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Economic Development/Growth through Infrastructure

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The Level of infrastructure development in a country is a crucial factor determining the place and diversity of ratio economic development or say development. In a country, new factories machinery, equipment and materials increase the physical CAPITAL stock and make it passable for the expanded Out-put level to be achieved. These directly productive investment in what is often known as social and Economic. INFRASTRUCTURE - roads, railways, waterways, airways and other farms of transportations and communications plus water supplies, financial-institutions, electricity and public services such as health hygiene and education-which facilitate and integrate our activity this improve our working capacity and which finally affects output and development.

POOR INFRASTRUCTURE, POOR DEVELOPMENT

Poor infrastructure integrates poor development in economically backward area, For example Investment a farmer in a new tractor may increase the total output of the vegetable he can produce but without adequate transport facility to get this extra product to local commercial market, his investment may not add any things to national food production as well as Grass National Product (GNP). Similarly, investment in human resource can improve its quality, thereby have the same or even a more powerful effect on production as an increase in human number.

Formal schooling, vocation and an-the-job training programs and other types of informal education may be all the made more effective in augmenting human skills and resources as a result of direct investment in building, equipments and materials,

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e.g. books, film projections, personal computers, science equipment, vocational tools and machinery such as lathes and grinders, telephone etc. Thus the relatively high investment in infrastructure mainly electricity transport and communication and education are an urgent and important need to stimulate development of underdevelopment areas.

INFRASTRUCTURE IN UNDER DEVELOPED AREA

The problem of development generally lies in backward underdevelopment area, which are the areas of comparatively Low-Income.

These areas are under the grip of "Poverty TRAP" or vicious circle of Poverty. It implies a circular constellation of force tending to act and react upon one another in such a way as to keep a poor area in a state of poverty. Some instances of such circular constellation are not difficult to imagine. For example, a backward area may not have enough income bringing low level of income less communication of capital stock, having less capital stock and less knowledge investment of area is low, low investment leads less development in infrastructure a backward or poor area may not have enough infrastructure integrates less socio-economic activity (productivity) and output are low which means that the area the poor or backward which in turn means that it will not have enough income, and so on. A situation of this sort relating to a country as a whole can be summed up in the trite proposition: a country is poor because it is poor. Here, poor maul be in capital stock in effort to work or in both.

Perhaps the most important circular relationship of this kind are those that afflict the communication of capital as well as knowledge in economically backward or underdevelopment area. The supply of capital is governed by the ability and willing to save and the demand for capital is governed by the incentive to invest. Infrastructure investment is subject to demand for capital.

LESSIONS FROM INDIA

India is developing country having Low income and high-population. She has chosen planned development Path since 1951. Indian planners were fully aware of the link between infrastructure facilities and general development and accordingly, they gave high priority to the expansion of infrastructure

integration right from the FIRST Plan itself. The Plan have generally devoted over 50% of the total plan outlay on infrastructure development.

Indian Economic, keeping only few exception is facing the problem of KUZNETS curve, a relationship within a country is income per capita and its equality of income distribution in which as per capita income increase, the distribution of income of first worsens and later improves from very low level brining it there are two obstacle in Indian Economy.

(a) Leverages- It is "withdrawals" of the economy due to severe corruption an population increase, and

(a) Time lag- It is a state of "effortlessness" or "delays" in working process knowingly or unconsciously or both.

HOW TO COME-OUT FROM THE 'TRAP'

Underdeveloped countries are facing the problem of "poverty Trap" The primary task of underdeveloped area is to go straight into battles with the twin evils of mass unemployment and mass migration into cities. This means that Work place have to be create in the area where the people are living now and not primarily in metropolitan area in to which they tend to migrate These work places must be, on overage cheap enough so that people can be created large numbers without this calling an unattainable level of savings and imports The production methods employed must be relatively simple, so that the demands for high skill are minimized not only in the production process itself but also in matters of organization, raw material supply, financing, marketing and so forth Production should be largely from local material for local use. These for requirements can be achieved only:

(a) If there is a "regional approach" to development.

(b) If there is a conscious effort to develop what might be called technology for infrastructure.

On the basis of this stipulation, for example, only complements engineering firm can get to work and design the appropriate implements and methods to convert local materials into useful infrastructure for local use. The types of industry to be tackled immediately would be:

(a) Every kind of consumer's goods industry, including building and building materials.

- (b) Agricultural implements as NETWORK, and
- (c) Equipment for infrastructure technology industries.

The above is true for Indian Economy which is short on capital and long on semiskilled and unskilled labour. In start, there is a need of opportunity to work via labour intensive technique at regional level to come-out from the trap of underdevelopment.

Technological process is an important aspect of self reliance and self reliance need not means an absence of inter-dependence with in and between nations. To the extent that foreign resource of materials, expertise and technology could be aligned to socially determined priorities in production through infrastructure and resource usages. It is a quest for appropriate infrastructure to stimulate the development.

No development takes momentum unless or otherwise people feel parried on their nation. A country is all above our desire. As we have seen earlier that the supply of capital is governed by the ability and 'willingness' to save. It is true enough but in an underdeveloped country like ours, it is not equally true because leakages and time loge are at the stage of our whole drama. These Economic should be removed by plus leadership and opted AUSTERITY for capital accumulation for nation's sake at least one perspective plan period.

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