

ROLE OF DEVELOPING INFRASTRUCTURE FOR ECONOMIC PROSPERITY OF RURAL INDIA

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ABSTRACT

Infrastructure plays a crucial role for not just the country's economic growth but also its progress in human development. The large magnitude of the rural population, their prevailing socio-economic conditions and the quality of life calls for an all-round development in rural infrastructure to achieve the long-cherished objectives of equitable and inclusive growth with social justice. It is a well-known fact that there is an urgent need to re-energise India's rural economy, including both agricultural and the non-farm sector. A number of recent initiatives undertaken intend to augment the rural infrastructure level, which could contribute positively in this regard. Infrastructure development is also likely to contribute in improving the poverty scenario. Looking at the village-level infrastructural scenario for the states, the current analysis attempts to create a composite index of the infrastructure enjoyed by them, which in essence reflects their future growth potential.

Keywords: *Infrastructure, Economic, Human development, Growth*

INTRODUCTION:

Rural development is defined as 'improving living standards of the mass of low-income population residing in rural areas and making the process of their development self-sustaining'. It embraces all those programmes that touch all levels of human living, e.g., agriculture and related matters, irrigation, communication, education, health, supplementary employment, housing, training and social welfare.

The role of infrastructure in spearheading economic development of a country and also setting its pace can hardly be over emphasized. Like a foundation in an edifice, the place of infrastructure as well as its soundness, are crucial to the nation's total development. The economic growth of a country has evidently happened hand in hand with the development of its infrastructure. To quote famous economist Dr. V.K.R.V. Rao, "the link between infrastructure and development is not a once for all affair. It is a continuous process and progress in development has to be preceded accompanied and followed by progress in infrastructure, if we are to fulfill our declared objectives of a self-accelerating process of economic development".

Rural areas account for a larger part of the geographical area in India. Census 2011 reports that there are 6.4 lakh villages in India, which shelter more than two-third of the country's population. Provisioning of basic infrastructure facilities for this large section of the population spread across 3.28 million square kilometer of the country's geographical area has

been a major challenge. During the last six decades of the planning period, the country's economists and planners have identified the potential of a vibrant rural India and advocated for the improvement and the expansion of rural socio-economic infrastructure. While the Eleventh Five Year Plan (2007-2012) noted a direct and significant causal relationship between infrastructure and the incidence of poverty in states, the approach to the Twelfth Five Year Plan (2012-2017) laid a renewed emphasis on the creation of physical infrastructure like roads, railways, ports, airports, power and telecommunications.

Infrastructure Development in rural India:

Rural development may be defined as structural changes in the socio-economic situation to achieve improved living standard of low-income population residing in rural areas and making the process of their development self sustained. It includes economic development with close integration among various sections and sectors; and economic growth specifically directed to the rural poor. In fact, it requires area based development as well as beneficiary oriented programmes. That's why rural development is one of the main and important tasks of development planning in India. Development of rural areas is slow due to improper and inadequate provision of infrastructure with compare to urban areas.

1. Rural development activities must be organized around activities and services that have relatively well defined technologies or methodologies and objectives;
2. Rural development activities must be organized to utilize the relatively unskilled human resources that are available in the rural areas;
3. Effective implementation of rural development programmers is largely dependent upon the development of the institutional capacity to mobilize the limited political and economic resources to the disadvantaged rural communities;
4. The problems of welfare in the rural areas of most developing countries continues to be more a problem of level of output per person than that of distribution; and
5. The structural characteristics of most rural communities and of the societies of which they are a part will constrain them from securing access to many of the available development opportunities.

Further three implementation strategies have been specifically suggested for planned development efforts:

1. To inform and educate people and decision makers presuming that they are rational and will make correct decisions;
2. To involve individuals (more particularly the beneficiaries) as participants in a systematic effort to alter values and behaviour patterns from less appropriate to more appropriate orientations; and

3. Application of power to change behavior without necessarily bothering to inform, educate or involve individuals in decision-making.

