

- Manufacturing also entails movement of large volumes of goods in order to compete in a globalized context and manufacturers need transport infrastructure which can ensure speedy and reliable movement.
- Deficiencies in the road infrastructure must be addressed urgently to increase the competitiveness of Indian manufacturing. Much the same is true of ports where insufficient port capacity and inadequate navigation aid facilities. Without substantial improvement in all these aspects of the transport infrastructure, growth in manufacturing cannot be sustained.
- The COVID-19 crisis has just reinforced the idea of the failing infrastructure in India. To add to this, almost half the country is exposed to severe climate-induced disasters. India desperately needs to buckle up its infrastructure, and while it does so, it can give it a green boost.
- The Indian Railway Finance Corporation Ltd (IRFC) recently established a Green Bond Framework for fundraising, for financing the Dedicated Freight Corridor project and electrification of the railways. India can look into establishing an agency for green financing, to fund the green infrastructure projects of the country to make development more environment friendly.

But at the same time, it is important to consider other investments that would also provide short-term stimulus. To be sure, spending money on pretty much anything will spur growth in a recession if it is debt-financed.

- It has been an article of faith for decades that traditional physical infrastructure—concrete and steel—boosts long-term growth, but evidence suggests that the growth benefits are limited when compared to other areas, especially 21st century digital infrastructure.
- In contrast, investments in digital infrastructure can generate greater overall economic returns. These include both dedicated digital infrastructure (infrastructure that is innately digital, such as broadband, 5G, cloud computing centres) and hybrid infrastructure (adding digital components to traditional infrastructure, such as smart meters, smart grid, and smart cities).
- Further, India's dismal performance in social indicators shows urgent need to invest more in social infrastructure rather than only physical infrastructure.
- This does not imply that physical infrastructure should be ignored. There are potential projects that can have big payoffs, but a policy makers should avoid the notion that massive investment in infrastructure will pay long-term economic dividends. For example, reviving the nationwide smart cities program to help cities and towns use digital technologies to improve operations and improve quality of life can help.

Conclusion

India's goal of becoming a USD 5 trillion economy rests on the completion of critical infrastructure under the National Infrastructure Pipeline. Given the sudden shock to the economy and the resultant recessionary pressures, there is a need for strong re-prioritization of resources towards majors sectors with emphasis on physical infrastructure sector.