

# A STUDY ON THE PREDICAMENTS FACED BY COMMERCIAL ESTABLISHMENTS IN KOCHI DURING METRO CONSTRUCTION

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## Introduction

The development of a place is determined mainly by the activities primarily in the field of industry, business, and agriculture and service sectors. Improvement in transport and communication is very vital in this regard. When a city is transformed into a metropolitan city we require more public mode of transportation like metro train service in order to reduce the problem of traffic congestion and ensure the easy accessibility to different places.

Located in the central part Kochi is the industrial and business hub of Kerala state. Therefore, the development of Kochi is a major concern of the people and government. As a part of its urban development Kochi was sanctioned metro train service. Though the work of the Metro started in June 2013 its foundation stone was officially laid down by the Prime Minister in September 2012.

The metro project has been initiated with an aim to provide safe and rapid transportation to the commuters. It is also comparatively eco-friendly avoiding environmental pollution and noise. The project also will be expected to provide more job opportunities. The starting of mega Metro-project considerably affected the existed ways of life and activities of people of Kochi. The Kochi metro project is the first metro in the country which connects rail, road and water transport facilities. The train service is through the rail which is elevated on mighty pillars all along the main road. Therefore the construction required evacuation of people, demolition of buildings and acquirement of land. As in the case of any other major infrastructural development like dams, industrial estate, airport etc. serious and series of issues are also emerged in the construction of metro rail in Kochi too.

## Statement of the Problem and its significance of study

The present study is entitled as 'The Predicaments faced by Commercial Establishments in Kochi During Metro Rail Construction'

The infrastructure projects are important for development of a nation and are also a mirror of any country's development. However, most of the infrastructure projects on account of their sheer size and nature are invariably accompanied by significant environmental and social impacts during different phases of the project. The nature of these impacts could be either positive or negative, depending upon their potential to favourably or adversely affect the surrounding environment. Sometimes these developmental projects may badly affect the business enterprise.

Despite many of the advantages the people of Kerala get out of the dream Metro project it poses several threats and negative impact up on the business and commercial establishment along the metro rail route. Mahatma Gandhi Road in Kochi is the prime and vibrant centre of business and trade activities the city. Large number of big, medium and small commercial firms are working here. As the DMRC (Delhi Metro Rail Corporation) started its construction

work, the day to day smooth operation of these commercial firms were affected adversely. Many of the firms were compelled to close their shops; some of them shifted their premises, and yet a few remained in the same place facing all the difficulties. No government agency properly tried to address their problems. No rehabilitative measures were implemented. In this context, it is highly significant to objectively study the problems confronted by these people.

### **OBJECTIVES OF THE STUDY**

- To assess the impact of metro rail construction on the livelihood of shop owners and business people.
- To study the various hazards faced by them
- To analyses the reasons for maintaining their business despite the hurdles.

### **Methodology**

The study is conducted to assess the impact of metro rail construction on commercial establishments in M G Road. Field study was conducted by using interview schedule

#### **Population and Samples**

The study was conducted at Mahatma Gandhi Road Kochi. Data were collected from 30 samples using convenience sampling method.

### **Sources of Data**

Both primary and secondary data are used in the study. The analysis was mainly based on primary data. Primary data were collected from the selected sample through well-structured interview schedule. Secondary data were collected from newspapers and websites.

#### **Period of Study**

The study was conducted in the month of July 2016.

## Analysis and Interpretation

M. G. Road is the most urbanized face of Kochi. With its array of textile shops, restaurants, jewellery shops and shops selling stuff ranging from household items to electronic goods, it is the shopper's paradise of Kerala. Except a few, most of these are owned and run by middleclass people.

Fig: 1 Nature of Commercial establishment

Nature of concern	Number of firms	Percentage
Retail	28	93.33%
Wholesale	1	3.33%
Service oriented	1	3.33%
Total	30	100%

Source: primary data

The present study collected data from 30 samples. Figure No 1 shows that out of 30 samples majority (93.3%) are retail shops, one wholesale and service oriented are on each. Their only or the major livelihood is the daily income they get out of the sale or service in these shops. Some of the run the shops by employing a few staffs and many petty shop keepers manage by themselves.

Fig:2 Nature of Impact

Impact	Responses	Percentage
Favorable	0	0%
Unfavorable	28	93.33%
Unaffected	2	6.67%
Total	30	100%

With regard to the impact of metro work, 93.3% of them reported to have been affected adversely their business activities. 6.6% remain unaffected by the work. All the shops are on the line of M G road. Their free movement is impaired. Transportation of materials for sale is very difficult during the working hours. Barriers were placed all along the centre of the road which obstructed the direct entry of the customers in to the shops. Often several weeks and months prolonged work right in front of the shop made the business and trade transaction extremely difficult and unprofitable.