The following points elaborate the role of infrastructure development in economic development of India:

1. Infrastructure Increases Agricultural Production and Productivity:

Infrastructure enhances agricultural production and also the productivity. Infrastructure increases the 'comparative advantage' of that region in which infrastructural investment is made. When the region gains comparative advantage in the agricultural activities, the net result is increase in the production and productivity of various agricultural goods and services in general.

2. Infrastructure Accelerates Industrial Growth:

Industrial production requires not only raw material machinery and equipment but also a well-knit infrastructure. Private investment will not come up to industry without proper infrastructure. Infrastructure facilities like energy transport, banking insurance etc. acts as a boost for industrial development. Infrastructure increases the productivity of industries. Thus, adequate infrastructure increases the speed of industrial development. A sound infrastructure also increases the competitiveness of the industrial sector.

3. Infrastructure Generates Employment Opportunities:

Infrastructure plays a significant role in the generation of employment opportunities. It improves mobility, productivity and efficiency of labour. Infrastructure is a base for larger investment, development of industry and agriculture which in turn creates more employment opportunities.

4. Infrastructure Contributes to Tourism Development:

Tourism has emerged as an industry today. It is one of the major sources of revenue. For proper development of tourism industry, infrastructure development is very much required. Thus, infrastructure development plays an important role in tourism development. For instance many tourist spots in India remain unnoticed due to lack of infrastructure facilities.

5. Infrastructure and Social Development:

Infrastructure increases the employment opportunities which in turn increase the income level of the people. Increased income level will enhance the standard of living of the people. Thus, infrastructure development will change the total outlook of the society and will lead to social development.

6. Assists to Reduce Poverty:

Creation of infrastructure helps to reduce poverty. To a great extent the poor are identified as those who are unable to consume a minimum amount of clean water and who live in unhealthy surroundings, consequently, they have more health problems and fewer employment opportunities. Different infrastructure sectors have different effects on improving the quality of life and reducing poverty. Access to clean water and sanitation has direct consumption benefits in reducing mortality and morbidity. It increases the productive capacity of the poor.

7. Improves the Quality of Growth:

Enhancing the quality of growth and thereby life of the people has been the main focus of development planning in developing countries like India. The quality of growth can be measured in terms of improved and equitable opportunities and choices for education, jobs, better health and nutrition, cleaner and sustainable natural environment, trustworthy and transparent people's institutions, dignity, self-respect, self-esteem, freedom etc. The infrastructure development is regarded as a means to activate this end.

8. Instrument of Social change:

Infrastructural facilities also act as an instrument of social change. Development of transport facilities, education, science and technology, growth of towns and cities etc, may change the very outlook of the people. Thus, infrastructure plays an important role in the economic development of India. Infrastructure development is the kingpin of economic development. The expansion of infrastructure sector boosts several other sectors of economy. It is undoubtedly a key sector having pivotal position in the economic development of the country.

Infrastructure plays a crucial role for not just the country's economic growth but also its progress in human development. Rural areas account for a larger part of the geographical area in India. Census 2011 reports that there are 6.4 lakh villages in India, which shelter more than two-third of the country's population. Provisioning of basic infrastructure facilities for this large section of the population spread across 3.28 million square kilometer of the country's geographical area has been a major challenge. The present status of rural infrastructure in the country under various categories is discussed in the following.

Areas of Rural Infrastructure:

- 1) A set of basic facts define the constraints within which the economic growth and development of India's rural population must be addressed. Fundamentally, they relate to resource constraints, the nature of infrastructure, and the future trajectory of the geographical distribution of the population.
- 2) These services include, at a minimum market access, educational, health, financial, entertainment, transportation, and communications. Further, services depend on the availability of infrastructure.

