

# THE ROLE OF SOCIAL INFRASTRUCTURE ON ECONOMIC DEVELOPMENT IN TAMIL NADU

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## **ABSTRACT**

*The infrastructure is an important concept for faster economic growth and an improvement of human's scarcity in the country. The sufficient infrastructure in the structure of road and railway transport system, ports, power, airports and the efficient working is also needed for combination of the nation. The social infrastructure refers to those factors which provide the human resources of the nation suitable for productive work; when considering a country to enter into staples should evaluate whether the country has an adequate social infrastructure to faster economic growth. Social infrastructure can consist of physical structures, transport system, institutions, human needs and facilities. While economic infrastructure accelerates the method of growth, social infrastructure accelerates the process of human development.*

## **Introduction:**

Social infrastructure is the basic require of economic development. It does not directly produce any goods and services but facilitate invention in the primary, secondary and tertiary economic activities by creating external economics. It is an admitted fact that the level of economic development in any country directly depends on the development of social infrastructure. Social infrastructure of the Indian economy plays a major role in the growth and development of the country's wealth. India is the world's largest democracy, is the seventh largest country in terms of land area and the second most populous country in the world. The infrastructure of India concentrates on transportation, banking and finance, telecom, energy resources, mining, and urban as well as rural infrastructure.

## **Meaning of infrastructure:**

Infrastructure means a basic facilities and services which facilitate unlike economic activities and thereby help in economic growth of the country, education, health; transport and communication, banking and finance, irrigation and power and science and machinery etc.

### **Social infrastructure:**

Social infrastructure means a basic tricks and services which, in addition to achieving certain social objectives, indirectly help various economic activities. For example, education does not directly affect economic activities like production and circulation but indirectly helps in the economic development of the country by producing scientists, technologists, and engineers. So education, health service, sanitation and water supply etc. These are the examples of social communications.



### **Definition of Social infrastructure**

Social infrastructure refers to the core elements of social change (like schools, colleges, hospitals and nursing homes) which serve as a foundation for the process of social development of a country. Social improvement focuses on human resource development, implying the development of skilled personnel as well as healthy and efficient human beings.

### **Basic components of Social Infrastructure:**

Transportation: Services such as roads, bridges, cycle highways, rail, airports and ports.

Energy: Production and delivery of energy including electric grids. Most nations are moving towards sustainable energy source such as solar panels and wind.

Water: It provides a supply of clean water and executive of water resources.

Health & Education: Institutions that provide for basic quality of life such as hospitals and schools.

Public Space: Public space that attracts economic activity such as tourism and corporate offices including parks, beaches and nature reserves.

Culture: Cultural institutions such as museums that attract tourists and companies to a region.

Environment: Systems that improve environmental conditions such as rain gardens and green roofs.

### **Objectives:**

- To study the concepts of role of economics of social communications in Indian economic improvement.
- To review the trends in the economic infrastructure and social infrastructure development with special reference to transportation, banking and finance, health, and education.
- To analyze the performance of economic survey in social infrastructure.

### **Methodology:**

The research paper is based on secondary data. The information's are collected from books, journals, news paper, websites and magazines.

### **Definition of Economic Infrastructure:**

Economic Infrastructure refers to all such elements of economic change ( like power, transport and communication ) which serve as base for economic growth. Abundant availability of power supply would accelerate the pace of production activity; abundant means of transport would facilitate the movement of goods from the producers to the consumers; it also mention of communication would facilitate advertising and so on forth. In the deficiency of economic infrastructure any efficient system of economic development would only remain a distant possibility.

### **Transportation infrastructure:**

For the sustained economic development of a country, a well connected and efficient transport system is needed. India has good network of rail, road coastal shipping, and air transport. The total length of roads in India being over 30 lakh km, India has one of the biggest road networks in the world.

In terms of railroads, India has a network of railroad lines, the biggest in Asia and the fourth largest in the world. The total route length is about 63000 km, and of this 13000km is electrified.

The major Indian ports including Calcutta, Mumbai, Chennai, Vishakhapatnam, and Goa handle about 90% of sea borne trade and are visited by cargo carriers and passenger liners from all parts of the world. A inclusive network of air routes connects the major cities and towns of airlines, while the worldwide airport services are looked by Air India.

### **Banking and finance infrastructure:**

Banking and finance are another important sections of the core communications of India, comprising of 84 scheduled commercial banks, 133 regional rural banks ( RRBs ), and four local area banks ( LABs ) apart from more than 13000 non banking economic companies, credit societies, and co operatives. Other than these Indian infrastructure has developed a lot over the years in the other sectors like Indian telecom network with fully automatic worldwide communications, progress has been made by the use of satellite communication and submarine links.

### **Improving Social Infrastructure (Health and Education for the Poor):**

In LDCs like India, development of social infrastructure is vitally important for achieving faster economic development and alleviating poverty. India's Five Year Plans have failed to eliminate poverty for at least four reasons- malnutrition, poor health, a lack of learning opportunities, and limited choices good education, health and nutrition and low fertility help reduce poverty by growing opportunities to generate the right income. There are also positive associates between health and education. Education empowers people to use information better to make healthy behavioral choices; the healthy are more likely to attend school or go to work and can learn and work effectively.

