

Rural development and Indian economy

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Abstract

There are no universally accepted approaches to rural development. It is a choice influenced by time, space and culture. The term rural development connotes overall development of rural areas to improve the quality of life of rural people. In this sense, it is a comprehensive and multidimensional concept, and encompasses the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities and, above all, human resources in rural areas. As a phenomenon, rural development is the end-result of interactions between various physical, technological, economic, social, cultural and institutional factors.

In the developing countries and some formerly communist societies, rural mass comprise a substantial majority of the population. Over 3.5 billion people live in the Asia and Pacific region and some 63% of them in rural areas. Although millions of rural people have escaped poverty as a result of rural development in many Asian countries, a large majority of rural people continue to suffer from persistent poverty. The socio-economic disparities between rural and urban areas are widening and creating tremendous pressure on the social and economic fabric of many developing Asian economies.

Keywords: Rural development, Nation Building, Development

Introduction

Rural development is a simple concept which is more complex to define. There is no universally accepted definition of rural development. Rural development may be defined as overall development of rural areas to improve the quality of life of rural people. It is an integrated process, which includes social, economical, political and spiritual development of the poorer sections of the society. Rural development is a process that aims at improving the standard of living of the people living in the rural areas. Rural development is a strategy designed to improve the economic and social life of rural poor. Rural development can be defined as, helping rural people set the priorities in their own communities through effective and democratic bodies, by providing the local capacity; investment in basic infrastructure and social services, justice, equity and security, dealing with the injustices of the past and ensuring safety and security of the rural population, especially that of women. According to Robert chambers, rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves, and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small scale farmers, tenants and the landless. Human, natural, financial technological assistance is required for rural development.

Components of Rural Development

Rural development entails some components. They are as follows:

Rural development seeks to transform all the sectors of rural economy – the primary sector, the secondary sector and the tertiary sector.

It is concerned with the improvement of the standard of living of the rural people through the provision of health and medical

facilities, employment opportunities including vocational training, educational facilities etc.

It brings about significant improvement in the socio- economic conditions of the scheduled castes, scheduled tribes, the landless agricultural labourers and the marginal and small farmers.

Importance of the Rural Development

Major population in India lives in rural area. 68.84% of total population lives in rural area. Therefore, it is in the heart of the villages that the nation lives. Indeed, “the soul of India is in the toil of the rural areas”. The welfare of India depends upon the prosperity of the villages. The Rural Development in India is one of the most important factors for the growth of the Indian economy. At the beginning of 20th Century, Mahatma Gandhi had said, “The soul of India lives in its villages.” Today we are standing on a dwindling cliff, where the soul of our country is in distress and losing the significance of its existence. Our rural population is backward and its backwardness affect the growth of other sectors and economy as a whole in, India 26 crore rural people living below the poverty line and 472.9 million people are unemployed rural poverty and unemployed led to falling in demands for most production. Rural poverty is inextricably linked with low rural productivity. The objective of rural development has been to remove poverty of the people and fill the widened gap between the rich and the poor. Agriculture is the main occupation of the rural people. Agriculture contributes nearly one-fifth of the gross domestic product in India. Around seventy per cent of Indian population gets employment through agriculture. The rate of growth in agriculture and allied activities are 4.1% [2007-08 to 2011-12]. This rate of growth is not sufficient to cater to the needs of rural people. Bulks of raw materials for industries come from agriculture and rural sector. Increase in industrial population can be justified only in rural population’s motivation and

