

11/7/22

① investments in road infrastructure have huge multiplier effect in the country - justify?

Intro-

India has the 2<sup>nd</sup> largest road network system in world, accounting 65% of transportation of goods via roads. (6.4 million km).

In the pandemic time most of the economic loss occurred due to the cities like Manila, Delhi, Mumbai which serves as a large scale labour market ranging [1.2 billion - 1.7 billion]

As we all know that cities provide huge economic productivity & output, where labour forces exchange their labour. So, commute time for the labour force to workplace plays a key role in determining their effective labour. It could be understood that shorter the commute time more the labour productivity and vice versa.

The shorter commute distance not only favours the commuter in terms of traffic, time, health & productivity also it enlarges the effective labour market.

(eg) - In a past data it is analysed that in USA (Phoenix) 66K jobs were accessible in a 45 minute commute whereas in the nearby region (Philadelphia) more than 2 lakh <sup>jobs</sup> were accessible in the same commute distance. Even in terms of per capita income :-

Phoenix - 21,000 \$	} avg data
Philadelphia - 23,000 \$	

In recent research it is found that every one km increase in the road length in Urban local bodies results in an increase in revenue base for that area.

cities should view the investments in road infrastructure as a revenue base rather than expenditure. Even simple things like fixing potholes & puddles in the road could save time for the commuters

Conclusion -

The investment in road infrastructure could lead to multiplier effect also improves <sup>Connectivity</sup> access to schooling, hospital thereby upgrading ~~the~~ human development with the aim of reaching \$5 trillion economy.