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Ashish Gupta & Amir Ullah Khan, *India's
Infrastructural Challenges*, Centre for
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Abstract. India's congested road transport system, inordinate delays in railway passenger and freight movements, inefficient and lengthy turnaround time at ports, and fast-growing but overstretched airport sector all add to significant capacity constraints. According to experts, it also hurts the country's potential growth trajectory by as much as 4 per cent to 5 per cent. Thus, infrastructure development can help remove some of these inefficiencies and contribute immediately to economic expansion through its multiplier effect and support more robust long-term growth.

Keywords. Transport system; Infrastructural challenges; India.

JEL. A13, C70, D11.

Book review

India's congested road transport system, inordinate delays in railway passenger and freight movements, inefficient and lengthy turnaround time at ports, and fast-growing but overstretched airport sector all add to significant capacity constraints. According to experts, it also hurts the country's potential growth trajectory by as much as 4 per cent to 5 per cent. Thus, infrastructure development can help remove some of these inefficiencies and contribute immediately to economic expansion through its multiplier effect and support more robust long-term growth.

The reasons for such "infrastructure deficits" vary across sectors and states. These impediments have been well articulated by Ashish Gupta and Amir Ullah Khan in their book *India's Infrastructural Challenges*, which has 12 chapters covering most of the sectors. These issues include law and order problems, delays in land acquisition, environment and forest clearances, funding constraints, rehabilitation and resettlement, and contractual matters, among many others. And according to the latest report from the Ministry of Statistics and Programme Implementation, nearly 46 per cent of the more significant infrastructure projects are facing cost and time overruns.

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The authors have also highlighted various challenges and provided workable solutions across sectors, including power, highways, railways, water, aviation and smart cities. There are also separate chapters on infrastructure financing, taxing the digital economy, and critical social sectors, such as healthcare and higher education in India, which play an essential role in the overall growth of the infrastructure sector.

The chapter on the "Power Sector" candidly illustrates the dilemmas before the policymakers as they struggle to simultaneously reduce the overwhelming dependence on fossil fuels and focus on renewable energy for electricity generation. While there is an urgent need to move to cleaner solar and wind energy, issues with storage and transmission and power distribution from one state to another remain unresolved. Finding alternate uses for the vast quantities of coal lying unused in various mines is an issue for policymakers.

Creating bankable infrastructure projects, financing projects through local currency, strengthening government bond markets and unbundling infrastructure projects into components with different risk/return profiles are some of the critical solutions to reduce cost and time overruns in this sector. The authors say that the monetisation of existing assets at a much faster pace will also reduce the funding constraints for cash-strained governments of the states.

Taxing multibillion-dollar digital companies like Google, Metaverse, Apple, Amazon, and others has become imperative for countries has been forcibly argued in the Chapter on "Digital Economy". While tracing the chequered history of taxation of the digital economy, the authors also reiterate the need to arrive at a global consensus on the rate and policy directives. It is essential because of the political heft, economic might and huge influence these Tech Giants have on various governments. India faced strong opposition from the US government after it imposed the Equalisation Levy on these players.

The looming threat of the water crisis, which has already assumed alarming proportions, is another focus area of the book. While the legacy of vote bank politics has brought about the crisis and the absence of proper water management strategies, the threat from climate change on water resources is further posing enormous challenges for policymakers. So, the authors call for a complete makeover of India's water policy-- from agricultural policies to the use of recycled water in construction and other industries to the redevelopment of extinct water bodies and the utilisation of modern water conservation techniques.

While the book takes a holistic view of the myriad challenges and solutions facing the sector, it seems outdated in certain places, given the pace of change in various sectors. Moreover, a chapter on infrastructure linked to the agricultural sector like canal irrigation, warehousing and logistics would have given a more 360-degree view of the sector.

Profusely illustrated with graphs and charts and quotes from various reports and studies, the book is a welcome addition to the existing

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literature on such a critical subject and should be a must-read for researchers, policymakers and the general public and all those interested in India's tryst with infrastructure and growth ambitions.



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