

21/10/21

Ques) on spite of spending on infrastructure, policies need to minimise the income loss from the impact of recent pandemic. Discuss.

Ans) The government has buckled up towards spending on and improving infrastructure through National Monetisation Pipeline (NMP), PM Gati Shakti Plan and National Infrastructure Pipeline (NIP)

these advances would ~~st~~ surely ensure rapid and efficient infrastructure development. But would ~~for~~ not address the income losses of households and small and medium enterprises resulted from pandemic.

Reasons:

① Less employment intensive -

Infrastructure development activities have been mechanized and no longer provide employment to masses. MSME's on the other hand is largest employment provider

② economically exclusive -

Infrastructure development would benefit

probably the investors or construction companies as common people who are severely affected by the pandemic have no stakes in it.

3) MSME's largest ems

3) Revival of economy would be hindered

Recovery of the economy would be possible when capital is inducted into the manufacturing units or liquidity increase. Revenue from the infrastructure would not suffice for economic revival.

4) Underutilisation as impediment

Optimum utilisation of infrastructure would be possible only if people have enough purchasing power parity. Thus would not bring in expected turn over without it.

The spending on infrastructure would definitely benefit the economy in the longer run but as far as the demand of the situation of post-pandemic revival, economy requires a push in income of households and MSME's.