

# CITIZEN'S POLICY FOR AFFORDABLE PUBLIC TRANSPORT IN INDIA





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**Prepared by: Greenpeace India and Public Transport Forum**

This is a draft policy and we plan to conduct further nationwide consultations which include state as well as regional level consultations with policy and transport experts, representatives of several civil society organisations, collectives, rights based groups, community people etc. There may be minor or significant changes in this draft policy and the final policy might have several additions as well.

**Edited and Designed by:**

**wt wobbly  
table**

[www.wobblytable.in](http://www.wobblytable.in)

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# ABBREVIATIONS

BRT: Bus Rapid Transit

CNG: Compressed Natural Gas

EV: Electric Vehicle

JNNURM: Jawaharlal National Urban Renewal Mission

STUs: State Transport Undertakings

SRTUs: State Road Transport Undertakings

SPBs: State Planning Boards

FAME: Faster Adoption and Manufacturing of and Electric Vehicles

MoHUA: Ministry of Housing and Urban Affairs



# 1.

# INTRODUCTION

Public transport in India is essential for the mobility of hundreds of millions of people, particularly low-income households. The economic burden of transport costs, unsafe travel conditions, and unreliable services hinder their basic access to education, employment, and essential services.

Yet, public transport systems, especially urban bus infrastructure and services, remain underfunded and under-prioritised. Budgetary allocations in the union and state budgets have largely focused on building flyovers, highways, widening of roads etc which mostly cater to the demands of private vehicles in urban areas while the public transportation system (infrastructure and operation) receives inadequate financial support.

State Transport Undertakings (STUs) which oversee the functioning of public bus transport in a state are not provided with the necessary funds in a systematic way at regular intervals which leaves them with no option to cover operational and capital costs. In the absence of dedicated funding to STUs, STUs have to rely mainly on farebox revenue which falls too short to achieve the service benchmarks. In cases of cities where public bus transport is run by the municipal corporations, there is a lack of dedicated annual budgetary support from state governments for planning their operations, maintenance and capacity expansion. As a result, various STUs, urban transport corporations and municipalities have been forced to look for privatising the public bus transport.

In this context, this national policy envisions a shift towards **fare-free, safe, and reliable public transport in India**. Union as well as state governments need to fund public transport especially public bus transport systems and ensure both affordability and enhancing the public bus infrastructure. Public transport needs to serve as an affordable and efficient mass transit option and for that a dedicated annual funding from both national and state governments is required. Public transport should be envisioned as a right such as healthcare and education rather than a luxury and should be accessible to everyone irrespective of the economic condition.

This policy envisions introduction of climate tickets – affordable public transport passes that would not require a proof of domicile. There are several countries which have introduced climate tickets like Germany,<sup>1</sup> Austria<sup>2</sup> and Hungary<sup>3</sup> while there are cities, provinces and countries where public transport is either completely free or partially.<sup>4</sup> Incentivising public transport also leads to increased ridership and more people shifting to public transport use as has been shown by various Fare Free Public Transport or fare abolition<sup>5</sup> (full and partial) initiatives globally. This directly leads to increased focus and demand for better public transportation services.

Affordable public transport should not only be seen as a welfarist policy but something which is connected to economic sustainability as well. There are reports which point towards the economic opportunities affordable public transport provides. The free bus travel scheme for women operational in multiple states of India has shown how affordable public transport can help in accessing better employment opportunities as well as contribute to the overall economy. If India has to achieve economic growth and development, its public transport needs to be sustainable, efficient and most importantly affordable.

By reallocating funds from subsidising the private means of urban transport, and prioritising public transport especially buses over allocating public finances to expensive road and flyover projects, metro constructions and other car centric infrastructure, we can create a more sustainable, inclusive, climate just urban and inter-urban public transport in India.

