

PAPER I - INDIAN ECONOMY & INDIAN FINANCIAL SYSTEM

Module A: INDIAN ECONOMIC ARCHITECTURE

Chapter 5: Infrastructure including Social Infrastructure

Quick Revision

5.1: Introduction to Infrastructure

- **Definition:** Infrastructure is the backbone of an economy, comprising the physical and organizational structures necessary for its operation and growth. Good infrastructure boosts productivity, creates jobs, and improves the quality of life.
- **Categories of Infrastructure:**
 1. **Hard Infrastructure:** The physical networks like roads, ports, and power grids.
 2. **Soft Infrastructure:** The institutions that keep the economy running, such as banks, schools, and healthcare systems.
 - It is also categorized as:
 - **Physical Infrastructure:** Tangible, man-made structures (e.g., railways, airports, communication networks).
 - **Social Infrastructure:** Facilities that support social well-being (e.g., hospitals, schools, parks).

5.2: Physical Infrastructure and Key Government Initiatives Physical infrastructure is essential for the functioning of a modern economy. Key areas and initiatives in India include:

- **Energy:**



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- Focus on **Renewable Energy**, where India is a global leader (4th in RE and Wind, 3rd in Solar). The country has a target of achieving **500 GW** of non-fossil fuel capacity by 2030 and is promoting green hydrogen through the **National Green Hydrogen Mission**.
 - **Communications:**
 - Rapid nationwide **5G rollout** and a strategic focus on the "Bharat 6G Vision." The **BharatNet project** is connecting over 2.1 lakh villages with high-speed internet.
 - **Transport System:**
 - **Rail:** Major projects include the **High-Speed Rail Corridor** (Mumbai-Ahmedabad), modernization of stations under the **Amrit Bharat Station Scheme**, building **Dedicated Freight Corridors (DFCs)**, and rolling out **Vande Bharat Express** trains.
 - **Road:** The **Bharatmala Pariyojana** is expanding the national highway network, while the **Pradhan Mantri Gram Sadak Yojana (PMGSY)** is focused on rural road connectivity.
 - **Civil Aviation:** The **UDAN scheme** is making air travel affordable and accessible by developing regional airports. New airports are being built and existing ones modernized through public-private partnerships.
 - **Urban Infrastructure:** Key initiatives for urban renewal include the **Smart Cities Mission** and **AMRUT** (Atal Mission for Rejuvenation and Urban Transformation).
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5.3 & 5.4: Social Sector and Social Infrastructure

- **Concept:** The social sector includes all areas that contribute to human development, such as health, education, and sanitation. **Social Infrastructure** (hospitals, schools) is vital for economic development as it improves human capital and productivity.



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- **Government Expenditure:** Government spending on social services has increased, estimated to be around **8.2% of GDP** in the 2024-25 budget.
 - **Health:** The government aims to increase public health spending to **2.5% of GDP** by 2025.
 - **Education:** The landmark **National Education Policy (NEP) 2020** is being implemented, replacing the old 10+2 structure with a new **5+3+3+4 framework**.
- **ESG (Environmental, Social, and Governance):** This is a modern framework used by investors to measure the long-term ethical and sustainable impact of a business.

5.5: Development of Health Infrastructure in India To address challenges in the healthcare system, especially after the COVID-19 pandemic, the government has launched several major initiatives under the Ayushman Bharat umbrella:

1. **Ayushman Bharat PM-JAY (Pradhan Mantri Jan Arogya Yojana):**
 - The world's largest government-funded health assurance scheme.
 - Provides a health cover of **₹5 lakh per family per year** for secondary and tertiary hospitalization to over 12 crore poor and vulnerable families.
2. **Ayushman Arogya Mandir (formerly Health and Wellness Centres):**
 - An initiative to strengthen primary healthcare by upgrading over 1.70 lakh Sub-Health Centres and Primary Health Centres to provide comprehensive primary care closer to communities.
3. **PM-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM):**
 - The largest pan-India scheme to strengthen public health infrastructure from the grassroots level, focusing on critical care and disease surveillance.
4. **Ayushman Bharat Digital Mission (ABDM):**



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- A mission to create a seamless, integrated digital health ecosystem.
- It provides every citizen with a unique **Ayushman Bharat Health Account (ABHA)** number to link their digital health records, enabling interoperability between different healthcare providers.



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