RTS-5 Conventional transport services

Rural communities suffer from poor availability of transportation services. As a result, supply of travel and transport means is low and waiting times can run into days. However, villages lying along district roads are more likely to access motorised vehicles than those in the more remote areas who have to walk or ride to the nearest collection point before they can travel long-distance. This is further worsened by the fact that poverty severely reduces effective demand for transportation services because often passenger and goods transport costs are considerably in excess of what most of them can afford.

High transportation costs directly impact on rural communities' access to socio-economic opportunities for example access to hospitals is largely dependent on vehicle transport. Thus, at hospitals offering a free service, transport charges represent the most critical component of treatment costs to prospective patients.

Improving rural public transport [bus, taxi, train] is recognized as a fundamental intervention. In this regard, while the social benefits of rural public transportation [providing access to essential services such as health care, shopping, and community services] have been long recognized, the economic role it plays has not been quantified, and is seldom recognized by people outside rural areas. However, rural public transportation also provides or could provide links between business and a widely dispersed rural labour force, retail centres and customers, and between health services and patients. In terms of economic theory, transportation supports economies of scale in production, which in turn, enables efficiency of transportation providers to be enhanced. It is important to realize though that overloading especially in the context of old and defective vehicles has to be vigorously guarded against, particularly where public transport doubles as freight transport as well.

	Possible Intervention Actions
Policy measures *(WB-DP334, 1996)*	• Removal of unnecessary regulatory constraints to the provision & development of transport services; • Focus legislation on safety & insurance measures; • No restrictions imposed on types of vehicles used, routes operated on, type of service offered, and fares charged; • Introduction of targeted subsidies or vouchers.
Developmentally-orientated public transport contracting *(V3, 1997)*	• Redistribution of subsidy benefits when transport service contracts are renewed to promote affordability & availability of transport services to rural communities; • Production of guidelines for the design & operation of competitive contracts, and the identification of beneficiaries of subsidy; • Route sketch planning to determine transport gaps which could be filled by small capacity vehicles.
Facilitate supply of motor vehicles *(WB-DP334, 1996)*	• Eliminate unnecessary constraints on import of vehicles & spare parts; • Developing capacity for vehicle maintenance & repair.
Support & promote innovative local services *(WB-DP334, 1996)*	• Encourage the financing of services (only if the operation is financially viable); • Provide training in transport management; • Adopt a regulatory & licensing framework that facilitates innovative services (e.g. motorized IMT);

	• Inclusion of services provided by “non-commercial” operators; • Contract periodic access services (such as a periodic scholar bus service to allow scholars access to specialized tuition & facilities at certain centers, or services to transport people to periodic markets and/or pension payout points).