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<sup>1</sup> <https://climatepolicydatabase.org/policies/deutschlandticket-germany-2023>

<sup>2</sup> <https://www.klimaticket.at/en/home/>

<sup>3</sup> [https://intezet.greendependent.org/documents/Converge\\_workshop/Converge-POSTER-](https://intezet.greendependent.org/documents/Converge_workshop/Converge-POSTER-)

<sup>4</sup> [Climate%20Ticket.pdf](#)

<https://freepublictransport.info/>

<sup>5</sup> [https://www.busadvocates.org/articles/fares/CRANES\\_FFT\\_KEBLOWSKIarticle\\_v2020\\_01\\_22.pdf](https://www.busadvocates.org/articles/fares/CRANES_FFT_KEBLOWSKIarticle_v2020_01_22.pdf)

# 2.

# VISION AND OBJECTIVES

## 2.1 Vision

To establish an equitable, accessible, and sustainable public transport system by making public transport fare-free, reliable, and safe for all citizens. This vision aims to:

1. Promote environmental sustainability by reducing reliance on private vehicles and more focus on public transport.
2. Enhance mobility for women, informal workers, students, senior citizens, persons with disabilities, transgenders, lower income groups.
3. Promote affordable public transport travel.
4. Prioritize public bus services over socially exclusionary and economically expensive metro projects.
5. Promote sustainable urban development and improve the quality of life in cities.

## 2.2 Objectives

**1. Universal Fare-Free Travel in Public Transport:** Implement fare-free bus and metro services nationwide through *climate tickets*, in a phase-wise manner starting with women, children, transgenders, physically challenged and elderly and eventually expanding to abolition of fares for everyone.

**2. Resource Reallocation:** Shift investments on urban public transport from metro, over allocation to road, tunnel, flyover projects to expansion of public bus transport capacity and prioritising affordability by making public transport fare-free.

**3. Financial Sustainability:** Create a *Central Free Public Transport Fund* ('Climate Ticket' fund) with dedicated annual contributions from all tiers of government. A separate 'transit header' should be created which will contain budgetary allocation for public transport operation only.

**4. Improved Public Transport Infrastructure:** Enhance bus fleet size, depot facilities, accessibility and number of bus stops, and add dedicated bus lanes for making the services more reliable.

**5. Safety and Inclusion:** Ensure buses are safe and accessible for women, LGBTQ+ individuals, and disabled persons. Institutionalise participation of citizens in planning, decision-making, and monitoring public transport services.

# 3.

# CURRENT CHALLENGES IN PUBLIC TRANSPORT

## 3.1 Over-Investment in Road Expansion

Majority of the central transport budget goes into funding the construction of expensive highways, roads and bridges. Moreover, the majority of the state government's budget also goes into funding building of extensive road networks, flyovers, tunnels etc while suffocating public transport of necessary funds. Currently there is no dedicated budget or funding by the central government for augmenting public bus transport and making it economically accessible to everyone in different states and cities in India.

## 3.2 Inadequate Bus Services

- All cities in India have less than adequate number of buses. According to the Ministry of Housing and Urban affairs' benchmark, Cities need 60 buses per one lakh population. Major cities like Delhi, Mumbai, Bangalore, Pune, Chennai etc fall way below this line. Delhi, for instance, needs at least 15,000 buses but operates only 7,000, Mumbai Metropolitan Region (MMR) requires at least 13000 buses. Other metro cities also have large gaps while many Tier-II and Tier-III urban areas lack any bus-based public transport at all.
- Adding to this problem, many buses in existing fleets exceed their service life, which is the cause of frequent breakdowns and inefficiencies.

- Lack of depots hinders fleet expansion. In Delhi, only a third of the required 180 hectares is available for bus depots.
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM) which was a central government scheme, several cities received support from central government to increase their bus fleet size but eventually the scheme was scrapped later on.

### 3.3 Affordability, Safety and Accessibility Issues

- **High Fares:** Some studies suggest that low-income urban households spend 20-30% or more of their income on transport, far above the sustainable limit of 10%. Metro transport is considerably more expensive than buses. Also adding hidden costs associated with waiting time, interchange cost etc, public transport becomes more expensive.
- **Women's Safety:** Harassment in buses, metros and at bus stops deters women from using public transport, and, in many cases, prevents them from going out altogether.
- **Accessibility Gaps:** In most areas, buses and stops are not designed for persons with disabilities and elderly passengers. In the case of many neighbourhoods in cities, the nearest bus stop is farther than 1 km, making the public transport practically inaccessible.

### 3.4 Environmental Impact

Private vehicles contribute significantly to air pollution. A shift to public transport can reduce emissions but the low cost of using personal means of transport, particularly motorised two-wheelers, is a serious deterrent to use of buses. Making public transport free would make it economically attractive enough for a large share of current motorcycle users to switch to public transport.

