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FAST FORWARD: THE HINDU EDITORIAL ON GATI SHAKTI NATIONAL MASTER PLAN

Relevant for: Indian Economy | Topic: Infrastructure: Roads

With the Gati Shakti National Master Plan that he launched on October 13, Prime Minister Narendra Modi has expanded on the familiar theme that India's slowing economic growth engine can find renewed momentum through major infrastructure upgrades that will cut logistics costs for industry and raise all round efficiency. Essentially a technocentric administrative initiative that promises silo-breaking integration of 16 Ministries including railways, roads and ports through information technology, satellite mapping and data tools, the programme seeks to appeal to the national imagination as an umbrella integrator of 111-lakh crore worth of projects under the National Infrastructure Pipeline (NIP) for 2020-25. The importance given in the plan to rail-road multimodal connectivity and higher share of freight for the railways — articulated also by NITI Aayog — has evident multiple benefits. This includes reducing the cost of logistics to GDP that has prevailed at about 14% even at the time the NDA government took office, to an aspirational 8%. There is also the challenge of reducing vehicular emissions from road freight growth in order to meet climate change commitments and containing input costs due to extraordinarily high taxes on diesel. A similar fillip to efficiency in port operations can increase cargo handling capacity and cut vessel turnaround time. Evidently, States have a crucial role in all this, considering that key pieces of the plan such as port linkages and land availability for highways, railways, industrial clusters and corridors depend on political consensus and active partnership.

The observations in the Economic Survey for 2020-21 underscore the role of active Centre-State partnerships for infrastructure building. The Survey projects maximum investments towards NIP sectors such as energy, roads, urban infrastructure and railways for FY 2021 and 22, with about 8.5-lakh crore to be invested by either side annually, besides 4.5-lakh crore per year from the private sector. There is a steep gradient to cover here, as the effects of COVID-19 continue to be felt in terms of lost jobs, depressed wages and consumption, while the planners are pinning their hopes on infrastructure projects for a new deal outcome that will boost jobs and demand for goods and commodities, besides attracting major investments. Significant delays to projects can often be traced to incompatible and hostile land acquisition decisions that alienate communities or threaten to violate environmental integrity. Given the Centre's preference for Geographic Information Systems and remote sensing to identify potential industrial areas, policymakers would do well to reclaim lands already subjected to degradation and pollution, rather than alienate controversial new parcels. Convincing citizens that they stand to benefit from such grand plans through better social welfare, lower service costs and higher efficiencies, and respecting federal boundaries while dealing with the States are other imperatives.

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