But the sad truth is that costs of illness keep people in poverty and poor quality education limits their opportunities to escape poverty Progress in providing social communications is both a vital yardstick of and a key element in the reduction of poverty. However, Indian economy is still characterized by low levels of literacy and school enrolments and high levels of infant mortality, maternal mortality and malnutrition, relative to China and Indonesia and even other low- income countries. It will be difficult to reduce poverty substantially in the absence of major improvements in expenditure on and delivery of health and education services.

The public services in health and education is fraught with problems related to limited accountability for performance, low management and worker incentives, inadequate materials and equipment for effective health care and education, demands for payment for public services and poor targeting of services and subsidies at the poor. As a result, private delivery of health and education is expanding rapidly-to the public in general and even to the poor.

### **Educational Outcomes:**

In India as in other developing countries, greater coverage and more effective elementary education in grades 1-8 would be the education sector's most significant involvement toward alleviating poverty. No doubt average educational attainment has better in India. Yet India still lags behind other developing countries in average educational achievement to particularly among the poor. No doubt large benefits arrive from achieving a decisive minimum level of education across the population. It appears that mass expansion of primary education to raise India's currently low educational participation levels (averaging two years) to four-five years of primary education per worker would have high economic and social pay-offs. The pay-offs would be particularly high for the poor, less than 20% of whom currently complete one to eight primary grades.

Among the States, some poorest—for example UP, Bihar and Rajasthan—registered significant improvements in literacy from low bases. In most of these States, female literacy rose even faster than overall literacy. Although India has raised literacy rates, it still has a long way to go. Even China and Indonesia have overtaken India in literacy rates. Gross enrolment ratios have also better reaching 90% at the primary stage in which girls' enrolment being 73%.

In spite of this, 33 million kids in the age group 6-11 are still out of school. Moreover, 7.8% girls and 6.9% boys in the age group 6-11 are in the workforce, mostly in rural areas. Kids of poor families are less likely to be enrolled in schools. This is a major factor behind the low enrolment rates. Moreover, primary-level learning success is low.

### **Health Outcomes:**

Nutrition is a particular problem area. India has a percentage of malnutrition and some segments of the population have among the highest levels of malnutrition in the world. Weaning children and women are particularly affected. There have been only modest declines in the levels of severe and moderate malnutrition in kids in the last 20 years. The proximate reason is the decelerate in poverty reduction. Another reason is the impact of the stubbornly high levels of virus and malnutrition as also poor sanitation and water supply, particularly in the poorer States.

India's health programmes need to improve their services for females. India's ratio of females to male is below one – 927 females to 1,000 males. This gender disparity suggests a need to make India's health care, nutrition and social rights of women more equitable. The relative neglect of women's health is also reflected in poor reproductive health indicators: maternal mortality is over 430 deaths per 100,000 live births in India, compared to an average of 350 among low and middle-income countries.

The social infrastructure of a country is very important as it not only presents the human face of economic growth process but represents the very essence of it. worldwide access to

education, health and safe drinking water is a must for any society to progress. But even after decades of government intervention in form of growth planning, India has been unable to ensure a decent living for a large number of people in this country. Despite various development plans, lack of or inadequate basic infrastructure, both social and physical, continues to remain a major constraint to progress in numerous parts of our country.

### **Economic Survey of social infrastructure**

The Economic Survey 2017-18 on Monday pointed that education, skill development and health, sanitation would continue to be the priority areas for the Central government. However, the expenditure on social infrastructure has continued to be around six per cent. The survey said “The expenditure on social services by the Centre and States as a proportion of GDP had remained in the range of six per cent during 2012-13 to 2014-15. There has been a marginal increase to 5.8 per cent in 2015-16 which has further moved up to 6.6 per cent in 2017-18 .

The Survey noted that there was an improvement in quantitative indicators such as enrolment levels, completion rates and other physical infrastructure such as the construction of school buildings and class rooms, drinking water facilities, toilet facilities and appointment of teachers etc. at the elementary school level. It said the school classroom, which is defined as the average number of pupils per classroom in a school in a given school-year, has declined from 43 per cent in 2009-10 to 25.7 per cent in 2015-16. The ideal size should be at 30 students per classroom.

Equally, the pupil-teacher ratio (PTR) at primary level and upper primary level should be 30:1 and 35:1 respectively. “Most states reported an improvement in schools complying with PTR norms of RTE Act during 2009-10 to 2015-16. However, despite an improvement in the number of schools complying with PTR norms, States like Bihar, Jharkhand, Madhya Pradesh, and Uttar Pradesh have a high percentage of schools with a pupil - teacher ratio of more than 30 compared to other States

The Economic Survey 2018 has given the topmost priority to social infrastructure like education, health, and social protection. “Utmost priority to social infrastructures like education, health, and social protection is given by the Government to engineer an inclusive and sustainable growth for India,” a government press release said on Monday. In the Parliament ahead of Budget 2018, the Economic Survey 2018 has given the topmost priority to social infrastructure like education, health, and social protection. “Utmost priority to social infrastructures like education, health, and social protection is given by the Government to engineer an inclusive and sustainable growth for India,” a government press release said on Monday.



