



# *Economics Notes PDF*

*On*

*Infrastructure*

*(Class - 12)*

## **CONCEPT OF INFRASTRUCTURE**

Infrastructure refers to such core elements of economic and social change which serves as a support system to production activity in the economy.

### **Types of Infrastructure:**

- 1. Economic Infrastructure:** Refers to all the elements of economic changes, such as electricity, transportation, communications, etc., as a support system for the economic growth process. It promotes economic growth, thus improving people's living standards.
- 2. Social Infrastructure:** It refers to the central elements of social change, such as schools, colleges, hospitals, banks, etc. It is a support system for the social development process of a country. The social infrastructure focuses on the development of human resources, which means the development of trained people and healthy and efficient people. Accelerate the human development process.

## **DIFFERENCE BETWEEN SOCIAL AND ECONOMIC INFRASTRUCTURE**

<b>SOCIAL INFRASTRUCTURE</b>	<b>ECONOMIC INFRASTRUCTURE</b>
It helps the economic system from outside (indirectly).	It helps the economic system from inside (directly).
It improves the quality of human resources.	It improves the quality of economic resources.
For ex-Health, Education and housing	For ex- Energy, Transport and communication.

### **Importance of infrastructure:**

- Raises productivity
- Provides employment
- Induces foreign investments
- Raises ability to work
- Facilitates outsourcing
- Raises economic development
- Raises size of the market
- Generates linkages in Production

## **THE STATE OF INFRASTRUCTURE IN INDIA**

India invests approximately 5 percent of its GDP on infrastructure, which is far below that of China and Indonesia. With the government, the private sector in partnership with the public sector is also playing a very important role in infrastructure development.

India needs to develop its infrastructure especially in the area of rural energy requirement, water, basic amenities and sanitation.

Energy is the lifeline of all production activities. In fact, energy is inseparable from any type of production activity.

Sources of energy:

### **a. Conventional Energy:**

- **Components of Commercial Energy:** Coal, petroleum products, natural gas, electricity.
- **Components of Non-Commercial Energy:** Fire wood, animal waste, agricultural waste.

### **b. Unconventional Energy:**

- Solar energy
- Wind energy

- Biomass energy including energy in the form of gobar gas
- Geothermal energy
- Energy through tides and waves as well as temperature gradient over sea

## **ENERGY**

Energy is the lifeline of all production activities. Rapid growth in the agriculture and industrial sector is not possible without it.

### **Sources of Energy:**

- a. **Commercial sources:** These are coal, petroleum and electricity.
- b. **Non-commercial sources of energy:** These are firewood agricultural waste and dried dung.
- c. **Conventional sources of energy:** It includes both commercial and noncommercial sources of energy. Example : natural gas, coal, petroleum etc.
- d. **Non-conventional sources of energy:** These are renewable resources of energy like biomass, solar energy, wind energy, tidal energy, etc.
- e. **Power/electricity:** The most visible form of energy, which is often identified with progress in modern civilization is power/electricity.

### **CHALLENGES FACED BY THE POWER INDUSTRY**

- a. India's installed power generation capacity is not enough to drive 9% economic growth; currently, India's annual installed capacity is 20,000 MW. Even the installed capacity of has not been fully utilized.
- b. Due to transmission and distribution losses, incorrect electricity prices and other inefficiencies, the National Electricity Board (SEB), which distributes electricity, suffered more than 500 million in losses.
- c. Private-sector power generators have not yet played an important role, as are foreign investors.
- d. Due to high electricity prices and prolonged blackouts in different areas of the country, the public is generally turbulent.
- e. Thermal power plants, the backbone of India's energy sector, face shortage of raw materials and coal

## **HEALTH**

Health is a state of complete physical, mental and social well-being. It does not simply mean absence of disease; rather it means a sound physical and mental state of the individual.

