

# [Infrastructure](https://assignbuster.com/infrastructure/)

[Government](https://assignbuster.com/essay-subjects/government/)

Is infrastructure a key factor to the growth and stability of the economy? or is it a non-factor and needs not to be maintained and improved to better serve and help improve the economy. Infrastructure in general is the system of transport andcommunicationin a state, region or country. A famous Canadian geographer was once quoted saying, "... any region which has a well-developed transportation and communication network also enjoys a high degree of economic prosperity... This statement has sparked much controversy between geographers, Politicians, as well as conomists. Question is, is there a link between a well-developed infrastructure and economy prosperity (economy growth)? Without a doubt, there is a direct link. Infrastructure facilitates the basic functions of a society that are necessary to transport resources and people, produce and trade goods, provide essential services and ultimately reducepoverty.

The direct link can be understood better by looking at the effects of infrastructure. The drawbacks of poor infrastructure lead to high transport cost especially in landlocked areas, thus the economy gets affected. Employment is low where there is poor infrastructure. Lack of adequate infrastructure perpetuates poverty, because it denies possibilities. Affordability, it is relatively expensive to maintain and build.

Due to this factors and the analyses from the department of treasury know is an ideal time to increase our investment because, infrastructure investments have long-term economic benefits and create Jobs in the short run, there is currently a high level of underutilized resources that can be used to improve and expand our infrastructure. The cost of transportation is lowered for American households, there is a strong demand by the public and businesses for dditional transport infrastructure capacity.

Long-term economic benefits from infrastructure create Jobs in the short run and this is a crucial and important aspect of growth and economic stability in a country. As much as the infrastructure is important and maintaining it being so expensive, if the economy is not good it is hard to have a developed and well maintained infrastructure system. Research has shown that well-designed infrastructure investments can raise economic growth, productivity, and land values, while also providing significant spillovers to areas such as energy efficiency, publichealthand manufacturing.

Thus to say both infrastructure and economy go hand in hand. They affect each other both negatively and positively. On June 29, 1956 President Dwight Eisenhower signed the federal-Aid Highway Act of 1956 " The national system of interstate and defense highways" according to Eisenhower the purpose of this was to eliminate unsafe roads, inefficient routes, traffic Jams and all of the other things that got in the way of " speedy, safe transcontinental travel. " for all these reasons the 1956 law declared that the construction of an elaborate expressway system was essential to the national interest and growth of the economy.

Todays Interstate System is what our suburban lifestyle and caused the vast proliferation of businesses from HoJos to Holiday Inns. And if you order something online, most likely it's a truck barreling along an interstate that gets the product to your door. there are a lot of undiscovered materials that we could use not only that we have all the man power andtechnologywe need to build whatever we need to improve our infrastructure Among those who gain employment as a result of additional infrastructure investment, the average unemployment rate has averaged approximately 13 percent over the past 12 months.

This is more than one and one- half times the current national unemployment rate. Within the construction sector, which accounts for the majority of direct employment resulting from infrastructure investment, the unemployment rate has averaged 15. 6 percent over the past 12 months. Construction costs and other costs associated with building projects are especially low in the currentenvironment. As a result, the President has taken decisive action to accelerate project permitting and environmental review.

In the President's August 31, 2011, memorandum, he directed the heads of all executive epartments and agencies to: (1) identify and work to expedite permitting and environmental reviews for high-priority infrastructure projects with significant potential for Job creation; and (2) implement new measures designed to improveaccountability, transparency, and efficiency through the use of modern information technology.

Relevant agencies should monitor the progress of priority projects; coordinate and resolve issues arising during permitting and environmental review; and develop best practices for expediting these decisions that may be instituted on a ider scale, consistent with applicable law. In addition, in this year's State of the Union address, the President announced his intention to " sign an executive order clearing away the red tape that slows down too many construction projects. " Investing in transportation infrastructure creates middleclass Jobs.

Analysis suggests that 61 percent of the Jobs directly created by investing in infrastructure would be in the construction sector, 12 percent would be in the manufacturing sector, and 7 percent would be in the retail and wholesale trade sectors, for a total of 80 percent in hese three sectors. Nearly 90 percent of the Jobs in these three sectors most affected by infrastructure spending are middleclass Jobs, defined as those paying between the 25th and 75th percentile of the national distribution of wages.

The President's proposal emphasizes transportation choices, including mass transit and high-speed rail, to deliver the greatest long-term benefits to those who need it most: middle-class families. The average Americanfamilyspends more than $7, 600 a year on transportation, which is more than they spend onfoodand twice what they spend n out-of-pocket health care costs. For 90 percent of Americans, transportation costs absorb one out of every seven dollars of income. This burden is due in large and this calls for better infrastructure and investing more in it to make progress.

Multi-modal transportation investments are critical to making sure that American families can travel without wasting time andmoneystuck in traffic. A more efficient transportation money. Traffic congestion on our roads results in 1. 9 billion gallons of gas wasted per year, and costs drivers over $100 billion in wasted fuel andlost time. More efficient ir traffic control systems would save 3 billion gallons of Jet fuel a year, translating into lower costs for consumers.

Finally, new research indicates that Americans who were able to live in housing were able to save $200 per month in lower costs over the past decade. Americans want more transportation investment. After years of underinvestment in our transportation system, Americans' satisfaction with our public transit system s middling when compared to public satisfaction with highways and public transit systems around the world. the Global competitiveness report for 2012-13, published arlier this month by the world economic forum showed that U.

S infrastructure was ranked 7th in 2008, but has dropped to 14 in the world this year. The U. S. score dropped from 6. 10 in 2008 to 5. 7 this year (7 is the top score, and 1 is the worst score). One of the main reasons for the deterioration of U. S. infrastructure in the last five years, a deterioration which is reflected in the drop in ranking, is the economic downturn which began in 2008. Funding for roads, bridges, highways, and other critical infrastructure is largely dependent on state revenues, and as states ook less money in, they were forced to spend less on infrastructure maintenance and improvements.

Passing the MAP-21 bill was an accomplishment for a do-little Congress, but serious issues about how to pay for transportation in the future have yet to be resolved. The recent highway bill, MAP-21 replaces SAFETEA-LU, the last long-term federal transportation bill, which expired in 2009 for example, it did not increase spending on transportation, even though lawmakers were aware of the need to do so. The 2009 stimulus package did help shore up some infrastructure, but was not nearly sufficient to meet the countrys needs.