

## Transportation - 'A Need for Development'



India has a long way to go to achieve inclusive growth. Despite a couple of billionaires, lakhs of rich people and more than five crore middle class becoming the face of India's success story, there is a gap between social security and India's growth. This becomes clear when one considers the plight of over the billion people who are also a part of India. If at all, the link between social security and 'shining' growth is weak and shoddy. To rectify the situation and promote inclusive growth, the need of the time is to (a) pursue infrastructure development like roads, electricity, etc., and (b) improve health and education for every section of population in the country. Promotion of infrastructure can contribute to inclusive growth in several ways. Employment for the needy and poor is created in a big way when infrastructure development is taken up. In addition, the connectivity offered by roads and railroads to the rural areas opens up doors for opportunities to over 75% of the Indians staying there. Improved infrastructure also reduces the suffering of the poor, which is a result of deficient access to basic needs like education, safe drinking water, food security, health care, other forms of communication etc. The improvement in transportation will help more than the 40 crore of Indians surviving on less than a daily income of Rs.50. The entrepreneurial opportunities that emerge from improved transportation start a virtuous cycle and benefit all.

The transport sector is an important component of the economy impacting on development and the welfare of populations. When transport systems are efficient, they provide economic and social opportunities and benefits that result in positive multiplier effects such as better accessibility to markets, employment and additional investments. When transport systems are deficient in terms of capacity or reliability, they can have an economic cost such as reduced or missed opportunities. Transport also carries an important social and environmental load, which cannot be neglected. Thus, from a general standpoint the economic impacts of transportation can be **direct and indirect**:

- **Direct impacts** related to accessibility change where transport enables larger markets and enables to save time and costs.
- **Indirect impacts** related to the economic multiplier effects where the price of commodities, goods or services drop and/or their variety increases.

At the **microeconomic level** transportation is linked to producer, consumer and production costs. The importance of specific transport activities and infrastructure can thus be assessed for each sector of the economy. Transportation accounts on average between 10% and 15% of household expenditures. Mobility is one of the fundamental components of the economic benefits of transportation. People's mobility and transport demands thus depend on their

socioeconomic situation higher the income, higher the mobility. The importance of transportation can be justified and referred from various existing facts.



The transportation network in India is choking as a result of high population density (17% of the world population staying in 2% of the world geographic area). The country's road network consists of national highways, state highways, major districts roads, other districts roads, and village roads. Though the national highways comprise only 2% of the total length of roads they account for about 40% of the traffic according to the economic survey 2008-09. Out of the total length of the national highways about 30% in length is single lane/intermediate lane, about 53% is two lanes and the remaining 17% is four lanes or more standard. Thus, the condition of the national highways itself calls for improvement. Further, the distribution of the remaining traffic is also highly skewed and is concentrated on district and city roads. This leaves the villages and remote areas virtually unconnected though they are theoretically connected by the road network. Thus, in addition to improving the roadways and railways, transportation facilities on them also need to be improved.

About 30 percent of India's 855,042 villages (or 300 million people) are without all-season access to social services and economic opportunities. Better roads and transportation are very much important for growth and development, for every community in urban and rural areas. For rural areas this can be felt much deeply as those areas are not well connected and lack in transportation, mostly tribal places which are in far remote. Connectivity and accessibility of rural areas remains low due to capacity constraints at the national and secondary level, poor condition of the overall network, and lack of all-season roads especially in hilly areas.

Most of the Tribal community/villages in hilly areas of India are dependent on the income from the non timber forest produces (NTFP). Non Timber Forest Produce (NTFP) alone generates about 70 per cent of employment in the Indian forestry sector. NTFP includes a variety of fruits, nuts, seeds, oils, spices, resins, gums, medicinal plants and many more products specific to the particular areas from which they originate. About 3000 species in the forests of India are the potential sources of NTFP. In India nearly 50 million people are dependent on NTFP for subsistence and cash income. 60 per cent of NTFP is consumed as food or dietary supplement especially during lean season by forest dwellers. NTFP collection, an important source of income for forest dwellers and rural poor, varies from state to state ranging from 5.4 to 55 percent.

**Table:1-Observations**

Amount in (Rs.) for raw and value added for few items			
PRODUCE	MARKET-I	MARKET-II	MARKET-III
Amla (kg)	22 - 25	40 - 60	80-300
Honey (litre)	120-160	200-300	300-500
Mahua (kg/ltr)	10 - 20	40-50	100-200
Tamarind (kg)	16-20	40-50	70-120
Char-Nuts (kg)	20 - 30	100-300	300-500

The following example illustrates the extent of loss by the poor as a result of the roads being in a pathetic condition and transportation being only a word. Most of the people in a village which is situated more than 130 km from Vishakhapatnam belong to tribal community and depend on agriculture, NTFP and livestock for their livelihood. They are unable to sell their produce at a better price and fall prey to the middle men/ traders. The nearest market is about 20 km from that village and is not accessible due lack of proper road and absence of transportation facilities. They sell honey at Rs.80 per litre to the middle men or buyers who visit this place. On the other hand, the price of the same product per the same unit in the nearest market is a whopping Rs.160. In other words, these tribals are losing 100% of their current earnings.



**Table:2-Estimation**

APPROXIMATE PRICE (TIMES) RANGE IN DIFFERENT MARKETS & DISTANCE (KM) FROM VILLAGES							
PRODUCE	MARKET-I	DISTANCE	MARKET-II	DISTANCE	MARKET-III	DISTANCE	<b>STUDIED FOR NTFPS</b>
RAW	2 - 3	10-50	4 - 6	100-300	5 - 10	300 - 1500	
VALUE ADDED	2-3	10 -50	4-5	100-300	8-10	300 - 1500	

The significance of better transportation facility lies in the fact that it is an aid in delivering other basic services efficiently and effectively in time and increasing the income. The transportation facility in the remote places and villages will bring prosperity by increasing livelihood options of the villagers and helping them in realizing better prices for goods they produced. In view of the importance of good transportation system for livelihoods improvement, we must focus on better roadways connecting even the remote Indian villages and ensure availability of required transportation services, both from public and private service providers. In addition, connectivity brought about by transportation facilities is a sine qua non for various other reforms and infrastructure development, which are on the top of the agenda of several governments now.

Transportation also impacts the quality of the availability of services and implementation of the reforms, as the presence of transportation greatly increases the effectiveness of controlling and monitoring the implementation of plans/ projects.

**NOTE:**

Information was collected using participatory tools like LEAP from 15 tribal villages across 5 states, 15 shandies, 15 village level markets, 7 town markets and 10 city markets. Value chain analyses have been conducted for nineteen (19) NTFP including, Amla, Broom Grass, Char nuts, Glori Lilly Tuber, Honey, Kendu leaf, Mahua flower, Mahua seed, Myrobalans, Nannari (Mavilian kizanku), Neem Seed, Pongam seed, Sal leaf, Sal seed, Siali leaf (Adda leaf), Soap nuts, Tamarind, Tejpatta, and Vettiver etc.

**References:**

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