

## Transport and Economic Development

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Since ancient times, there was interdependence between shipping activity and the degree of economic development. Civilizations who managed to exploit natural advantages like waterways have managed to develop economically. Thus, in ancient times, countries such as Egypt, China, Greece and the Roman Empire grew economically by developing river and maritime transportation routes. Since the eighteenth century, the importance of transport was highlighted by Adam Smith.

In "The Wealth of Nations" Adam Smith has developed the importance of labour division in society. As businesses increased and produced more goods than they can sell locally, it need access to wider markets, at which stage, water transport gained an important role.

With each stage of development of human society, a certain mode of transport has been developed or adapted. However, it was observed that throughout history, no mode of transport was solely responsible for growth. Thus, the development of modes of transport was correlated with economic structures and mobility of labour. For example, important international migration flows that have taken place since the 18th century were related to the extension of international and continental transport. Transport has played a catalytic role in the migration, leading to economic and social transformation of many nations. Development, diversification and development of the transport system had as a cause expansion and intensification of production and circulation of goods.

The principal role of transport is to provide or improve access to different locations for individuals and businesses. Transport thus facilitates a wider range of social and economic interactions than would otherwise be possible. The quality of transport links can affect the relative competitiveness of one area over another area, because of quality of life, lower costs to access resources and markets, and access to larger markets.

Investment in transport infrastructure is a tool for regional development, especially in developing countries, mainly for the road sector. Therefore, the complexity of the relationship between transport and economic development lies in the variety of possible effects: increasing development of economic exchanges between economic agents, establishing trade relations with the far trade area and positive indirect influence on the development of other economic sectors.

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