# 4.

# POLICY FRAMEWORK

## 4.1 Universal Fare-Free Public Transport Travel

### 4.1.1 Introduction of Climate Tickets

- **Definition:** *Climate tickets* are proposed as universal, fare-free or or subsidised public transport passes that can be accessed by anyone without domicile or ID proof requirements.
- **Phased Implementation:**
  - **Phase 1:** Free public transport travel for women, transgenders, children, elderly, and disabled persons.
  - **Phase 2:** Extend to students and low-wage workers.
  - **Phase 3:** Universalize free public transport travel within five years.

### 4.1.2 Benefits of Climate Tickets

- **Financial Relief:** Reduces transport costs for low-income households.
- **Increased Mobility:** Enables job seekers, students, women, transgenders, senior citizens, physically disabled and low wage groups to travel freely.
- **Social Gains:** Access to employment and educational opportunities. Greater freedom to move around and access public spaces, leisure and healthcare facilities.
- **Environmental Gains:** Encourages a shift from private vehicles to public transport, reducing emissions and climate impact of transport.

### 4.1.3 Public Awareness Campaigns

- Counter the cultural stigma associated with free bus travel, particularly for women.
- Public recognition of the right to affordable and reliable public transport.

## 4.2 Resource Reallocation

### 4.2.1 Buses

- Allocate at least 50% of urban transport funding to bus services.
- Invest in Bus Rapid Transit (BRT) systems, which are cheaper and can serve more people than metros.
- Buses can be deployed faster than metro lines, providing immediate relief to commuters. Institutionalise a democratic process for regular citizen deliberations and representations in decisions related to public transport operations.
- Metro construction projects are capital intensive and rather than building more metro networks in cities in India, more funding can be pumped into enhancing public bus transport infrastructure as well as making the public transport affordable for all.

### 4.2.2 Fossil Fuel and Automobile Industry

- Although fossil fuel subsidy has decreased over the years in India, there is still a significant percentage of funds which goes into subsidising fossil fuel industries. Instead of major budget allocations for subsidising the fossil fuel industry, the union government should allocate a budget to subsidise public transport. If India has to achieve its ambitious target of net zero carbon emissions by 2070, it needs to fund sustainable urban development of which efficient and affordable public transport is an important part.
- Automobile industry needs to be taxed rather than subsidised. There are several central and state government level subsidies provided to the automobile industry to aid in manufacturing, better technologies, land subsidies etc. The EV industry has been receiving subsidies by the union government as well. India can achieve its climate action goals by subsidising and funding public transport. Subsidies and budget allocations for climate intervention need to be properly channelised into creating a strong public transportation network rather than investing in “false solutions”.



## 4.3 Related Matters to make Free Public Transport Reliable too

### 4.3.1 Bus Fleet Expansion

- Double the number of buses in major cities within three years to make the free public transport reliable and safe too. Allocate land for new depots and modernize existing ones to meet the parking needs of the public bus fleet.
- Prioritize procurement of universally accessible buses, over specifically and exclusively procuring electric buses (new buses may be CNG-based but should not be diesel-run). State governments should ensure that bus procurement does not delay service expansion.

### 4.3.2 Dedicated Bus Lanes

- Develop BRT corridors in all major cities, ensuring buses have priority over cars, motorcycles, and other forms of motorised transport.
- Integrate these bus corridors with safe and accessible pedestrian and bicycle infrastructure.

### 4.3.3 Better Bus Stops

- Install shelters, seating, lighting, public toilets, and sanitary pad vending machines.
- Provide digital boards with real-time bus arrival information.
- Ensure bus stops and pedestrian pathways comply with the *Rights of Persons with Disabilities Act, 2016*.

### 4.3.4 First and Last-mile Connectivity

First and last-mile connectivity plays a crucial role in achieving equitable and accessible mobility. A robust network for end-to-end connectivity not only enhances the overall public transport system but also caters to the specific mobility needs of different individuals. It is particularly significant for women, as the safe environment is central to their mobility needs.

### 4.3.5 Protect Workers' Rights

- Ensure fair wages, permanent contracts, and safe working conditions for transport workers.
- Consider deploying adequately trained and sensitised marshals in buses for ensuring safety and ease of accessibility for all bus users, particularly women, children, elderly, and persons with disabilities.
- Jobs of Public transport workers should be seen as green jobs.
- Promote active participation of women in the transportation sector's workforce and decision-making processes. This can be achieved by creating opportunities for women to contribute their expertise and perspectives in the design and planning of transportation systems.

