



QUICK REVISION MODULE (UPSC PRELIMS 2024) ECONOMICS QRM INFRASTRUCTURE PART-1

INFRASTRUCTURE

What is Infrastructure?

Infrastructure provides supporting services to the main areas of industrial and agricultural production, domestic and foreign trade and commerce.



Types of Infrastructure

Classification I

- **Soft Infrastructure**

- Consists of institutions that usually require human capital and help deliver certain services to the population.
- Examples: Hospitals, Banks, Schools, Colleges and Judiciary

- **Hard Infrastructure**

- Includes physical systems that is necessary to run a modern, industrialized nation.
- Examples: roads, highways, bridges, vehicles, oil rigs/refineries etc.

- **Critical Infrastructure**

- Assets defined by the government as being essential to the functioning of a society and economy.
- Examples: Telecommunications, space, defense etc.

Classification II

Social and Economic Infrastructure

Social Infrastructure	Economic Infrastructure
It helps the economic system from outside. (i.e. indirectly)	It helps the economic system from inside. (i.e. directly)
It improves the quality of human resources.	It improves the quality of economic resources.
Expenditure on it, will raise the stock of human capital.	Expenditure on it, will raise the stock of physical capital.
For example, health, education and housing.	For example, energy, transport and communication.



Significance of Infrastructure

Increases the productivity of the factors of production



Improves the quality of life and life chances.



Improvements in water supply and sanitation reduces morbidity caused by waterborne diseases.



Social infrastructure increases the quality of life of workers, thereby increasing their efficiency.



Better means of transport and communication, robust system of banking and finance generates better inter-industrial linkages.



Railways

- Indian Railways is the fourth largest network in the world (lengthwise).
- It is also the largest passenger and fourth largest freight transporting railway system globally.
- However, the modal share of railways in the transportation of surface freight has declined from 86.2 per cent in 1950-51 to 33 per cent in 2015.



Recent Initiatives

- **National Rail Plan:** To develop infrastructure by 2030 to cater to the traffic requirements up to 2050.
- **Freight on Priority policy:** A customer-centric approach to expand the freight carried from the traditional segments as well as attracting new customers to its fold.
- **Dedicated Freight Corridors (DFCs):** It will decongest the existing Indian Railway network, increase the average speed of goods trains from existing 25 to 70 kmph., run heavy haul trains and reduce the logistic cost of transportation.
- **Installation of Indigenous Train Collision Avoidance System (TCAS):** For increased safety of the passengers.
- **Meri Saheli:** For focused action on security of women travelling in trains.
- **Rail Drishti Portal:** An information portal that brings key details from various sources on a single dashboard in order to promote transparency and accountability.

Telecommunications

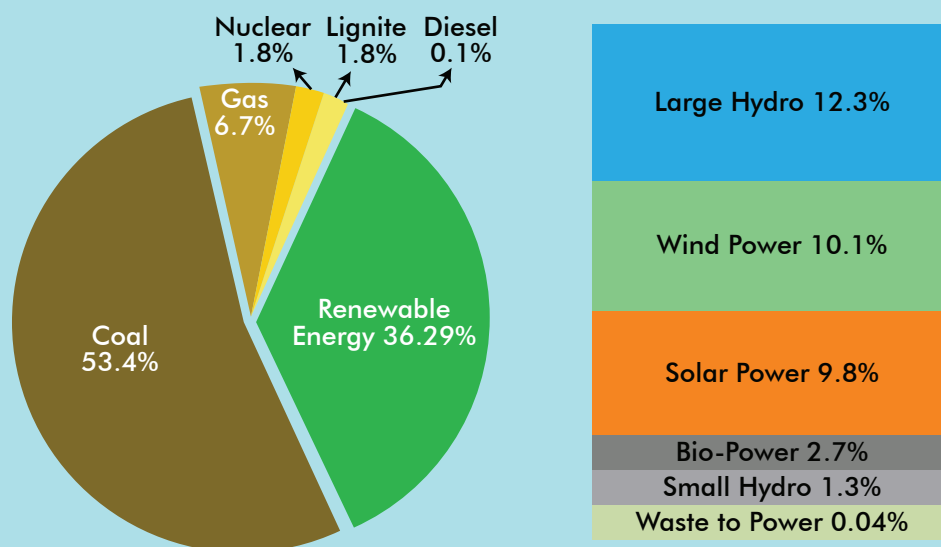
- India is the world's second-largest telecommunications market with a subscriber base of 1.16 billion.
- The number of internet subscribers in the country increased to 743.19 million in FY20.
- Over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India.

Recent Initiatives

- **Bharat Net:** To provide network infrastructure with affordable broadband connectivity on a non-discriminatory basis to all households in the country.
- **National Digital Communications Policy, 2018:** Envisaged attracting investment worth US\$ 100 billion in the telecommunications sector by 2022.
- **DARPAN:** Will provide technological support to the Post Offices to improve the level of services being offered to rural customers.
- **Pd. Deen Dayal Upadhyaya Sanchar Kaushal Vikas Pratisthan Scheme:** It is a skill development scheme to train rural youth to maintain mobile towers, repair optical fibres and fix other communication technologies across India.

Energy

- India's energy mix is dominated by coal followed by oil, biomass, renewable and clean energy and nuclear energy.
- India is the world's third largest energy consumer. However its per capita energy consumption is about one-third of the global average.



Recent Initiatives

- Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY):** To provide electrification to all villages and Feeder separation to ensure sufficient power to farmers and regular supply to other consumers.
- Integrated Power Development Scheme (IPDS):** To enhance and strengthen the power transmission and submission networks.
- Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA):** To achieve universal household electrification by providing electricity connections to all willing un-electrified households in rural and all poor households in urban areas across the country.
- Smart Metering:** It would allow consumers to pay as per their own financial convenience and electricity consumption requirements.
- One Nation-One Grid-One Frequency:** To improve India's connectivity infrastructure and ensure availability of power to states at affordable rates.
- Renewable Energy Management Centre:** To enable forecasting and scheduling of renewable resources and efficient management of intermittent & variable renewable generation.