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Aon Study Rural Infrastructure And Social Services With Special Reference To Chennai

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ABSTRACT

The prosperity of a country depends directly upon the development of agriculture and industry. Agricultural production, however, requires power, credit, transport facilities, etc. Industrial production requires not only machinery and equipment but also skilled man-power, management energy, banking facilities, marketing facilities, transport services which include railways, rounds and shipping, communication facilities etc. "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."

1. INTRODUCTION

This resulted in inadequate development in the rural areas and consequently, employment opportunities in rural parts were decreasing. Most of the migrated rural-poor became urban poor, contributing to several social problems. At the same time, the little infrastructural facilities extended to rural areas could not reach the poor and the poorest. Even in rural areas, the benefits of irrigation. Power supply, transport facilities and others benefits were enjoyed only by the rich rural people. Investment Implementation Authority to smoothen flow of FDI Into the infrastructural sector, available to companies engaged in developing, maintaining and operating infrastructural facilities such as roads, bridges, new airports, ports, railway projects etc.

2. OBJECTIVES

- Energy: coal, electricity, oil and non-conventional sources.
- Transport: Railways. Roads, shipping and civil aviation.
- Communications: Posts and telegraphs, telephones, telecommunications, etc.
- Banking, finance and insurance.
- Science and technology.
- Social overheads; health and hygiene and education.

GROWTH OF INFRASTRUCTURE DURING THE PLANNING PERIOD

Indian planners were fully aware of the link between infrastructural facilities and general economic development and, accordingly, they gave high priority to the rapid expansion of these facilities right from the First plan itself. The plans, have generally devoted over 50 per cent of the total plan outlay on infrastructure development. As a result, there has been phenomenal increase in infrastructural facilities.

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The heavy investment by the Government infrastructural facilities could be easily justifies since they had provided the necessary impetus for rapid agricultural development and industrial expansion in fact, without the rapid development of the infrastructure. It would have been impossible to register, the three fold rise in agricultural production and seven fold rise in the allocation for Infrastructure was around 63 per cent, due to this continuous heavy Investment infrastructural facilities.

INVESTMENT IN INFRASTRUCTURE

Growth in infrastructure is considered as an essential pre-requisite for stepping up GDP growth. For this purpose, it is vitally necessary to increase investment in infrastructure. This investment may be made by the Public sector or the Private sector. It is quite will known. That the private sector undertakes investment in such areas in which it expects a high rate of return. It is, therefore, possible that certain very important sectors of economy which do not promise high rate of return may not attract the private sector investment. This gap has to be filled by the public sector.

Gross capital formation in infrastructure investment at current prices increased from Rs.45,940 crores in 1993-94 to Rs.3,07,282 crores in 2008-09. However expressed as percentage of GDP, total investment in infrastructure declined from 5.88 per cent in 1993-94 to 5.5 per cent om 2008-09. This is a very unhealthy trend. There has been a cutback in capital expenditure in central Governments are using plan funds ear-marked for capital projects to finance escalation in non-plan expenditure. Although the government has been emphasizing expansion in infrastructure to boost growth, the fact of the matter is that there is a strong retardation experience in infrastructure investment, which needs immediate remedial action.

REGIONAL INFRASTRUCTURE DEVELOPMENT FUND (RIDF)

The RIDF was created in the National Bank for Agriculture and Rural Development (NABARD) during 1995-96 to provide loans to state Government; and state-owned corporations for speedy completion of on-going rural Infrastructure projects. Domestic commercial banks contribute to the Fund on the basic of their shortfall in their lending to the priority sectors/agriculture under the scheme. The main object loans to state Government and state-owned corporations to facilitate completion of rural infrastructure projects. The total corpus of RIDF amounted to Rs.42000 crores. The fund is intended to finance a wide range of activities such as minor irrigation projects, flood protection, watershed development, drain age, forest development, marketing infrastructure, cold storage, seed/agriculture Horticulture farms, fishing harbours, animals husbandry etc.

PLAN INVESTMENT FOR DEVELOPMENT OF TRANSPORT AND COMMUNICATION INFRASTRUCTURE

The state continues to rate development of Infrastructure high on its lists of priorities. The state is set to provide all weather roads to all habitations to melt the growing needs of economy. In sympathy with this goal, plan investment in transport and communication has been on the increase during the successive plan periods. The public Investment on transport and communication stood at 3.36 per cent of the total expenditure of Rs.80.39 crores during the First Five year plan. It rose to Rs.342.13 crores during the seventh. Five Year plan period. It

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had been sub statically scaled up to Rs.6730 crores (16.87%) during the Tenth plan period constituting 5.42 per cent of the total public sector plan outlay of Rs.40000 crores

PLAN OUTLAY FOR TRANSPORT AND COMMUNICATION

PLAN PERIOD (1)	TOTAL PLANT OUTLAY (RS. CRORES) (2)	EXPENDITURE ON: TRANSPORT (RS. CRORES)	OUTLAY FOR TRANSPORT AS PERCENT AGE TO TOTAL OUTLAY
VII Five Year Plan	6316.07	342.13	5.42
VIII Five Year Plan	14016.80	1465	10.46
IX Five Year Plan	24916.80	2959.40	11.88
X Five Year Plan	40000	6730.00 (outlay)	16.83

Source: State Planning commission, Chennai-5

TABLE NO 1

FINANCIAL OF INFRASTRUCTURE PROJECT

	2006-07	2007-08	2008-09
Incremental Flow of bank credit Investment by	30122	61745	64852
Insurance companies	28906	10400	13089
External commercial Borrowing	--------	10156	5225
Foreign Direct Investment flow	961	5179	5400

Source: Economy survey 2009-10

TABLE NO 2

SOCIAL AND OVERHEADS

The provision of social and economic overheads in LDC_S falls mostly under the state activities. The need for basic services like railways, road transport, telecommunication, gas, electricity, irrigation works, etc., is imperative for future development. Their development entails large Investments which are beyond the capacity of private enterprise in such countries. Not only these investments in public utilities are risky and their benefits accrue only over on the state to provide these public utilities.

PUBLIC HEALTH AND FAMILY PLANNING

Public health measures include improvement of environmental sanitation both in rural and urban areas, removal of stagnant and polluted, water, slum clearance, better sewage facilities, control of communicable diseases, provision for medical, and health services especially in maternal, and child welfare and health education and family planning, and above all, for the training of health and medical personnel. All this necessitates planned efforts on the part of the public authorities.

EDUCATION

Economic development is not possible without education. As Myrdal says, to start on a national development programme while leaving the population largely illiterate seems to meet to be futile. For economic development, it is the quality of labour that is more important.

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"programmes of education lie at the base of the effort to forge the bonds of common citizenship, to harness the energies of the people and develop the nation and human resources of every part of the country". Investment in such a vast vast and diverse field as education is only possible through the aegis of the state in LDC_S

CONCLUSION

It was reiterated that large scale, multi-year, predictable financing was urgently needed, both for infrastructure projects and to enhance the resilience of Somali communities. It was agreed to explore the role and design of an investment guarantee fund in Somalia without any delay. The Conference agreed on the importance of determining a number of priority infrastructure projects for which in-depth feasibility assessments should be undertaken.

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