CHAPTER I

INTRODUCTION
I

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The prosperity of a country depends directly upon the development of agriculture and industry. Agricultural production, however, requires irrigation, power, credit, transport facilities, etc., Industrial production requires not only machinery and equipment but also skilled man-power, management, energy, banking and insurance facilities, marketing facilities, transport services which include railways, roads, and shipping, communication facilities, education, health and sanitation etc. All these facilities and services constitute collectively the infrastructure of an economy and the development and expansion of these facilities are an essential pre-condition for increasing agricultural and industrial production in a country. In the last 200 years or more, industrial and agricultural revolutions in England and in other countries were accompanied by a revolution in infrastructure. Infrastructure is an essential pre-requisite of economic development. The development of it precedes the development of the economy. The development of primary, secondary and tertiary sectors is largely dependent on the level of infrastructure development. This is well supported by historical experience of development in the
developed western economies. The rail-road innovation was a force behind rapid development that took place in the beginning of the twentieth century in the modern Europe. Investment in infrastructure constitutes one of the major investments in the development plans of the developing countries. Because, their drive towards industrialization is dependent on the level of development of infrastructure, now with the centered, development, infrastructure, both social and economic is assuming a greater role in the process of economic development.

Infrastructure is an umbrella term for several activities. These include public works like railways, roads, major irrigation works etc., as also public utilities like power, telecommunication, tap water supply and sanitation. Although, diverse in their services, these activities share among themselves similar technical features, such as economies of scale (i.e. decrease in costs with increase in output) and economic features like spillovers from users to non-users (i.e., the effects of these activities are beyond those who use them).

These activities are of the nature of facilitating the working of an economy. It is for this reason that infrastructure is defined as capital
of a society that is embodied in such forms as help direct productive activities. Broadly, the nature of infrastructural installations is that these do not directly produce things. These, so to say, promote activities of the economy.

Some widen the term to include facilities pertaining to health, education, skill-formation etc. In this widened form; it is called social overhead capital. The rest of the social overhead capital as described above is social infrastructure.

The concept of social infrastructure has extensively used in the economic development, yet it has not been explained explicitly in an accepted manner. A number of interchangeable terms such as social overhead, economic overheads, overhead capital, basic economic facilities, minimum needs to economic development, etc. are generally denoted with infrastructure. But the common base for all these terms is that they include a certain common bunch of services essential to promote the development of directly productive activities.

Kindalbergar (1958) identified the difference between social and economic basic facilities, education, public health, etc., and called as
social productive value capital and railway, roads, electricity, pipelines, transmission lines, communication, government buildings, police protection facilities etc., are called as economic productive value capital.

The famous economist like Nurkse (1962) also elaborated the concept of infrastructure. According to him, ‘social overhead capital’ forms an essential basis for small-scale private investments in miscellaneous industries.

Hirschman (1958) has used the concept of ‘social overhead capital’ in the more general sense. He has defined it as, ‘comprising those basic services without which primary, secondary and tertiary activities cannot function’. In this wider sense the term includes all public services from health to transportation, power, drinking water supply, as well as such agricultural overhead capital as irrigation and drainage system.

Thus, infrastructure is a broader concept, which includes a set of services investments which should precede investments in directly productive activities. In the early literature on development, the
emphasis was more on economic infrastructure but in recent years both economic and social infrastructure are given due weightage. Infrastructure is characterized by 'lumpiness' and it is associated with 'external economies'.

**INFRASTRUCTURE AS A PRE-CONDITION OF ECONOMIC DEVELOPMENT:**

There is a close relationship between infrastructure and development. Infrastructure is one of the pre needs of development. Some economists is of opinion that technique of development depend upon these infrastructure. But so far this subject is concerned there is a difference of opinion among the economists.

The argument of before ranking direct productive activities infrastructure is to be created is widely accepted in developed economics. But sometimes differences in capital theories investment on infrastructure is essential in developing countries to give a reward if take a long period of time (Nurkse 1962).

According to above thoughts, infrastructure as a pre-condition of economic development is essential, these are created before beginning
of direct productive activities. It means investment on infrastructure is essential in developing countries. According to Rostow in his development stages some changes are noticed like working labour, agricultural, caring capacity of foreign exchange and change in infrastructure is noticed. In this stage by creating social value productive capital encourage the development of Industries.

