CHAPTER V

CONCLUSION AND FINDINGS
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In the preceding chapters we have discussed at length the problems related to the development of transport in the state of U.P. We have also examined the cost-benefit relationship of the system of transport in operation in the state. In this last chapter of the work, the main findings and the conclusions of the work will be given.

It is common knowledge that for the socio-economic development of a country like India there is a need for a well-developed transport system. This is all the more necessary for a state like U.P. where there is a lack of transport infrastructure. Not only in India but also in the well-developed countries like the U.K. and the U.S.A., it was the development of transport system which has ultimately resulted into the growth of industries there. Until the early thirties of the nineteenth century the US economy except coastal plantation, remained a subsistent
agricultural economy due to high cost of transport. But when the construction of canals and turnpikes reduced transport cost considerably, a territorial division of labour followed which resulted in New England, the East specializing in manufacturing, the South in sugar, and the West in wheat production. In subsequent years the construction of railways further reduced the cost of internal transport and brought new areas and products into the fold of commerce and trade. The railway boom also increased the demand for railway supplies and equipments which in turn further stimulated the industrialization process by supporting development in other sectors such as coal, iron, steel etc. In identical lines transport has played an important role in the development of British economy. The development of transport there gave a great fillip to British economy by providing the sources of carrying the products to the world markets, by giving access to new resources and by creating demands of new products. All this should become a 'must' in India also for unifying
the internal transport system and for removing the barriers to urbanisation and industrialisations.

It is well known that the basic obstacle for advancement of agro-industries in U.P. is the lack of all-weather village-to-markets roads. There is a paucity of road links from village to market places (town and cities).\(^1\) According to an old study,\(^2\) it was estimated that 45 percent of the roads linking villages to the nearest surface roads were mere tracks unsuitable for vehicle movement. The result of all this has been a sustained lack of development in the agro-industrial potential of these rural areas. Most of the products of these areas are basically meant for self consumption of the area and are not brought to the market place due to lack of transport facilities. It is, thus, necessary that a rural road improvement plan should be

1. Planning Commission, Fourth Five Year Plan, 1969-74 (Delhi, Govt. of India, 1970) p.344.
undertaken in order to raise the chances of improving the agro-industrial potential of the state. A proper development and improvements in village to market roads will render the cost of production and marketing to a minimum level. Road improvement would largely contribute to a decline in both average and marginal cost of goods by encouraging the use of more productive inputs and manufacturing techniques as well as by reducing the cost of folding inventory of inputs and of processing inputs from the market. Improved transport and mobility provided by village-to market-roads would expose the inhabitants of rural areas to modern techniques of production and marketing that have proved profitable elsewhere. Visits to modern manufacturing units and contacts with sophisticated producers of agro-industrial products will go a long way in motivating them to adopt most scientific and modern practices. This would thus lead to a significant reduction in the average and marginal cost of production in agro industrial sector. The availability of
transport facilities would provide an easy access to the market for raw material and finished goods throughout the year resulting in the reduction of expenditure on warehousing, storage and inventory holdings. Improved roads would permit a transformation from bullock-cart to motor-truck transport and other modern modes of transport for procuring raw materials and for marketing agro-products.

According to Study¹ the average transport charge paid was only 2.1 paisas per mound per Km. when 150 mounds were hauled by truck once a distance of 50 Km. compared with the average transport charge of 5.5 paisas per mound per Km. for a 20 Km. trip by bullock-cart. Another important difficulty which is experienced is that of spoilage of transported products due to faulty transport. Improved and expeditious modes of transport may result in the reduction of these losses in transit making the marketing cost lesser