- 3) Infrastructure investment is irregular and inadequate to support 600,000 villages and the average cost of providing infrastructure is inversely related to the scale of the operation.
- 4) Limitations on the financial and other resources available for providing infrastructure made it impossible to provide infrastructure at every village in India. Even if they were provided at every village, it will not be commercially sustainable.

Bharat Nirman:

The basic geographical structure of population distribution will change once India shifts from being agriculture based country to industry based nation. The Government has launched “Bharat Nirman” for the development of rural infrastructure. Plans proposed for the development of India Rural Infrastructure are -

a) Water Resources

Irrigation Indian agriculture is primarily rain-fed. The goals of agricultural plans in India have aimed at food and fodder availability, growth in agriculture, sustainable agro-practices and easy access to agro-inputs. Creation of irrigation potential in the country and expansion of installed capacity of various irrigation projects have also been important policy objectives of India's development planning.

b) Rural Water Supply

The target for providing access to safe drinking water to identified habitations was achieved well before March 2012. The remaining habitations, of which many were in difficult areas lacking sustainable sources of drinking water, were covered by March 2012. The strategy adopted to cover uncovered habitations which include both Not Covered and Partially Covered habitations is to ensure that the rural population gets at least 40 litres per capita per day of safe water from sources lying within the village or nearby. Now the focus has shifted to improving the quality of water supplied to targeted habitations.

c) Electrification

Power infrastructure plays a vital role in sustained economic development of a country. The quality of power supply and power accessibility has been a matter of concern in rural India as capacity addition in this sector has been falling short of its targets/demand.

d) Rural Roads

Bharat Nirman entailed providing connectivity to all habitations of 1,000 and above (500 and above in the case of Hill States including North East, Tribal and Desert Areas) by 2012. The programme envisaged to provide connectivity to 63,940 habitations till the year 2012. Up to March 2012, projects to connect 58,387 habitations were sanctioned.

e) Rural Housing

Under Phase I of the Rural Housing component of Bharat Nirman, 60 lakh houses were to be constructed through Indira Awas Yojana (IAY) during 2005-06 to 2008-09. Against this target, 71.76 lakh houses were constructed. During 2009-10, as against the target of construction of 40.52 lakh houses, 33.87 lakh houses were constructed. Against this, 65.87 lakh houses were completed by 31st March 2012.

f) Rural Telephone Connectivity

India has witnessed a rapid expansion of the telecommunication sector in the last decade. This has led to an intense competition amongst various service providers which ensured quality services at affordable prices. The revolution in the field of communication has the potential in supporting the rural folk in improving their quality of life and livelihood.

Bharat Nirman through Pradhan Mantri Gram Sadak Yojana:

Rural connectivity is one of the major goals of Bharat Nirman. In India, there are more than 6 lakh villages located in different terrains e.g. plain, hilly, deserts, swamps, coastal region, mountainous region, back water areas, tribal pockets, etc. The climatic condition also varies from place to place to a great extent. Due to improper planning, some villages are having multi road connection while others are deprived of even single road connection.

In Pradhan Mantri Gram Sadak Yojna (PMGSY) has been decided to give one and only connection to each village. It is centrally sponsored programme with 100% financial assistance. All PMGSY roads are guaranteed defect free by the contractors for a period of 5 years and maintained by him under a contract. Funds for the maintenance contract are provided from the State Budget. After the period of 5 years, the roads will be transferred to the District Panchayat for further maintenance.

PMGSY achievements can be summerised as follows:

- 53,000 Km. of new rural roads constructed
- 27,000 Km. of rural roads upgraded and modernized
- 37,000 habitations provided all weather connectivity opening access for agricultural produce
- Rs. 15,117 crore invested up to January 2006
- Monitoring the quality of road works through independent technical experts at the state and national level.