Fig. 3 Average number of customers before and after metro work started

Number of customers	Number of firms			
	Before commencement	%	After commencement	%
Below 20	1	3.33%	26	86.67%
20-50	17	56.67%	4	13.33%
50-100	11	36.67%	0	0%
Above 100	1	3.33%	0	0%
Total	30	100%	30	100%

Consumption is the 'starting point' of economic activity and thus forms the very basis of the entire economic process of an economy. The consumption is determined by the level of income of the people and, the level of consumption is taken as the indicator of standards of living of the society. It is quite possible that individuals desire to make their life easier and comfortable. Accordingly, an increase in purchase of goods and services and, a consequent improvement in consumption standard are also natural.

In a consumerist society like Kerala people have the habit of buying every items from the market. Kochi being a Metropolitan city people have developed the habit of shopping individually or with family especially at the weekends. Their spending habits is a boosting factor for business and commercial establishments both big and small.

Figure no. 3 shows that the reduction in the visit of consumers in their shops during the time of metro work. Majority of the establishments had 50 or more consumers before the metro work begun which was reduced to below 25. Surprisingly it was reported that many shops remained without even a single customer for several days. This is not because of the change in the consumption habit of the people of Kochi but due to the difficulty in accessibility. As a result these commercial establishments faced severe financial crisis due to the drastic reduction in their sale. This has made their familial and social life more miserable. They lost their regular customers who moved to more convenient shopping centres. They also fear that their potential regular customers lost forever.

Fig: 4 Other Hazards

Hazards	Number of firms facing the problem	Percentage
Traffic related issues	23	31.08%
Pollution	16	21.62%
Reduction in labour force	9	12.16%
Dust related health hazards	18	24.32%
Parking related issues	8	10.81%
Total	74	100%

Source: primary data

The Metro rail construction also caused for numerous hazards and problems directly or indirectly related with their business and life. These include traffic related issues, issues regarding vehicle parking, compulsion to reduce the work force etc. 24% percentage of the respondents had health related issues due to dust. Another major issue is with regard to the cutting down of working staff. As the business transaction was lowered many of the establishments became 'over-staffed'. The burden of maintaining staff was a hectic problem which has got financial, emotional and social dimensions. 12% percent of the firms curtailed their staff thereby many of them thrown out of employment became jobless unexpectedly not due to their work inefficiency but a reason no way connected with them- the Metro work.

Fig.5 Reason for maintaining business establishments

Reason for maintenance	Number of firms	Percentage
Continuation of family business	3	10%
Forecasting future benefits	9	30%
Prime location for business	6	20 %
Company outlet	8	26.6%
Nearing closure	4	13.33%
Total	30	100%

Source: primary data

Keralites have a general tendency to strive hard to sustain their livelihood. It is not a simple thing to completely shut down the business and trade activities all on a sudden. An individual looks after his shop or business like his

own child. One might definitely try his best to bring it up healthy and prosperous. However, in the context of prolonged metro work the situation became worse and many of them were on the verge of leaving the long cherished livelihood by which they supported their family.

Table no.5 shows that 30% percent of them maintained their shops with the optimistic belief that their business transaction would flourish once the metro work is over. The company outlet establishments did not face much crisis. A few of them have sentimental reason for continuing the business as it is their family business. There were many shops stopped their business operations and in our study 13% were on the verge of closing them down.

### **Findings and Conclusion**

- Metro rail work affected adversely all types of business and commercial establishment irrespective their size and nature of operation.
- The effect of metro construction on branded company outlets is less compared to other commercial establishments.
- The resultant financial crisis drastically shattered their individual, familial and social life
- Other problems encountered by the business firms includes traffic related issues, parking restrictions, health and environmental problems.
- Many people were thrown out of employment and became jobless.
  - In order to cope up with this decline in sale, firms were forced to adopt various marketing strategies.
  - Many commercial firms failed to overcome the crisis have either closed down or relocated.

Despite the fact that infrastructure development is an inevitable part of a growing society, utmost care should be given to the people affected by it. Advanced scientific planning is mandatory to ensure the rehabilitation of the affected and also to minimize the gravity of negative impact on the lives of people, their livelihood and the environment.

Construction of the metro rail system in Kochi has brought out several important economic, environmental, social and other critical issues which were not addressed successfully by the administrative agencies. Counting the merits and the benefits derived from the Metro mega project the hardships and problems experienced by the people living and working along the railway line are often neglected. This attitude and policy has to be changed for the formation of a healthy and developed society.

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