence of law and enforcement, coupled with political nitpicking, serve to dangerously undermine the physical and emotional health of the city's residents. People do not cooperate or maintain traffic rules simply because they see that there are no penalties for violations. The opportunity cost of violating the law, therefore, is low. The government has failed to enact any definite traffic acts that would enable them to charge offenders. Examples of such coordination failures run abound. In order to ease the flow of traffic on city roads an overall coordination is required among the concerned and relevant authorities.

Dhaka is already infamous for its vile traffic conditions. Time has now come for radical changes. If the authority in question fails to deliver better traffic, why not privatize the traffic service?

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