Social value productive capital is contemporary and it is created before investment on direct productive capital which is encouraging direct productive activities through the creation of external minimization of cost. Therefore, social value productive capital is created in advance (Higgins 1978).

According to Nurkse investment on social productive capital is not taking away from developmental programme. It is one part of a development programme. In this concern example of America is given. In America during 19th century along with development social value productive capital is created in this way and there was a close relationship between social value productive capital and development.
Roden assumed that social productive value capital like power, transport, communication, etc. are the important example of part and partial and external minimization of cost. Increasing investment in different sector is the main reason to explain the social value productive capital and expansion of social value productive capital create more efficiency use of more efficiency lead economic system in to higher lead of production. Social productive value capital has a feature of expansion. By creating investment opportunities in productive sectors develop economy by increasing employment, incomes and productions etc.

According to Prof. V.K.R.V. Rao (1981) the creation of social value productive capital is a continuous work it is not enough if it is created in a definite manner, but its creation of social value productive capital is continuous one, development and social value productive capital are closely related, in every stage of development social value productive capital should be developed”.

From the above analysis by economists thinking of expert, infrastructure as a pre-condition of economic development is identified in the following ways:
1) Investment on infrastructure is essential in developing countries.

2) Infrastructure as a pre-condition of economic development, it is created before investment on direct productive activities.

3) Creation of infrastructure creates external minimization and encourage direct productive activities.

4) Infrastructure on social value productive capital is not separated from development programme. It is one part of development.

5) In which countries infrastructure is not developed, development processor of that country is deficient.

6) Social value productive capital is the main example for part and partial and external minimization.

7) Creation of social value productive capital is a continuous work.

Availability of infrastructure is one of the essential in development but it is not only a complete need. Hegan (1975) opines that at the time of development it is true that service facilities are essential in large scale but by considering it as a most essential there is no need to give main position. According to him “for development infrastructure is not only essential, but other factors like capital equipments, change in management etc., these factors are essential".
OBJECTIVES:

Taking into account the need for study of the problem of social infrastructure the present study attempts for a comprehensive and indepth analysis of the development of social infrastructure and its various aspects in backward district like Bijapur in Karnataka state. However, the specific objectives of the study are as follows:

1. To study the development of social infrastructure in India.
2. To analyse the extent of social infrastructure development in Karnataka state.
3. To examine the trend in development of social infrastructure in backward district like Bijapur.
4. To give suitable suggestions for the development of social infrastructure in study area.

HYPOTHESIS:

With these objectives in view, the following hypotheses have been framed:

1. The development of social infrastructure in both at national and state level is not satisfactory since independence.
2. The expansion of social infrastructure is limited to urban areas and surrounding the district headquarter.

3. The rural people are still deprived of basic social infrastructure facilities.

**RESEARCH DESIGN AND METHODOLOGY:**

This study was based on the information and statistics obtained from secondary sources.

**Sources of Data:**

Methods of Analysis:

Statistical methods like Mean, Standard Deviation(SD), Compound growth rate, average, difference, P-Test, ratio, percentage etc., were used at appropriate places for analyzing this data.

District Selected for the Study:

The choice of Bijapur district for the present study is prompted, firstly, by the fact that so far no comprehensive studies were undertaken on the Development of Social Infrastructure in the district. Secondly, because, the district is most backward from the point of view of social infrastructure and it is major problem for the overall and sustainable development of the district. This motivated to choose the Bijapur district for our study.
Limitations of the study:

1. The study covers only the four aspects of social infrastructure like 'Education, Health, Water Supply and Housing'.

2. This study covers only a limited period data available and hence the conclusion arrived in this study is applicable to this period only.

3. This study, by and large, has utilized the secondary data collected through various sources. Hence, the conclusions arrived in this study are subject to the veracity and the limitations of those data that have been used.

Chapter Scheme of the Study:

The study has been divided into seven chapters. The first chapter confines itself to discuss research design adopted in the pursuit of the study. It also includes the objectives and hypotheses. The second chapter is devoted to the background of the study and review of the literature. The third chapter presents social infrastructure in India. Chapter fourth gives an account of social infrastructure in Karnataka State. Chapter five presents the geographical and economic profile of the study areas, i.e., Bijapur district. Chapter six deals with the social infrastructure in Bijapur district. In this chapter taluka-wise data concerning the education,
health, water supply and housing in the district are presented. In chapter seven summary and conclusions of the study area have been delineated.