Rural electrification

Out of the estimated 80,000 villages yet to be electrified, the 10th Five Year Plan (2002-2007) proposes to electrify 62,000 villages through grid supply. The remaining 18,000 remote villages are proposed to be electrified by 2011-2012 through the use of decentralized

non- conventional source of energy. The rural electrification programme has been included as a component of Pradhan Mantri Gramodaya Yojana(PMGY) and is being encouraged to pool resources from other schemes under Minimum Need Programme (MNP) and Rural Infrastructure Development Fund(RIDF) to meet objective of 100 % electrification.

A new scheme called Accelerated Rural Electrification Programme (AREP) has been launched. The participation of Decentralized Power Producers, PRIs, Rural Co-operatives, NGO, etc. will be encouraged. The Ministry of Power is pushing the concept of Rural Electricity Supply Companies (RESCOs) involving the private sector players by leasing out solar panel based light systems to village homes.

The development and implementation of various rural infrastructure projects help to create values for the rural society. Similarly, involvement of Public as well as Private companies, NGO, etc. require the technical and managerial experts of engineering consultancy in rural areas.

Bharat Nirman through Indira Awas Yojana

Indira Awaas Yojana (IAY) targets rural families below poverty line who are either totally houseless or live in unserviceable kutchha houses. It is an effort to provide an identity and sense of security to rural poor households. Under the scheme, a maximum assistance of Rs. 25,000/- per house for plain areas and Rs. 27,500/- per house for hilly/difficult areas is given to BPL family to construct. Assistance is also provided for up gradation of kutchha houses @ Rs. 12,500/- per unit. . 60% of the houses are to be for SC/ST beneficiaries. Rural housing is one of the major goals of Bharat Nirman. The target of IAY in Bharat Nirman is as follows;

- To construct 60 lakh houses over the next 4 years (2006-2010)
- Investment in Rural housing will be about Rs. 12, 000 crore

IAY: Achievements:

- Allocation for IAY has increased for Rs. 2750 crore (2005-06) to Rs, 2920 crore (2006-07).
- About 9.6 lakh houses have been constructed so far in current year (2005-06).
- About 139 lakh houses have been constructed under IAY all over the country since inception of the scheme up to January 2006.
- An amount of Rs. 25,500 crores have been invested so far in IAY.

There is provision of free electricity connection to be provided to IAY houses under Rajiv Gandhi Gram Vidutikaran Yojana.

Planned urbanization with rural ambiance

The formation of cluster of rural settlements, which acts as a viable planning unit, is linked to the nearest towns then receives the needed growth impulses and makes it-self integrated with the town economy. It emphasizes the importance of urban infrastructure in rural areas. Based on it, Planned Urbanization with Rural Ambiances (PURA), as propagated by Dr. A.P.J. Abdul Kalam, the President of India, in his vision 2020, argues the following connectivity for the cluster of villages:

- i. Physical Connectivity (roads, transport facilities, etc.)
- ii. Economic Connectivity (Banks, Commercial organizations, etc.)
- iii. Knowledge Connectivity (School, colleges, vocational education, etc.)
- iv. Societal Connectivity (Hospital, recreational facilities, place of worship, etc) and
- v. Electronic Connectivity (Phone, internet, cable, etc.)

a) Location

The location of PURA would be in the vicinity of a growing city and having high potential of development such as availability of local resources, skills, adequate water & power, good connectivity to transport networks, potential for employment generation, goods market, etc.

b) Land Acquisition

PURA Development Agency (PDA) would be set up as a status of Development Authority with a mandate to perform municipal functions. PDA would adopt land pooling, partially pooling and partly acquisition, land acquisition, etc. to get land for the projects.

c) Plan Preparation

PDA would prepare Economic Plan, Structure Plan and Implementation Plan for the projects.

