

INFRASTRUCTURE DEVELOPMENT AND IT'S IMPACT ON ECONOMY



WHAT IS INFRASTRUCTURE?

- Infrastructure, in general, defines as a set of facilities through which goods and services are provided to the public.
- Infrastructure is the stock of basic facilities and capital equipment needed for the functioning of a country or area;
- The term to refer collectively to the roads, power, telecom, water supply, bridges, rail lines, and similar public works that are required for an industrial economy, or a portion of it, to function.



ROADS



POWER



AIRPORTS



EDUCATION



RAILWAYS



WATER SUPPLY



SOCIAL INFRA.



HARBOUR



MEDICAL

TYPES OF INFRASTRUCTURE

Economic Infrastructures : combination of basic facilities which is helpful in development of an economy and businesses.

It includes facilities of telecommunication, electricity, transportation, energy etc.

Social Infrastructures: combination of basic facilities which are necessary for human development.

It includes health (hospitals), education (school, colleges etc.) and housing.

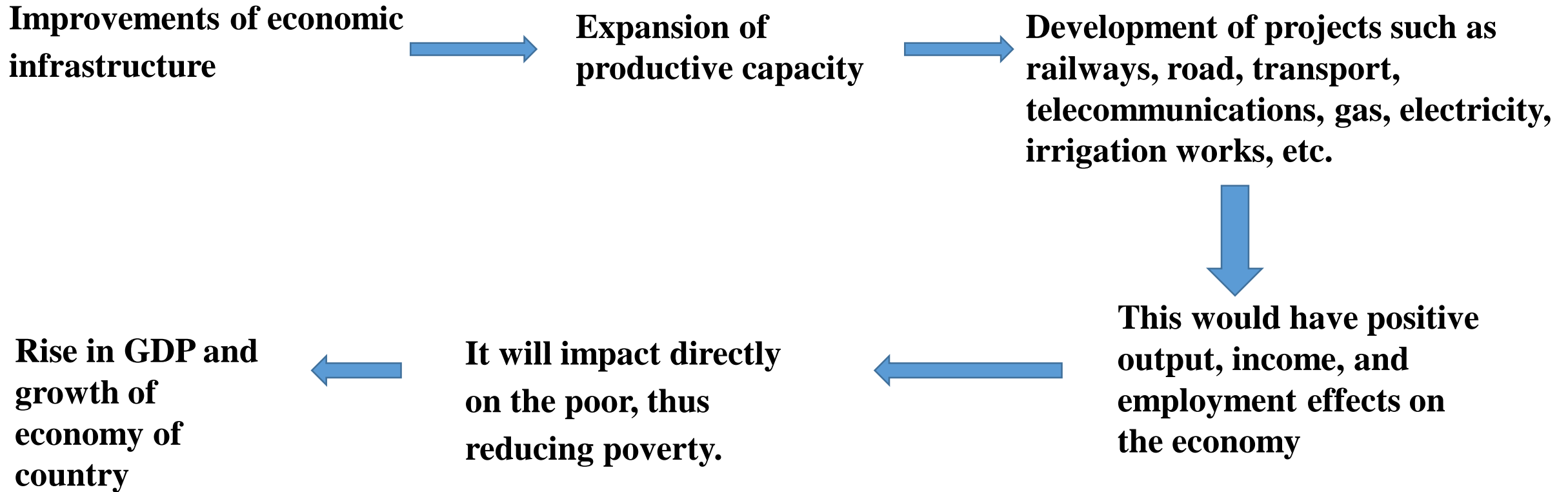
Both of these infrastructures are complementary to each other and are necessary for the overall development of an economy.

Normally infrastructure does three things:

- It provides services that are part of the consumption of residents
- Large - scale expenditures for public works increase aggregate demand and provide short- run boost to the economy.
- It serves as an input into private sector production, thus increase output and productivity.

ALL THIS LEADS TO:-

- ❖ Country's improved economic growth
- ❖ Improvement in Job Opportunities
- ❖ Improvement in Sector development



Greater supply elasticity of goods and lower production costs of projects can cause lowering of prices. With domestic price levels falling, economy's export in international trade will ensure an improved balance of trade, balance of payments, and less foreign debt burden.

THE ROLE OF SOCIAL INFRASTRUCTURE

- Education and health are social goods.
- Economic development is not possible without education and investment in human capital which is highly productive.
- Therefore, it is important for a country to provide the finance and other resources for the take- off of social infrastructural projects

Increasing the number of educational institutions and providing quality education can improve the education status of the country's people , thus rising the social level, science and technology of a country.

Health

, like education, is a very important argument in the socio- economic production of country.

Health is one of the major determinants of labor productivity and efficiency.

Public health deals with the environment in which economic activities take place. Good environment would allow accelerated growth and development.

It includes:-

- ☐ improvement of environmental sanitation both in rural and urban areas
- ☐ removal of stagnant and polluted water
- ☐ slum clearance
- ☐ better housing
- ☐ clean water supply
- ☐ training of health and medical personnel
- ☐ better sewage facilities
- ☐ control of communicable diseases
- ☐ provision of medical and health services especially in maternal and child welfare
- ☐ health education



So for public health . . .

- Medical science should develop further
- More hospitals should be opened, especially in rural area and villages
- Advance medical equipments must be made available
- Proper facilities should be provided

And for all this, investment in social infrastructure is must.
Health of people directly effect the growth and development of the country and thus impacting the economy.

Investment in infrastructure is often considered as one of the most effective tools for fighting poverty.

Access to infrastructure is essential for improving economic opportunities and decreasing inequality

For example, adequate transportation networks in developing country like India could give the poor a better access to schools, hospitals, and centers of commerce, which will result in improvement in education, health, and profit gaining opportunities that strengthen a country's economic potential.



