

CHAPTER-1

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The basic objective of economic policy to attain a higher standard of living and welfare for the people in a country can be achieved only through its rapid economic development. However, to be meaningful, such a development should be balanced, inter-regionally as well as intra-regionally, in a large country like India. Experience of economic development in the developed countries in the past shows that economic development has been spotty over space, resulting in developed centres with underdeveloped hinterland. This is true in the case of India also where the bigger cities and industrial centres are found to be developed, though they have their own problems, while their surrounding areas are economically underdeveloped.

Economic development of a country in general and of a region in particular, whether urban or rural, requires different types of infrastructural facilities. Even though the infrastructural facilities may not directly result in the production of anything, they are very essential for undertaking productive activities and also they affect the basic functions of production, marketing and consumption. Hence it can be observed that without the provision of developed infrastructural facilities it is hardly possible to achieve the rapid economic development of a region.

Transport is basically a form of economic activity which consists in the movement of men and materials over space for different purposes. It is basically an infrastructural facility that helps and encourages productive activities in a region. The transport system of a country is one form of its real capital that increases its productive efficiency and thereby contributes to its economic development. The contribution of transport to economic development is both direct and indirect. While it is a direct source of income to those people who are engaged in transport undertakings and allied activities, and thereby a means of improving their standard of living, indirectly it encourages economic activity in a country through encouraging productive activities in other sectors of the economy like agriculture, industry and commerce and through generating propensities, favourable to economic development, among people. It increases factor mobility and thereby helps balanced development of the different regions in a country.

Among the different types of transport such as road transport, railway transport, air transport and sea transport, it is road transport that is the most versatile and is the most suitable for bringing about inter-regional and intra-regional balance in the economic development of a country. Since economic development is historically found to be spotty

in nature with economically developed cities surrounded by underdeveloped rural areas, a method of overcoming such a dualistic nature of economic development is to bring about the rapid development of the rural areas in a region. Provision of developed road transport facilities in the rural areas of a region is one of the ways of encouraging the development of such areas since the lack of developed transport and other infrastructural facilities in the rural areas is found to be a factor that discourages their development.

The present thesis makes an attempt at analysing the role of road transport in bringing about rural development in a country by making a case study of the implications of road transport to rural development in Dakshina Kannada district of Karnataka State.

Dakshina Kannada is one of the coastal districts of Karnataka State and the district is predominantly agricultural and rural in character, though in recent years many medium and small scale industries are coming up in the district. The district grows valuable cash crops and hence, though the district is agricultural in character it is a fairly developed district in the State in terms of per capita income. Dakshina Kannada has also fairly developed rural transport system undertaken largely by private operators. The district exhibits a dualistic pattern of development in that the

district headquarters and the taluk headquarters towns are more developed than their rural surroundings. However, the district has scope for the rapid development of its rural areas through the development of agro-based small scale industries. The district, therefore, provides an ideal setting for a case study of the role of transport in rural development.

Hypothesis of the study: Though transport is only one of the basic infrastructural facilities and which in itself does not produce anything, it is hardly possible to undertake productive activities in an economy without the availability of developed transport facilities and hence the basic hypothesis of the study is that developed transport is a cause of economic development in general and of rural development in particular in developing countries.

Objective and scope of the study: While the broad objective of the thesis is to make a study of the role of road transport in rural development in Dakshina Kannada, the specific objectives are:

- (1) to study the present organisational and operational aspects of the passenger road transport system in the district,
- (ii) to study the efficiency of the present system of passenger road transport and to assess its implications to agricultural development, industrial development, intra-regional

development and to consumer satisfaction in the district,
(iii) to study the problems of the passenger road transport operators and of the users of such transport services in the district, and

(iv) to suggest certain remedial measures to overcome the problems and improve the system of passenger road transport in the district.

The study restricts itself to the operational aspect of the present system of the passenger road transport, in the district with particular reference to its rural areas, partly to restrict the scope of the study and partly because passenger road transport affects the daily life of every individual and thereby affects his economic well-being.

Source material and methodology: The theoretical part of the thesis makes use of secondary data collected from different sources. Secondary data are also used in presenting the district profile. The required data pertaining to the operational aspects of the passenger road transport in the district and the data pertaining to the problems of the transport operators and those of the users are gathered through personal investigation of samples of operators and users chosen ^{at random} from different parts of the district.

Since transport is only an infrastructural facility that helps and encourages economic activity in a region and is

not a direct input in production, the contribution of transport to economic development can be assessed only in an indirect manner. This indirect methodology is adopted in this thesis. The methodology is to assume that an efficient system of transport promotes economic development in a region, and to conclude that transport contributes to economic development if the transport system in a region is found to be efficient in terms of the views of the different categories of transport users.

Relevance of the study: The study assumes relevance in the context of the present emphasis accorded to rural development in planning and economic policy in the country. By analysing the present system of passenger road transport in the district and by studying its problems, the thesis throws light on the present structure and problems of the passenger road transport in the district and attempts to suggest measures to improve the present system of passenger road transport so as to make it a more effective tool of rural development in the district.

Chapter outline: After a brief introduction in the first chapter, the second chapter discusses the role of transport in economic development. The third chapter makes an analysis of the different forms of transport ownership, including an analysis of the relative merits and demerits of different forms of transport ownership. A discussion of transport

pricing and routing is also undertaken in this chapter and a Model for transport routing is developed.

The economic profile of Dakshina Kannada is presented in the fourth chapter of the thesis and the fifth chapter of the thesis deals with an analysis of the structure of rural transport in Dakshina Kannada, including an analysis of private and State ownerships of passenger service through heavy passenger vehicles, route distribution, passenger service through light passenger vehicles, and implications to efficiency and consumer satisfaction of the ownership of transport service, with the help of primary and secondary data. The sixth chapter discusses the role of passenger road transport in rural development in Dakshina Kannada, including a discussion of the implications of transport to agricultural development, industrial development, intra-regional development, and also to consumer satisfaction. A brief reference to the composite nature of rural transport in the district is also made in this chapter. The seventh chapter of the thesis gives a brief summary of the findings of the study and arrives at a formal conclusion.