¹ Quoted in Wilfred Owen, Distance and development: Transportation and communication in India, op. cit. pp. 53-55.
and lesser. These reductions in cost may be manifested in the reduction of prices of farm products or they may lead to a purposeful transformation in the technique of production, farming and processing of farm products. Access to all-weather proof roads linking the villages to the town would lead to a change in the agricultural production mix. Products such as milk, eggs, poultry, fresh fruits, fresh vegetables etc. will be most sought after farm products as compared to other farm products such as cereals and pulses. The extent of demand advantage which these products have, can be inferred from the coefficient of income elasticity calculated by the Food and Agricultural Organisation of United Nation (F.A.O.). They are 2.2 for eggs, 1.7 for milk and milk products, 1.4 for meat, 1.0 for fruits and vegetables compared to 0.5 for cereals, 0.3 for pulses and nuts and 0.2 for starchy roots.¹ Thus with improved transport facilities, it would be possible to direct an

¹ See John, W. Meller Thomas F. Weaver, Uma J. Lele et al. Developing Rural India Plan and Practice (N.Y., Cornell Univ. Press) 1768.
increasing portion of farm resources to the production of these products. It is a fact that whenever such transport facilities have been generated, numerous changes in the farm production have taken place. As an example, when 12 foot tarred road was constructed to connect the village of Wazirpur (Gurgown District, Haryana) with a neighbouring town, the commercial production of vegetables and milk in the village increased significantly.¹

This is specifically relevant to the conditions in U.P. where the state of transport development is very poor and in spite of progress made in recent years, the relative long inappropriate improvements, integration and construction has inhibited the full realisation of the agro-industrial development potential of the state. A concerted effort should be made to improve the rural transport system because of its comparative advantage in providing better

¹ Wilfred Owen, op. cit. pp. 59.
transport. Because of its significant terminal cost, its short haul costs are lower than those of railways and other modes inspite of its relatively high operating variable cost. In addition to this, it can also offer a personalized, flexible and fast mode of transport thereby reducing the packaging and the inventory cost of producers. As such the improvements in the rural road transport would stimulate the establishment of agro-industrial plants near the market and would promote balanced regional development of these industries by the establishment of factories very near to the sources of inputs.

The producers of agro-industrial products would feel the impact of an all round reduction in the cost of inventory holding or storage because the speed and dependability of transport service would permit them to go on producing things unmindful of the expenses involved in inventory holding or storage. Unnecessary blockages of the capital and the mounting obligations of interest payment
will, thus, be reduced. With such an improvement in the rural transport system, the producer of the agro-industrial products will be able to move economically their products from the point of production to the points of their consumption or use (market). The expansion of transport services in rural areas would also result in the creation of a wide range of product choice. The agro-industrial goods which perish or deteriorate with the passage of time or during the course of their transit can also be produced if transport facilities become available with better service and lower cost of transport.¹

Another distinct feature that emerges out of our work on the topic is the fact that the pre-requisite and infrastructural development of the State have not been properly cared for before embarking upon the schemes of industrialisation including the development of agro-industries in the State. No attention has been given to the

construction of roads, bridges, nullahs etc. for linking the for-off villages and rural areas of the state to its districts' head quarters and city areas. There is no doubt that such pre-planning would require a huge investment in machines, money and materials, but the fact is that this investment is a "must" and there is no possibility of developing the village based agro-industries unless and until such investment is made. For developing an appropriate transport infrastructure in U.P., the following point must be kept in mind:

1. There is a need to link the remote areas of the state with properly developed mode of transport.

2. Though there is a net-work of railways catering to the needs of the goods traffic of Uttar Pradesh, still there is a paucity of rail-links to the village and rural areas. There should, therefore, be a purposeful expansion of railway-lines to these villages.

3. The most important aspect of transport development as a means for agro-industries advancement is the growth and development of road transport. The crux of the problem
is to expand the construction of the following pre-requisites of rural transport:

(a) roads
(b) bridges
(c) nullahs
(d) Manufacture of motors and vehicles
(e) Provision of petrol, diesel at cheap rate.

4. For the outward flow of goods the development of major districts roads as well as provincial and national highways are of great importance.

5. Tax burden which is very high and crippling the growth of road transport should be reduced.

6. Better roads should be given top priority without which road transport could not confer its maximum benefits.

7. The alarming decline in expenditure in relative terms in roads should be checked and corrective measures adopted.

8. Road transport should be directed to help the development of agro-industries both for feeding them with raw materials and also helping them in marketing their goods.