Although the problems of growth, stagnation and decline relating to economic overhead capital have engaged the attention of economists since the days of Adam Smith in some form or the other, prior time was no such attention and talent devoted to the analysis of economic overhead capital as in recent years. A study of the development of economic overhead capital involves a blending of theory and practice of economic science and applied economics. The intrinsicness of the subject and the wide scope of analysis which it provides have fascinated the theoretician while the vast scope of research opened out on the empirical side, has attracted many scholars into the field of investigation and collection of primary and secondary data. At the same time, planners and policy makers in their quest for scientific knowledge on which procedures of the development of economic overhead capital can be based, turn with increasing validity to the findings and conclusions of economists.
The data compiled by various statistical organizations including United Nations make it possible to reveal that investments on economic overheads play a prominent part in public investment programmes in the underdeveloped areas. In certain underdeveloped countries of the world like Ceylon, Jamaica, Philippines, Thailand, Indonesia, Malaysia, Nepal, Pakistan, etc. it took consistently larger share of total investment of the production sector. When attention is focused on irrigation, power and transport there emerges a striking stability in the proportion of investment devoted to them, whatever the stage of economic development. These economic overheads or infrastructure facilities are basic to every type of production; whether agricultural, manufacturing or service industries, whether production for the home or the export market. Economic overheads capital, therefore, tends to expand pari passu with all other investment.

Studies of this kind give rise to various problems. These are the problems of deciding the
scale and the timing of investment in economic
overheads so that facilities are adequate to
sustain economic growth but not wastefully
overdeveloped in anticipation of demand which does
not materialise. There are the problems of allocating
different types of overhead projects—whether a
surfaced road or an unsurfaced road, whether an
irrigation or power project in "A" or "B" region.
There are, also, problems of financing economic
overheads.

Undoubtedly, investment in economic overheads
in underdeveloped region like Madhya Pradesh is of
primary importance. And, the justification for
concentrating on irrigation, power and roads in this
study is that these absorb more than half of the
proportion of the development expenditure on production
sector of the economy. Their planning and development
have given rise to interesting economic issues.

The present study concentrates on the
development of economic overhead capital in Madhya
Pradesh during the plan period. It begins with a
review of the scale, growth and distribution of public investment. Comparison with the major States of the Indian Union shows the relative position of Madhya Pradesh in basic economic facilities. An attempt has also been made to make an intra State Comparison in the development of economic overhead capital.

This study is divided into six chapters. The second chapter which follows the first chapter of introduction, discusses the socio-economic profile of Madhya Pradesh. The third chapter makes an appraisal of irrigation facilities developed during the plan period and examines the benefit-cost of some of the irrigation projects. In the fourth chapter we discuss the development of power in the State and also analyse the benefit-cost of rural electrification schemes. The fifth chapter presents an appraisal of road development in the State. This chapter also discusses the benefit-cost ratios of the rural road programme. The summary and conclusions of this study are given in the sixth and the last chapter.
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