

# Developing nations don't need more handouts. They need roads!



Portia Derby  
Senior Regional Director for Gauteng  
Aurecon  
portia.derby@aurecongroup.com

## *If you build it, they will come.*

These were the illustrious words on the wind that inspired an Iowa farmer in the 1989 blockbuster, *Field of Dreams*, to level corn and plant a baseball diamond for resurrected legends in its stead. But the words that brought a Chicago White Sox team back from the dead are not only good for a night of 'Totally 80s: Trivial Pursuit', they are just as handy in the boardrooms of world economic development.

## *If you build a road, they will also come.*

That is essentially the big idea that built the Silk Road and shaped the geopolitical terrain of central Asia. It is the motive behind turnpike construction in

19th-century industrial America. And it's still one of the greatest catalysts for growth within the developing world today. As our technologies continue to evolve and re-craft our infrastructure solutions, the strategies to stimulate economies and untapped new markets can easily appear daunting and dizzying in complexity.

But history – and basic economic theory – could argue that the same steady logic which built the industrialised world still applies today. Build a corridor, and you by default help build a nation.

## **STUCK IN THE MUD**

There is a kingpin theory of economics that says "movement is money". The broader your market, the greater your chance to expand your business and pump more money back into the local economy – more access, more connectivity; and more connectivity, more influence and profitability.

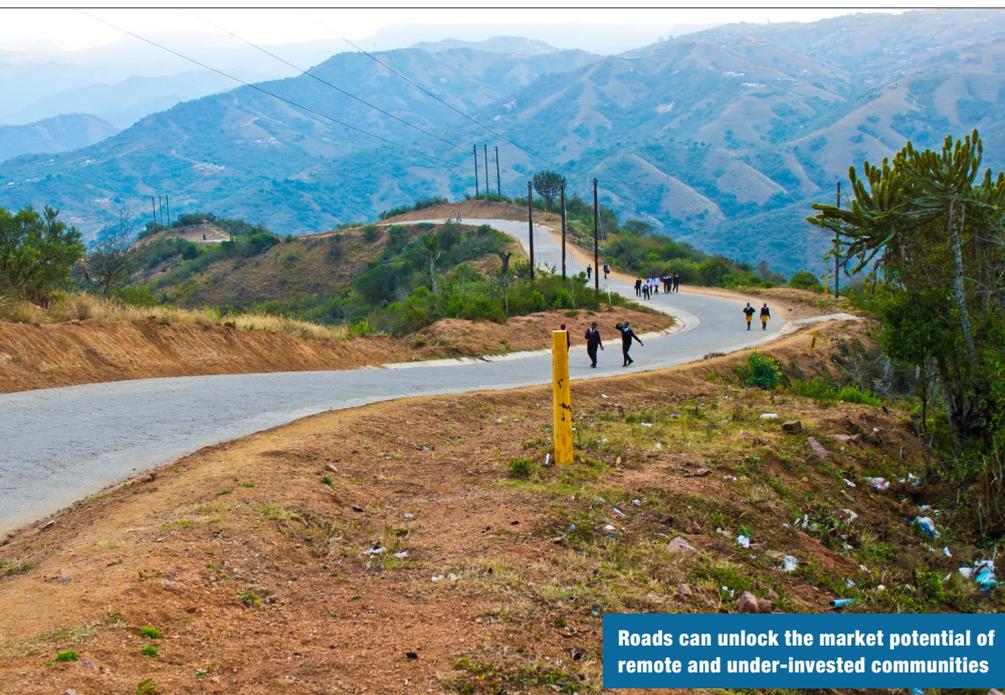
Geographical isolation, on the other hand, hinders economic growth and road-blocks innovative momentum. According to a UN-Habitat study<sup>1</sup> on poverty and sustainable transport, the majority of rural Africa does not live within five kilometres of an all-weather road. In Latin America, roads may be slightly more prolific, but their unpaved and unkempt conditions (representing 78% of the region's total road network) often render them unusable. The result is a type of economic paralysis that forces local markets to stay small, expensive and vulnerable to regional conditions.

