

Infrastructure by Scott Younger



Transport: high-cost path of neglect

RECENT PRESS REPORTS POINT TO A GROWING PUBLIC outcry over the nation's deteriorating road network. Rightly so. There has been a noticeable lack of maintenance by district or city authorities in major cities and the provinces in recent times.

Maintenance and care of roads can be likened to a body builder; developing muscle groups and preserving body-tone. It takes time and effort to strengthen muscle groups - like constructing or upgrading a road network.

A lack of training will see the muscles lose power extremely quickly. This is similar to a road in need of maintenance once it shows signs of traffic stress. Without immediate attention the road weakens and fails, placing added pressure on the entire transport network.

Early attention is far cheaper than leaving stressed roads to de-

teriorate with cracks, potholes and ruts, all of which escalate vehicle operating costs and cause delays and accidents.

In the 1970s and even earlier, aid from the World Bank and other aid agencies provided to developing countries - including Indonesia - focused on lending to build new roads and transport infrastructure vital for economic growth.

Operation and maintenance was left to host governments; but these administrations had neither the budget nor skills to meet their obligations to maintain the new structures.

The result was inevitable; within five to 10 years many roads had deteriorated badly or completely failed. The costly solution was to reconstruct roads at rapidly increasing costs.

From the mid-1970s, highway engineers and transport economists, assisted by advances in computers and technology, started to develop programs that outlined rational methods of analysis of



the complex variables and large data bases involved in properly assessing road performance.

With this information, priority maintenance schedules could be established based on accurate road condition surveys.

Towards the end of the 1970s, the World Bank published a report which clearly showed that worldwide lack of maintenance of road networks was costing billions of dollars each year.

This led to a shift in World Bank policy in the 1980s towards funding rehabilitation and maintenance of road networks and the start of a series of loans that, in Indonesia for example, concentrated first on the provincial and then regency-level networks.

In parallel, public works departments received sophisticated highway maintenance software developed by the Bank. This was modified to suit national requirements and supplemented with training of technical staff and operators. Matters were gradually being taken forward in a logical manner.

Then came the financial 1998 financial crisis.

While ongoing projects continued until funding ran out, several years elapsed before the government could take on new aid agency loans or even provide adequate counterpart funds, as the lenders demanded.

In addition, budget allocations dwindled with the inevitable result that the quality of the country's road networks, a key asset for economic growth, began to decline.

Reviewing local government budgets for the past few years, precious little has been set aside for maintenance and development

so it is not surprising that the country's road networks are now in poor shape.

Local government public works offices have received inadequate support in terms of funding or staff training. The distribution of staff numbers and skills shows anomalies and poor efficiencies, and morale is often low.

There has been inadequate replacement of plant and equipment and supporting spare parts. The cycle continues and the road system continues to decay. Motorists are forced to deal with poor and often dangerous surfaces on an ever-increasing basis.

Looking for clues

WILL INDONESIA LOOK BACK TO THE INDUSTRIOUS DAYS OF the 1980s and 1990s for clues on rehabilitation? And what costs would this entail? Apart from the huge budgets required to rebuild the network, disruption would derail plans to improve the movement of rural produce to market.

There is no doubt another exacerbating factor in the rapid decay of road transport has been the dreadfully slow rate at which the toll road system has advanced.

The level of expansion since the 1990s has been painful. This can be attributed to the economic crisis, which resulted in delays and the scrapping of new toll road concessions approved in 1996.

THERE IS NO DOUBT ANOTHER EXACERBATING FACTOR IN THE RAPID DECAY OF ROAD TRANSPORT HAS BEEN THE DREADFULLY SLOW RATE AT WHICH THE TOLL ROAD SYSTEM HAS ADVANCED.

More recent signs point optimistically to reaching a mid-term target of a further 1,800 km of toll roads, with concessions and financing for more than 40% of these roads already finalized.

The critical issue, in nearly all toll road plans, is difficulty in land acquisition and the spiraling cost of land. It is estimated that only about 2% of the land needed for these projects has been acquired and it will take at

least another year before substantial gains allow construction to forge ahead.

Certainly the government's introduction of land capping, coupled with a significant increase in budget from \$65m to \$500m, will assist.

Completion of new toll roads will help take the strain off national and provincial networks, especially in the industrial heartland of Java. It will also assist in easing the logistical log jam that slows the passage of manufactured goods and rural produce to market. Upgrading the woefully weak connections to ports is also a major priority.

There is much to do - and we have already fallen well behind. GA

■ *Scott Younger is President Commissioner of PT Nusantara Infrastructure Tbk.*