## 4.4 State-Level Free Public Transport Fund

### 4.4.1 Funding Mechanism

- **Central Contributions:** Allocations from ministries of Transport, Environment, and MoHUA. Additionally, new sources can be created through a 'climate ticket cess' on fuel recharge at petrol pumps and CNG stations, fossil fuel and profit tax on car companies, windfall tax, surcharge on SUV purchases, climate damage tax from fossil fuels industries and special funding under upcoming 16th finance commission.
- **State Budgets:** Fixed annual contributions according to the financial health and the public transport gap in the particular state to ensure financial stability. New sources of funding can be created by charging high parking fees to private vehicles, congestion pricing etc.
- **Municipal Revenues:** Funds from on-street and off-street parking fees, and housing tax for multiple car parking.

### 4.4.2 Abolishing all taxes on public transport

- Public buses in India currently face numerous taxes that significantly inflate operational costs and strain State Road Transport Undertakings (SRTUs). These include Motor Vehicle Tax, Passenger Tax, Stamp Duty, Property Tax, Municipal Levies, Central Excise Duty, Customs Duty, and VAT/Sales Tax on fuel.<sup>6</sup>

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<sup>6</sup> <https://shaktifoundation.in/wp-content/uploads/2018/05/Fiscal-policies-and-taxation-incentives-for-improved-public-bus-system.pdf>

- Taxes can contribute up to 20% of an STU's operating costs, affecting service quality and fare affordability.<sup>7</sup>
- Exempting public transport from these taxes can enhance financial sustainability, reduce the need for fare collection, and funds saved can be reinvested in fleet expansion, maintenance, and safety improvements

### 4.4.3 Transparency and Accountability

- Regular public audits to ensure funds are used effectively and specifically for making public transport fare-free and reliable.

## 4.5 Climate Funding

- **Climate Finance for public transportation:** The Government must recognise that the urban public transit system is the most vital asset in the fight against climate change. By bringing a model shift towards public transport, we have the potential to not only reduce carbon emissions but also protect our cities and communities from the devastating impacts of the climate crisis and extreme weather events. Therefore, public transport across all regions should have access to climate finance and should be integrated into state and national climate investment plans. By linking public transport with these investment strategies, it becomes possible to leverage its wider benefits and support the transition towards more sustainable cities.
- **Domestic Climate Fund:** Majority of the union budget allocations for climate interventions are directed towards the energy sector (which includes critical mineral mission, solar energy etc), heavy and small industries. For public transport, the union budget allocations have been restricted to procurement only (e.g the PM e-bus Sewa, FAME) with only a certain percentage of funding coming from the union government.<sup>8</sup> The union government should allot a certain percentage of climate intervention funds to finance the operation of efficient and affordable public transport.
- **International Climate Fund:** Under the climate finance mechanism, funds and projects financed by multilateral development banks, bilateral and multilateral agencies for climate action should also be allocated for enhancing the efficiency and affordability of public transport in India. Such funds should also be used to cover the operational costs of public transport which usually remains under funded and receives scant attention.

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<sup>7</sup> <http://indiaenvironmentportal.org.in/files/Urban%20Public%20Transport%20Systems.pdf>

<sup>8</sup> <https://www.theclimategroup.org/our-work/news/indias-union-budget-and-status-climate-action>

## 4.6 Multi-Tier Governance and Citizen Participation

### 4.6.1 Central, State, and Local Coordination:

- The central government will provide policy direction, technical and financial support.
- State governments will manage implementation and fund allocation.
- Municipal bodies will oversee local operations, infrastructure, and citizen engagement.

### 4.6.2 State Planning Boards as the Coordinating Agency

There should be an integration of all public transportation planning efforts with an appropriately-balanced development of transport modes: integration vertically among levels of government and horizontally across modes, territories and sectors. SPBs can take this role to:

- Manage state-level fund allocation and implementation.
- Coordinate between governments, municipalities and transport agencies

### 4.6.3 Citizen Deliberation

1. **Bus User Unions:** Recognise public transport user unions to represent commuter interests. There should be significant representation from civil society organizations, user unions, and workers' unions.

2. **Annual Reviews:** Organize annual public review sessions to evaluate policy implementation, address concerns, and adjust strategies based on citizen feedback.

3. **Deliberative Forums:**

- a. Conduct regular public consultations to gather input on transport needs and policy effectiveness.
- b. Include representatives of bus users, workers' unions, and marginalized communities in decision-making bodies.