## **CHANGING MINDSETS AROUND THE POOR**

The late management scholar CK Prahalad<sup>2</sup> argued that the degree to which we can unlock the market potential of these remote and under-invested communities will determine our future economic prosperity. He said our most potent entrepreneurial talent and consumer opportunities are to be found among the two-thirds of the world's population living at or near the poverty line. These four billion people living at the bottom of the (financial) pyramid are brimming with tremendous opportunity, skills and knowledge that in fact make them the engine for the next round of global trade and prosperity.

Prahalad said that, "If we stop thinking of the poor as victims or as a burden, and start recognising them as resilient and creative entrepreneurs, as well as value-conscious consumers, a whole new world of opportunity will open up."

This type of action requires a massive shift in mindset, in which the developed world no longer sees its role as donors or mentors, but as potential colleagues and consumers on equal footing. The assumption here is that "everybody, not



**Roads can unlock the market potential of remote and under-invested communities**

just the elite” will take part in the story of globalisation and reap its rewards. For this to happen, a change in posture is needed, one that offers a handshake over a handout.

The concept of fighting poverty with profitability is intriguing – it overrides the classic language of international development that teems with top-down terminology around teaching communities ‘how to fish’. Essentially Prahalad is saying, “They’ve been fishing all along. We need to connect them to bigger ports.”

### THE VISIBLE AND INVISIBLE ROADS

So, when it comes to uncorking and connecting this latent potential of disconnected communities within the developing world, a good road network is a good place to begin. Suddenly agricultural communities have new markets for buying and trading; the ease of travel ups production and lowers freight costs; human connectedness increases local employment; and profitability boosts standards of living. Shop owners can reduce prices, thanks to lower import

costs, and ease the burden on local consumers. There is now new space for entrepreneurial innovation to run. And there is impetus for consumers to start buying better quality cars.

Roadways could also take on less visceral forms, linking isolated communities to markets that rely primarily on the digital movement of data. Countries only starting with industrialisation may be more poised to leapfrog expensive and traditional infrastructure and go straight into more efficient, digital forms. Information highways can potentially unlock profound market value, even if the asphalt is never laid. After all, corridors of the future are becoming all the more invisible as the future unfolds.

Roads facilitate growth and health, knowledge and equality – all cornerstone elements of civil society on which humanity aims to build. They are pipelines for empowerment and mobility – catalytic forms of economic opportunity within rural and under-developed areas.

They are also increasingly invisible and potentially more profound as pathways

out of poverty. Both forms are needed as hard-hitting solutions in the arena of international development. Asphalt, or from analogue to digital, the simple lessons of history remain – if all else fails, start by building a road. That will be the first ripple of many. ▣

### END NOTES

- 1 Starkey, P & Hine, J 2014. *Poverty and sustainable transport: How transport affects poor people, with policy implications for poverty reduction – a literature review*. Available online: <https://sustainabledevelopment.un.org/content/documents/1767Poverty%20and%20sustainable%20transport.pdf>
- 2 Prahalad, C K 2004. *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*. Wharton School Publishing.

This article was first published on Aurecon's *Just Imagine* blog, and is reproduced here with the company's kind permission.



## ACCOUNTABLE FOR QUALITY

**Much Asphalt is southern Africa's largest manufacturer of hot and cold asphalt products.**

We don't just promise quality. We hold ourselves accountable for it. Process control laboratories at every plant and on site continually monitor and test our processes and products. Our customers can rest assured they are placing and compacting quality asphalt.

17 static plants • 5 mobile plants • extensive product range • stringent quality control • bitumen storage • industry training

TOGETHER WE CAN...

T: +27 21 900 4400  
F: +27 21 900 4468  
E: [info@muchasphalt.com](mailto:info@muchasphalt.com)  
[www.muchasphalt.com](http://www.muchasphalt.com)



**Much  
Asphalt**

**EST.  
1965**

