

Proposal

Name of the Study: Socio-economic cost of road accidents in India

Background:

Road accidents are a human tragedy, which involve high human suffering. They impose a huge social, health and economic cost in terms of untimely deaths, injuries and loss of potential income. The ramifications of road accidents can be colossal and its negative impact is felt not only on individuals, their health and welfare, but also on the economy. Consequently, road safety has become an issue of national concern.

2. Today road traffic injuries are one of the leading causes of deaths, disabilities and hospitalizations with severe socio-economic costs across the world. According to World Health Organisation (WHO), road crash injury is likely to become the third leading cause of the global burden of disease/injuries by 2020.

3. In economic terms, WHO has estimated the cost of road crash injuries at roughly 1% of gross national product in low-income countries, 1.5% in middle-income countries and 2% in high-income countries. As per the Tenth Five Year Plan (Volume-II, Page 933) of the Planning Commission, the social cost of road traffic accidents in India was estimated to be Rs. 55,000 crore in 1999-2000. The Working Group on Road Accidents, Injury Prevention and Control set up by the Planning Commission estimated the social cost of road accidents in India in 1999-2000 at about 3% of Gross Domestic Product.

Why is this study important?

4. The expansion in the road network, surge in motorization and a rising population in India have contributed towards increasing numbers of road accidents, road accident injuries and road accident fatalities. Between 1970 and 2012, the number of road accidents increased by 4.3 times accompanied by increases of 9.5 times increase in road accidents fatalities and 7.3 times in the number of persons injured in road accidents in India. During the calendar year 2012 there were 4,90,383 road accidents in which 1,38,258 people were killed and 5,09,667 were injured. In India, the most economically active and productive age group, specifically those aged between 25 and 65 years, figures heavily in road accident fatalities and injuries and there is a consequent setback in the workforce in the economy.

5. The socio-economic costs which road accidents entail are not easy to ascertain. Besides accident survivors often have to live with pain and suffering which are difficult to estimate. Moreover, accidents adversely impact the welfare of dependents of accident victims. Hence, it is imperative to assess the magnitude and dimensions of road accidents so as to assist in formulating road safety policies.

6. The latest available estimates of the socio-economic cost of road accidents in India are 14 years old.

why should Planning Commission conduct this study?

7. Planning Commission was involved in estimating the socio-economic cost of road accidents in India for 1999-2000. Considering that Planning Commission has the wherewithal and the expertise to conduct such studies, another study to estimate the socio-economic cost of road accidents for the calendar year 2013 may be conducted.

Objectives of the study:

8. The objective of the study is to estimate in monetary terms the socio-economic cost of road accidents in India during the calendar year 2013.

Scope of the study:

9. Separate estimates may be made for the various components of cost involving road accidents, viz.:

- i. Victim related cost
 - a. Medical cost including expenses on medicines, doctor, hospital, emergency transport and rehabilitation.
 - b. loss due to income foregone arising out of
 - absence from work
 - impairment/disability
 - untimely death.
 - c. Emotional damages, though debatable, calculated by according a notional value to non-monetary terms such as the pain, grief and suffering of the victim and the affected family.
- ii. Cost of property and motor vehicle damage
 - a. Cost of vehicle damage repair
 - b. Cost of loss of economic output due to property/vehicle damage
- iii. Administrative cost
 - a. Police investigation
 - b. Legal cost
 - c. Insurance administration

10. These components may be estimated in accordance with different types of severity of accidents, viz. fatal, grievous injury and minor injury accidents, and property damage.

Expected outcome of the study:

11. Ultimately, the estimates of the socio-economic cost of road accidents and its various components are expected to assist in formulating road safety policies.