

INDIAN ECONOMIC DEVELOPMENT**REVISION NOTES****CHAPTER-8****INFRASTRUCTURE****➤ Infrastructure**

It refers to such core elements of economic & social change which serve as a support system to production activity in the economy.

• Types of Infrastructure

- 1) **Economic Infrastructure:** It refers to all such elements of economic change like- power, transport, communication etc. which serve as a support system to the process of economic growth. It fosters economic growth which results in increase in the standards of living of the people.
 - 2) **Social Infrastructure:** It refers to core elements of social change like- schools, colleges, hospitals, banking etc. which serve as a support system to the process of social development of a country. Social infrastructure focuses on human resource development, implying the development of skilled personal as well as healthy & efficient human beings. It accelerates the process of human development.
- Difference between Economic Infrastructure and Social Infrastructure**

Social Infrastructure	Economic Infrastructure
1) It helps the economic system from outside(indirectly).	1) It helps the economic system from inside(directly).
2) It improves quality of human resource.	2) It improves the quality of economic resource
3) For example - Health, Education and	3) For ex- Energy, Transport and

housing	communication
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- **Importance of Infrastructure**

- 1) **Raises on Productivity:** Infrastructure plays an important role in raising productivity with improved roadways, warehouses etc. Farmers can easily sell their products in different markets.
- 2) **Raises Size of the Market:** Infrastructure enhances the size of the market as large scale of production can capture more market.
- 3) **Raises Ability to Work:** Social Infrastructure increases the quality of life of workers, thereby increasing their efficiency. Health care centres, educational institution and other such facilities inherit skills which increases ability and efficiency to work.
- 4) **Facilitates Outsourcing:** India is emerging as a global destination for all kinds of Outsourcing. For example- Call centres, Study centres etc.
- 5) **Generates Linkages in Production:** Better means of transport and education, robust system of banking and finance generates better inter-industrial linkages.

- **The State of Infrastructure in India**

India invests approximate 5 percent of its GDP on infrastructure, which is far below than that of china and Indonesia. With government, private sector in partnership with the public sector is also playing a very important role in the infrastructure development. India needs to develop its infrastructure specially in the area of rural energy requirement, water, basic amenities and sanitation.

- **Energy**

Energy is the life line of entire production activity. In fact any type of production activity cannot take place without energy. There are two main sources of Energy:

- 1) **Conventional sources of energy:** These are the energy which are known to us & which are popularly in use since a very long time. For example- Coal, petroleum, natural gas & electricity. These are of two types:
 - a. **Commercial sources:** coal, petroleum and electricity.
 - b. **Non-commercial sources:** firewood agricultural waste and dried dung.
- 2) **Non-conventional sources of energy:** These are the energy which have been discovered or explored in the recent past & which are yet to gain popularity for their use.

➤ **Power/ Electricity**

The most visible form of energy, which is often identified with progress in modern civilization is power/electricity.

• **Some Challenges in the Power Sector**

- 1) India's installed capacity to generate electricity is not sufficient to feed an annual economic growth of 9%. At present India is able to and only 20,000 MW a year. Even the installed capacity is underutilized.
- 2) State Electricity Boards (SEBs) which distribute electricity incur loss which exceed 500 billion due to transmission and loss in distribution, wrong pricing of electricity and other inefficiencies.
- 3) Private sector power generators are yet to play their role in major way, same is the case with foreign investors.
- 4) There is general public unrest due to high power tariffs and prolonged power cuts in different parts of the country.
- 5) Thermal power plants which are the mainstay of India's power sector, are facing shortage of raw material and coal supplies.

➤ **Health**

It is a state of complete physical, mental & social well-being. A person's ability to work depends largely on his good health. It enhances the quality of life.

- **State of Health Infrastructure**

- 1) There has been significant expansion in physical provision of health services and improvements in health indicators since independence, but it is insufficient for rapidly increasing population in India.
- 2) Public health system and facilities are not sufficient for bulk of the population.
- 3) There is a wide gap between rural urban areas and between poor and rich in utilising health care facilities.
- 4) Woman's health across the country has become a matter of great concern with reports of increasing cases of female foeticide and mortality.
- 5) Regulated private sector health services can improve the situation and at the same time, NGOs and community participation is very important in providing health care facilities and reading health awareness.

- **India's Health Infrastructure and Healthcare is made up of a three tier system:**

- 1) **Primary Healthcare:** It includes:
 - a. Maternal and child health care
 - b. Promotion of health and provision of essential drug.
 - c. Immunisation
 - d. Educating the people about identifying, preventing and controlling diseases
- 2) **Secondary Healthcare:** Health care institute having better facilities for surgery, x-ray, ECG are called Secondary Healthcare institutes. Patients are referred here when their condition is not managed by PHC.
- 3) **Tertiary Healthcare:** In this sector, there are the hospitals which have advanced level equipment and medicines and undertake all the complicated health problems. Which

could not be managed by primary and secondary hospitals.

Expansion of health infrastructure has resulted in the eradication of small pox, guinea worms and the near eradication of polio and leprosy.

- **Development of health Services in India:**

- 1) Decline in Death Rate
- 2) Rise in expectancy of life
- 3) Decline in Infant Mortality Rate
- 4) Control over Deadly Diseases.

- **Health as an Emerging Challenge**

- 1) Unequal distribution of health services
- 2) Control of communicable diseases.
- 3) Poor management of health care.
- 4) Privatization of health care services.
- 5) Poor upkeep & maintenance.