increasing the purchasing power to buy industrial goods. Growing disparity between the urban elite and the rural poor can lead to political instability. The main objective of the rural development programme is to raise the economic and social level of the rural people. Rural Development which is concerned with economic growth and social justice, improvement in the living standard of the rural people by providing adequate and quality social services and minimum basic needs becomes essential. Rural development is a national necessity. The hinterlands in India consist of about 650,000 villages. These villages are inhabited by about 850 million consumers making up for about 69 per cent of population and contributing around half of the country's Gross Domestic Product (GDP). Consumption patterns in these rural areas are gradually changing to increasingly resemble the consumption patterns of urban areas. Some of India's largest consumer companies serve one-third of their consumers from rural India. Owing to a favourable changing consumption trend as well as the potential size of the market, rural India provides a large and attractive investment opportunity for private companies. India's per capita GDP has grown at a Compound Annual Growth Rate (CAGR) of 12.3 per cent between 2009-10 to 2015-16, contributed by growth in rural sector. The Fast Moving Consumer Goods (FMCG) sector in rural and semi-urban India is expected to cross US\$ 20 billion mark by 2018 and reach US\$ 100 billion by 2025@ most of the country's resources are concentrated on remote areas, by leveraging manufacturing and industry in rural landscapes, the nation can utilise them in an efficient manner. It will reduce the cost of manufacturing that will eventually help end customers. Productivity will increase impacting export and foreign exchange. Hence, these regions will be turned into prerogative engines to drive the nation towards progress.

Rural Development programmes

After independence a number of development programmes were started to change the scenario in the rural areas. Government has initiated, sustained and refined many rural development programmes under different five year plans.

Government Initiatives for Rural Development

Some of the major initiatives undertaken by the Government in different sectors include the following schemes:

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) - MGNREGA
- Swarnajayanti Gram Swarajgar Yojana (SGSY) -
- National Social Association Programme (NSAP)
- Pradhan Mantri Gram Sadak Yojana (PMGSY)
- Indira Awas Yojna (IAY)

While national leaders of pre-independent India such as Mahatma Gandhi emphasized on rural empowerment, post independent reorganization of the country has been quite ineffective to convert such ideas into reality. Government initiatives for a developed India are not apathetic to rural peripheries, but the process is apparently inadequate. Either the functioning of government initiatives is with glitches or with serious setbacks on policy fronts. The functioning of government initiatives can be divided into two dimensions, one constituting urban areas and the other comprising the vast rural landscape. It has become an elementary feature in policy making of the country to diversify developmental activities on the lines of urban and rural perspectives. This approach of policy makers cannot be deemed as miscue owing to the vast

difference prevalent in rural and urban India in diverse fronts: social, economical and infrastructural. However, in the process, the gap seems to widen instead of bringing the two on a same page. The need for emphasis on rural India is based on the fact that almost three fourth of the populace lives in villages. Needless to highlight the expanse of rural India, majority of the country's landmass is within rural landscape. These areas not only produce bread and butter of the nation but also are highly awash with rich natural resources. However, a multidimensional deficiency in almost every facets of development has plagued these areas, dragging its populace to urban locales in search of livelihood and employment. Such migration in return brings in myriad complicacies to the entire system. The rural populace being deprived of education, financial support, infrastructure and employment turns to a sheer wastage of human resource.

Objectives of rural development

Rural Development is a process of bringing change among rural community from the traditional way of living to progressive way of living. It is also expressed as a movement for progress. Rural development is a dynamic process, which is mainly concerned with the rural areas. These include agricultural growth, putting up of economic and social infrastructure, fair wages as also housing and house sites for the landless, village planning, public health, education and functional literacy, communication etc. Rural development is a national necessity the main objective of the rural development programme is to raise the economic and social level of the rural people.