### **State of health infrastructure:**

- a. There has been significant expansion in physical provision of health services and improvements in health indicators since independence, but it is insufficient for the rapidly increasing population in India.
- b. Public health systems and facilities are not sufficient for the bulk of the population.
- c. There is a wide gap between rural urban areas and between poor and rich in utilising health care facilities
- d. Women's health across the country has become a matter of great concern with reports of increasing cases of female feticide and mortality.
- e. Regulated private sector health services can improve the situation and at the same time, NGOs, and community participation is very important in providing health care facilities and reading health awareness.

### **PRIVATE SECTOR HEALTH INFRASTRUCTURE**

In recent times, private health infrastructure has grown largely. Private sector health, infrastructure is explained below

- About 70% of the hospitals running in India belong to the private sector. Nearly 60% of dispensaries are run by the same private sector.

- Private sector has also been contributing significantly in medical education and training, medical technologies and diagnostics, manufacture and sale of pharmaceuticals, hospital construction and medical services.

## **HEALTH SYSTEM IN INDIA**

**India's Health Infrastructure and Healthcare is made up of a three tier system:-**

**1. Primary Healthcare:** - It includes

- Maternal and child health care
- Promotion of health and provision of essential drugs
- Immunisation
- Educating the people about identifying, preventing and controlling diseases.

**2. Secondary Healthcare:** - Health care institutes having better facilities for surgery, x-ray, ECG are called Secondary Healthcare institutes. Patients are referred here when their condition is not managed by PHC.

**3. Tertiary Healthcare:** - In this sector, there are the hospitals which have advanced level equipment and medicines and undertake all the complicated health problems. Which could not be managed by primary and secondary hospitals.

**Expansion of health infrastructure has resulted in the eradication of smallpox, guinea worms and the near eradication of polio and leprosy.**

## **MEDICAL TOURISM – A GREAT OPPORTUNITY**

Now-a-days foreigners visit India for surgeries, liver transplants, dental and even cosmetic care etc, the reason is, our health service combines the latest medical technologies with qualified professionals and is cheaper for foreigners as compared to costs of similar health care services in their own countries. In 2004-05, as many as 150000 foreigners visited India for medical treatment; this figure is likely to increase by 15% each year. Health infrastructure can be upgraded to attract more foreigners to India.

ISM has huge potential and can solve a large part of our health care problems because they are effective, safe, and inexpensive.

## **URBAN-RURAL AND POOR-RICH DIVIDE**

Differences in medical healthcare between urban – rural and poor-rich can be understood from the points given below

- Only one-fifth of total hospitals are located in rural areas. Rural India has about half the number of dispensaries. People in rural areas do not have sufficient medical infrastructure. This leads to differences in the health status of people. Out of 7 lakhs beds, roughly 11% are available in rural areas.
- There is only 0.36% hospital for every one lakh people in rural areas while urban areas have 3.6% hospitals for the same number of people.
- The PHCs located in rural areas do not offer even X-ray or blood testing facilities which, for a city dweller, constitutes basic healthcare. Even though 315 recognised medical colleges produce 30,000 medical graduates every year. Still there is a shortage of doctors in rural areas. One-fifth of these doctors migrate from one country to -another for better job opportunities.
- The poorest 20% of Indians living in both urban and rural areas spend 12% of their income on healthcare while the rich spend only 2%.
- Percentage of people who have no access to proper care has risen from 15 in 1986 to 24 in 2003.

## WOMEN'S HEALTH

Women constitute about half the total population in India. They suffer many disadvantages as compared to men in the areas of education, participation in economic activities and health care. The child sex ratio has been detonated from 927 in 2001 to 914 in 2011.

There is a growing incidence of female feticide in the country. Close to 300000 girls under the age of 15 are not only married but have already borne children, at least once.

More than 50% of married women between the age group of 15 and 49 years suffer from anemia caused by iron deficiency. It has contributed to 19% of maternal deaths. Abortions are major cause of maternal morbidity and mortality in India.

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