- Economic Plan: Identification of local resources and skills, key investors as anchors, ascertain industry ancillarization / outsourcing, etc.
- Structure Plan: – Utility Infrastructure: Water Supply, Sewerage, Drainage, Low Cost Sanitation, Power, Transport, Solid Waste Management, etc. – Social Infrastructure: Health, Education, Community Halls, Parks, Play Grounds, etc. – Commercial Infrastructure: Shopping Centre, Markets, Theatres, Trade Centre, etc.
- Implementation Plan: PDA would prepare implementation plan to implement various provisions of PURA. The Chief Executive of PDA would be a professional on 5- year contract to supervise the works.

PURA would be a viable infrastructure project in rural areas since infrastructure is less expensive in rural areas and small towns than in large cities.

Rural development plans by the panchayat

The 73rd Constitutional Amendment Act, 1992 has provision for the establishment of panchayat at village level. The Eleventh Schedule (Article 243-G) of the same has listed 29 items for consideration in development plans.

Spatial aspects in rural development plan

The development of rural area basically depends on location of various economic and social activities, their integration and proper linkages within and outside the areas. Similarly, anticipated development activities, set up of organizational framework at different level, etc. also affect the size of existing settlements, emergence of new settlements and overall development of the area. Item No. 13 (Transport and Communication), Item No. 8 (Small Scale Industry), Item No. 9 (Village and Cotton Industry), etc. decides the location of various functional units. Hence, development plan of any rural area need to take care of all these aspects for proper and balanced development.

It is mandatory for State Government to constitute District Planning Committees (DPCs) to consolidate plans prepared by panchayats and municipalities. The preparation of development plans certainly requires engineering consultancy to create values. Engineering consultancy explore the potential of the districts, priority of various plans and schemes, financial details, environmental sustainability, viability of the

projects, etc. for achieving integrated planning and development of rural and urban areas of the district.

Rural building centres and industrial extension services

The then Ministry of Urban Development and Employment, Government of India, initiated building center movement in 1988 has spread out with establishment of more than 650 building centers in the country. The scheme has been implemented through HUDCO with the following objectives:

- Technology transfer from lab to land by disseminating of information on Cost Effective and Environment Friendly (CEEF) construction in rural and urban areas
- Skill up gradation of work force.
- Creating a pool of trained rural / urban construction work force for construction industries and building activities.

Rural Building Centres (RBCs) may be established in rural areas having the same goals and objectives. The engineering consultancy can play important role to create values in these areas. The active participation of Government and Non-Governmental Organizations through

RBCs can prepare and implement infrastructure projects. Rural consultancy and synergy with various government departments and agencies at district level can integrate various development projects. Industrial Extension service aims at providing complete technical, economic and managerial consultancy services in small scale and cottage industries. The industrial extension service is provided through Small Industries Service Institutions (SISIs) which are State level agencies. The same may be located in different parts of rural areas to assist and supervise the minor and major infrastructure projects and serve as common service facilities centres. Similarly, DPC may also co-ordinate various schemes and programme at district level such as Minimum Needs Programme (MNP), Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP), Rural Landless Employment Generation Programme (RLEGP), Jawahar Rojgar Yojana (JRY), Drought Prone Area Development Programme, etc. to derive maximum benefits for rural development. The emphasis on establishment of rural building centres and small industries service institutions in various parts of rural area by the Government may help to cater engineering consultancy to create values for rural India.

CONCLUSION:

Rural infrastructure is not only a key component of rural development but also an important ingredient in ensuring any sustainable poverty reduction programme. The proper development of infrastructure in rural areas improves rural economy and quality of life. It promotes better productivity, increased agricultural incomes, adequate employment, etc. We need to remember that rural economy still plays a significant role in India's overall economy. The rural sector has a very high potential in terms labour and natural resources, which are the basic inputs in production process. However, among other factors, lack of adequate infrastructure has been driving the rural labour into poverty and deprivation. Provisioning of basic infrastructure facilities would help in tapping the vast resources in the rural areas in India. Therefore, the gaps in rural infrastructure need to be addressed properly so as to achieve redistributive growth and alleviate poverty in the country.

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