The pre-Budget 2018 document, under “Social Infrastructure, Employment and Human growth”, says bridging the gender gaps in education, skill development, employment, earnings and reducing social inequalities prevalent in the society have been the underlying goals of government’s development strategy. Further, the survey notes that India is poised to grow as one of the leading knowledge economies, where education, skill development and health will remain priorities for the government.

The Finance Minister Arun Jaitley before Budget 2018 in Parliament, the Survey adds that government has been enhancing the expenditure on human capital along with adopting measures to improve the efficiency of expenditure by convergence of schemes. “The expenditure on social services by the Centre and States as a proportion of GDP had remained in the range of 6 per cent during 2012-13 to 2014-15. Expenditure on Social services stands at 6.6 per cent in 2017-18 (BE),” says the survey released ahead of Budget 2018.

As the way forward, the Economic Survey 2017-18 recommends that though macro-economic growth and efficient markets are essential, it is necessary to equally ensure that benefits of growth are equitably accessible to all citizens to make growth broad-based. In the conclusion, the Survey says that strengthening the policy and institutional eco-system supporting inclusive growth deserves to be a top policy priority. It will be interesting to see if any big announcement is made in regards with health and social announcements in budget 2018.

“Being a developing economy, there is not enough fiscal space to increase the expenditure on critical social infrastructure like education and health in India. However, given the limited resources, the Government has consistently prioritized strengthening the educational and health profile of the population,” said the Survey tabled in Parliament. It said the government is committed to achieving the Sustainable Development Goal (SDG) for education – ‘Ensure inclusive and quality education for all and promote lifelong learning’ by 2030. Budget 2018 will be presented in Parliament on February 1 by Finance Minister Arun Jaitley. India’s Economic Survey 2017-18 was presented in Parliament today. This is the first economic survey after the Goods and Services Tax (GST) was implemented last year.

### **The Performance of Infrastructural Services:**

Whether in the public sector or regulated private sector the concert of infrastructural services has been quite poor. In many developing countries, the majority of the population, does not have access to the electricity and until recently in telephone services. After over 50 years of independence, in India the adequate pucca rural roads had not been built and national highways were in very bad shape and not properly built and maintained lack of good ports and ports in India affected foreign trade of the country. It is only since 2001 that the work of building rural roads, highways, good ports and airports has been started in the 10th, 11th and 12th Five Year Plan.

In the case of electricity, the quality of service has been quite poor. There have been quite often fluctuations in voltages and often supply-cuts even in capital city of Delhi. In UP, Haryana and other states there are interruptions of supply for many hours compelling big companies to install their own big generators. Besides, State Electricity Boards which are usually responsible for distribution of electricity are running heavy losses. Prices charged by them even do not cover variable costs of supply, let alone contributing to overhead costs.

Similarly, until recently before the extensive use of mobile-phone wireless technology, telephone connections were very few and were a luxury consumer service rather than an fundamental productive service required to link markets, producers and consumers. Besides, one has to wait for many years to get telephone connection. However in the last 12 years, regarding telephone service things have improved a lot in India, especially with the widespread use of mobile telephone service. Likewise, in India, the performance of railways port and airport services has been quite inefficient and poor and need drastic reforms to be undertaken to improve their services.

## **SUMMARY AND CONCLUSION:**

Prof. T.N. Srinivasan is right in saying that, the said performance of enterprises providing infrastructural services has been a factor in the poor performance of many developing countries including India. Thus the case for reforming the infrastructural sectors is very strong, both for improving own performance and for removing the drag of an unreformed and poorly performing infrastructure sector on the realization of potential benefits of reforms in other sectors.

- The poor are often not reaping benefits from public health and education services. In contrast, education and health costs are enormous burdens for the poor.
- Health care also absorbs a major portion of poor families' incomes but often the spending and public health services do not yield much benefit. In such a circumstances, health gaps between the rich and the poor are likely to increase.
- Special attention is to be paid to the role of basic education in social transformation as well as economic development.
- No doubt health and education services are a public responsibility. But the goal of reducing poverty in India will remain elusive as long as the poor have low utilisation of preventive and curative health services, poor hygienic conditions, low school enrolment and attendance and poor quality schools and health services.



- The rapid expansion of the private sector in health and education is partly a result of the public sector's problem in providing quality services. But private sector behavior in these areas are not effective in providing public goods and are beyond the reach of many of the poor.
- Improvements in education must emerge from the community and at the school level. What is of paramount importance in reducing poverty is faster economic growth. This can be achieved by making more investment on human capital.
- However, stress should be not on a crash programme of educational expansion beyond the capacity of a limited number of teachers but on purposive education to meet the changing needs of India's new economy characterized by ongoing structural transformation. The focus should be on the quality of education which helps in raising total factor productivity.
- The resources that are applied to improving primary education need to be targeted at those groups in the population that are most in need of support.
- Public investments in health are critical for the sustainability of India's growth and poverty alleviation.

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