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The Economics of Road Safety

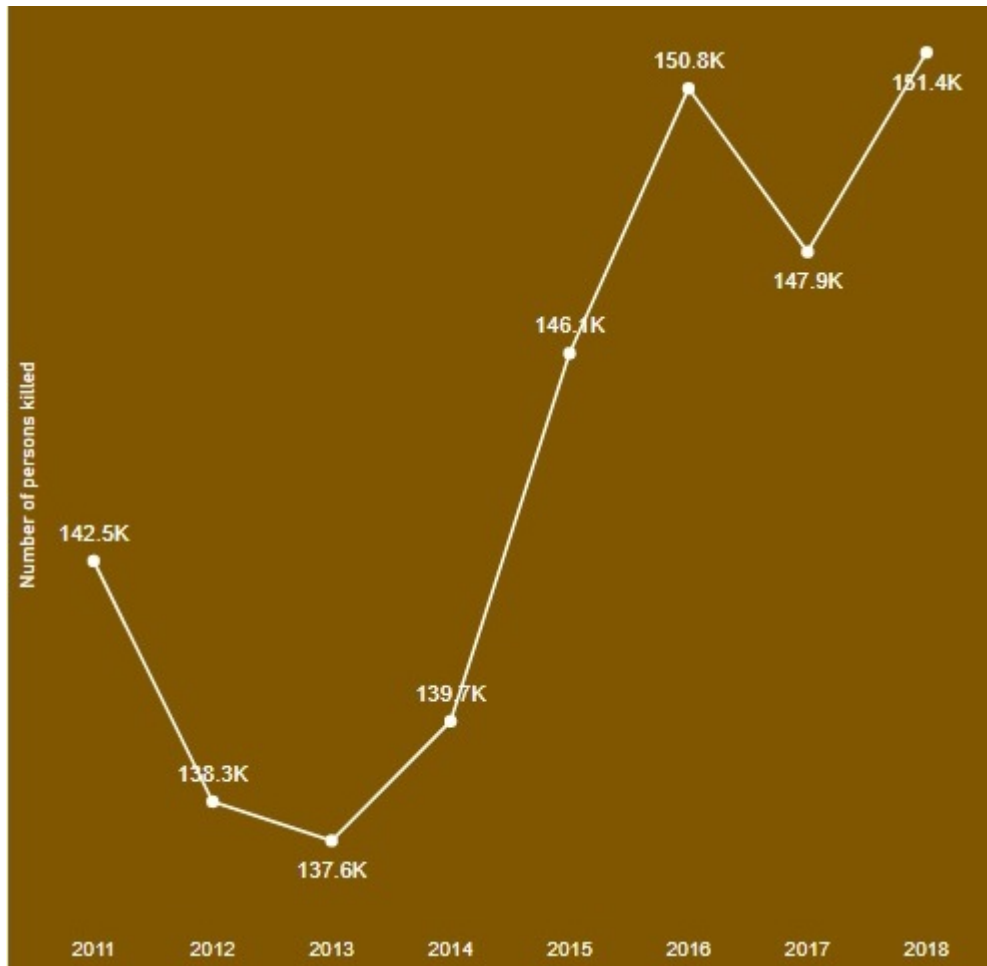
Why in news?

Recently, the Ministry of Road Transport and Highways had announced the minimum six-airbag rule for vehicles that can carry up to eight passengers.

What is the government initiative about?

India ranks first in the number of road accident deaths across 199 countries and accounts for almost 11% of all accident related deaths in the world.

- **Government's demand-** The Centre has planned to mandate six airbags across all cars from October 1, 2022 for the safety of the individuals.
- In India, about 1,50,000 people die due to road accidents and about 60% of those deaths are in the 18-24 age group.
- The loss to India's GDP due to accidental deaths would be in the range of 3 %.
- **Criticisms-** Demanding additional airbags will push up prices of entry-level cars.
- It will result in further weakening the demand for cars in the price-sensitive segment that is already facing a sales slump over the last four years.
- The government's intervention in the market can destroy the business model of car companies.



What are the major reasons for increasing death tolls?

- **Preferences-** Indians base their choice on several factors such as initial price, mileage, creature comforts etc. instead of safety.
- **Wearing helmets and seatbelts-** There is a reluctance among Indians in wearing helmets and seatbelts.
- **Carelessness-** In most of the cases crashes occurs due to carelessness of the road user.
- **Lack of road safety awareness-** Most of the people has no road safety education.

What about the picture in other countries?

- **High-income countries-** Traffic deaths were rising in high-income countries before the 1960s but began to decline shortly afterwards.
- The problem shifted from being driver-oriented to a more balanced approach, which later came to be known as the 'Safe System' approach.
- It included interventions that focused on vehicles, road infrastructure, and post-crash care, in a broad view of the environment in which crashes happen.
- US Congress passed two key pieces of legislation in 1966 which authorized the government to play a key role in road safety
 - The National Traffic and Motor Vehicle Safety Act
 - The Highway Safety Act
- This in turn led to the establishment of the National Highway Safety Bureau (later National Highway Traffic Safety Agency (NHTSA)).

- **Low and middle income countries-** In contrast, traffic injuries in most low and middle income countries (LMICs) are continuing to rise or are stable at a high level.
- **Reason-** Traffic death rates are a function of income growth i.e. there is a general relationship between income growth and road traffic injury.
- When countries are poor, growth in income is closely tied to increase in motorization, which leads to higher exposure to road traffic injuries.
- At this stage, it is assumed that countries are too poor to invest in harm reduction.
- After a certain level of economic development has been achieved, countries begin to invest in road safety programs and reduce their road traffic injury rates.

The World Health Organization declared the year 2004 as the Year of Road Safety.

What steps have been taken to prevent road accidents?

- The Government has approved a **National Road Safety Policy** to promote awareness, establish road safety information data base, encourage safer road infrastructure, enforce safety laws etc.
- The Government has constituted the **National Road Safety Council** as the apex body to take policy decisions in matters of road safety.
- Based on the recommendation of Group of Minister, the Ministry introduced **Motor Vehicle (Amendment) Bill 2017** covering entire gamut of road safety.
- The Ministry has formulated a multi-pronged strategy to address the issue of road safety based on 4 'E's viz. Education, Engineering (both of roads and vehicles), Enforcement and Emergency Care.
- **Road Safety Audit** of selected stretches of National Highways has been taken up.
- Tightening of safety standards for vehicles like Seat Belts, anti-lock braking system etc.
- High priority has been accorded to identification and rectification of black spots (accident prone spots) on national highways.
- Ministry of Road Transport has constituted a **District Road Safety Committee** in each district of the country to promote awareness amongst road users.
- The Government constituted **Sundar Committee** in 2005 to deliberate and make recommendations on creation of a dedicated body on road safety and traffic management.

How about India's case?

- While it is true that there is a broad correlation between income levels and road safety, India do not have to wait until their per capita income level improves before achieving improvements in road safety.
- The solution lies not in temporary governmental interventions but in creating an institutional framework which has a nationwide mandate to bring about systemic changes.

References

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