




 The Power of Knowledge

MULTIPLIER EFFECT OF INFRASTRUCTURE SECTOR

MR. MAYOR KUMAR

HEAD - INFRASTRUCTURE SERVICE - REPL

RUDRABHISHEK ENTERPRISES LTD.

GUEST ARTICLE

All modern economies thrive on infrastructure. Along with boosting economic activities, it helps in raising the living standards of the people. Besides employing millions of people, the sector contributes significantly to the country's GDP. After the coronavirus pandemic, infrastructure sector was one of the first sectors to resume its operations. The infrastructure sector has played an important role in helping the economy recover from this massive shock. If we look at the various socio-economic aspects, it becomes clear why the infrastructure sector hold the center stage.

Job creation and capital circulation

Despite various technological advancements, infrastructure development is still a labour-intensive endeavor. Infrastructure construction generates massive employment across skilled, semi-skilled and unskilled work force. It also circulates cash in the economy in form of wages paid to the workforce. It is often observed that areas adjacent to an infrastructure development site witness increased economic activities.

Upliftment of the living standards of people

Infrastructure like roads, highways, electricity,

healthcare, water supply, digital networks, etc raise the living standards of people. Better connectivity through the highways brings better opportunities to the people living in smaller towns and villages. Electricity and water supply let people live comfortably. These facilities also enable people to learn, stay connected to the world, and utilize their time for productive means. Electricity also leads to an increase in economic activities in an area, thus triggering development. Clean water supply ensures the prevention of water-borne disease and reduces the burden on the healthcare infrastructure. Healthcare infrastructure is the key to keeping the communities healthy and reducing the unnecessary burden on the economy. In today's world digital connectivity has become a must for education, healthcare, eCommerce, administration, and personal relationships. By connecting people to the world, digital infrastructure has opened a plethora of opportunities for people in terms of learning, upskilling, and employment. Infrastructure development is the key to bridging the urban-rural divide.

Boost to services and manufacturing sector

Service sector is contributing more that

50% in GDP as Economic Survey 2021-22. Information technology (IT) is the foundation of the services industry that contributes around 50% to the country's GDP. Almost every major company in the world receives its IT support from India. Digital infrastructure has made this possible. Electricity power is the lifeline of the digital infrastructure. The transmission and distribution infrastructure in the country has ensured reliable electricity supply to the country's industries. Not only the services sector but also the manufacturing sector has reaped the rewards of regular electricity supply. Highways ensure fast and efficient mobility of people, raw materials, and goods. Fast mobility is beneficial for both the manufacturing industries as well as the service sector.

Boost to exports

As the manufacturing sector expands, it looks for markets beyond the country's borders to sell the goods. Highways, railways, sea-ports, air-ports, warehouses, and cold storages play important roles in enabling the country to strengthen its export sector. India intends to become a manufacturing and export-oriented economy and become a 5 trillion-dollar economy by 2025. Infrastructure sector will play a key role in achieving this target.

Tourism promotion

Better planned cities and efficient connectivity to the tourist places provide a big boost to the tourism industry. Tourists want to visit places where they can easily and safely navigate. They also want to spend less time traveling and more than at the places that they intend to visit. Seamless connectivity through roads, highways, and railways ensures the same. Urban planning plays a crucial role in making the cities safe, hygienic, and easy to navigate. Internet connectivity lets

tourists stay connected to each other, their families back home, and local authorities. It also helps them navigate locality and gather more information about the local attractions, cultures, and places of interest.

Environment protection and sustainability

India has set the target of carbon neutrality by 2070. The infrastructure sector will have an important role to play in this. Better highways help in smooth and rapid mobility which in turn reduces the carbon emissions from the vehicles. Managed plantations along with the highways also help in reducing the carbon footprint of the highway operations. Waste-to-energy plants help in reducing the garbage and the dependence on fossil fuels. Blue infrastructure in the urban areas reduces the stormwater downflow and recharges the underground water. Green infrastructure absorbs CO₂ and assists in mitigating the effects of global warming. Water treatment and recycling help keep the water bodies clean and reduce the need for potable water.

Modern life revolves around infrastructure. Be it daily life, work, business, or leisure, nothing is possible without infrastructure. Infrastructure touches almost every aspect of life. According to a report by the Government of India, every rupee spent on infrastructure development generates a value of three rupees towards the GDP. The creation of one piece of infrastructure triggers a series of changes in the surrounding areas. A lot of these changes are evident to the eyes; however, the majority of changes brought about by the infrastructure are subtle. Infrastructure, through its multiplier effect, has the power to transform the world as long as it is carefully planned, intelligently executed, and smartly operated. 