

Free essay about railway and capitalism

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The invention of the railway line revolutionized the transport sector. The time taken to travel from New York to Los Angeles was reduced from six months to less than a week. The Trans Continental Railway line that was opened in 1869 opened up areas that contained unexploited economic resources. The movement of goods from one place to another was increased. Before the invention of the modern rail transport, the Greeks were hauling goods on carriages pulled by people along rail tracks. The invention of the railway tracks is attributed to Periander, one of the Seven Sages of Greece.

Advancements in technology have revolutionized the railway transport. With modern technology, mechanical engineers have been able to design electronic trains that take less time to travel from one location to another. Not only did the railway sector revolutionize the transport sector, but also fanned the flame of capitalism.

Capitalism is an economic philosophy in which the means of production such as the assets and labor are controlled by private owner. Business owners in a capitalistic society aim at amassing wealth for the personal gain. A capitalistic society is characterized by capital accumulation, a competitive market and the wage labor. Capitalism is associated with the western countries. It is usually contrasted with the communist where means of production are communally owned. In the 21st century, it is rare to find a pure capitalistic economic system. However, there is a proliferation of capitalistic economic systems especially in developing countries. In crony capitalistic economic systems, political corruption, nepotism and unlawful cartels dominate the market economy.

The invention of the railway transport was timely in the development of a

capitalistic economy. The railway transport provided the means of transport for goods and services from their area of production to the market. The railway transport expanded the market for the produced goods and services. Businesses were able to establish the manufacturing companies for the goods and services near the natural resources. The transportation of bulky goods was costly for the manufacturing businesses. Investors and entrepreneurs opted to direct their funds to businesses that had low production costs.

The railway sector was used by private investors in the 19th century to transport goods and services from one location to the next. The flourishing of the private sector was contributed by the establishment of the railway line. In a capitalistic society, there is little government involvement in business. The government played a regulatory role until the beginning of the Global depression of 1929. After the end of the great depression, the government became directly involve in the economy to rescue the failing corporations. The majority of the western governments used the Keynesian economic policies to stabilize the economies after the Second World War.

In the advent of rail transport, the world governments controlled the railway sector. A study of the history of the railway line reveals why the majority of the governments are in charge of the railway lines. Economic scholars in the 19th century such as Adams smith advocated for the market liberations. The works of prominent economists influenced the governments to relinquish control of the railway transport and allow private investors to run railway transport companies. Although the government is responsible for the installation of the railway lines, the industry is majorly run by private

investors and business people.

One of the key elements of a capitalistic society is the competition between businesses. Businesses have realized that the economic opportunities are limited. They compete to take advantage of the limited economic resources. The invention of the railway transport expanded the scope of the market. Goods and services could be transported to areas that were not possible before the invention of the railway lines. Private companies could engage in trans-border trade because they had the means of supplying goods to the foreign markets. The railway transport fueled the industrial revolution. The raw materials needed were made available from their sources through the railway lines. The industrial revolution entrenched the capitalistic economy in the western nations.

Rail transport allowed the free movement of the traders and passengers from one location to another. The rail transport joined the forces of supply and demand. Business traders could easily travel from the area of demand to the area of supply. The traders provided the goods that consumers required. Contrasted with the caravan that was used in international trade during the medieval times, the rail transport was faster than the camels used in the sub-Saharan trade. The rail transport reconciled the market forces by ensuring a consistent chain of supply and demand.

Railway transport contributes to the economic vibrancy of the nation. It allows the free movement of people into the large cities hence decongesting the roads. In the Scramble and partition for Africa, railway lines played major roles in military mobilization to quell the resisting communities. Railway lines enabled the western powers to tap economic resources from the African

continent especially in the 20th century. The growth of capitalistic societies is attributed to the utilization of the railway transport.