The specific objectives are

- To improve opportunities of employment for rural people:
- To improve micro finance facilities
- for improvement of the rural people To improve health and education condition etc
- Promoting pro-poor planning and budgeting at the national and local levels
- To improve villagers with their own efforts
- To improve village communication.
- To develop rural area as whole in terms of culture, society, economy, technology and health.
- To develop rural youths, children and women.
- To develop and empower human resource of rural area in terms of their psychology, skill, knowledge, attitude and other abilities.
- To develop infrastructure facility of rural area.
- To provide minimum facility to rural mass in terms of drinking water, education, transport, electricity and communication.
- To develop rural institutions like panchayat, cooperatives, post, banking and credit.
- To provide financial assist to develop the artisans in the rural areas, farmers and agrarian unskilled labor, small and big rural entrepreneurs to improve their economy.
- To develop rural industries through the development of handicrafts, small scaled industries, village industries, rural crafts, cottage industries and other related economic operations in the rural sector.
- To develop agriculture, animal husbandry and other agricultural related areas.
- To restore uncultivated land, provide irrigation facilities and motivate farmers to adopt improved seed, fertilizers,

package of practices of crop cultivation and soil conservation methods.

- To develop leadership quality of rural area.
- To improve rural marketing facility.
- To minimize gap between the urban and rural in terms of facilities availed.
- To improve rural people's participation in the development of state and nation as whole.
- To eliminate rural poverty.
- To solve the problems faced by the rural mass for their development.

Problems in Rural Development

The problems of our villages are many and various

- Attitude of People: - Only %rural people are educated. Due to Low level of education rural people have Traditional way of thinking, poor understanding. Low level of education to understand developmental efforts and new technology, Deprived psychology and scientific orientation, Lack of confidence, Poor awareness, Existence of unfelt needs, Personal ego.
- Agriculture :- rural farmers have to face many agricultural related problems such as; Small size of land holding, Division of land, Lack of expected awareness, knowledge, skill and attitude, Unavailability of inputs, Poor marketing facility, Insufficient extension staff and services, Multidimensional tasks to extension personnel, Unwillingness to work and stay in rural areas.
- lack of basic needs:- like safe drinking water, home, basic education, health,
- Infrastructure related problems: Poor infrastructure facilities like, electricity, transport, educational institutions, communication, health, storage facility etc.
- Economic problems: - Unfavorable economic condition to adopt high cost technology, High cost of inputs, Underprivileged rural industries.
- Social and Cultural problems: - Cultural norms and traditions, Conflict within and between groups, castes, religions, regions, languages.
- Leadership related problems: - Leadership among the hands of inactive and incompetent people, Malafied interest of leaders, biased political will.
- Administrative problems:- Earlier, majority of the programmes were planning based on top to bottom approach and were target oriented, Political interference, Lack of motivation and interest, Unwillingness to work in rural area, Improper utilization of budget.

Recommendations

Improvement of Economic Capabilities: improvement of economic capabilities means improvement in income of rural people source of income can divided two sector that is agriculture and industry. The Economy of India is the seventh-largest in the world by nominal GDP and the third-largest by purchasing power parity. The agricultural sector is main occupation in India's economy but contributes to a declining share of its GDP (17% in 2013-14). India ranks second worldwide in farm output. Agriculture and allied sectors like forestry, logging and fishing accounted for 17% of the GDP and employed 49% of the total workforce in 2014. It is the largest employment source and a significant piece of the overall socio-economic development of India. Agricultural

Machinery Industry plays an important role in the Indian economy as the agriculture sector still contributes majorly to the country's GDP. The northern region comprising of Punjab, Haryana, Delhi, Chandigarh and Rajasthan has more than 300 registered small scale agricultural machinery and 9 tractor manufacturing units. For research and technology to have an impact on poverty reduction by boosting agricultural productivity, research itself needs to focus on the needs of poor people. Higher agricultural productivity might be achieved through qualitative improvements of crops (i.e. stress resistance), however, increases in income will not be realized without proper access to markets to sell excess produce and appropriate infrastructure development to reach those markets. Likewise, the introduction of mixed farming systems and reductions in purchased inputs might require institutional changes, for example in the form of extension service reform and the promotion of community-based groups. Recognizing the importance of research in improving agricultural productivity, the FAO has proposed the Anti-Hunger Program, which combines concrete measures to increase agricultural productivity and the uptake of appropriate technologies by poor rural communities, ensuring also access to food for the most needy through safety nets and other direct assistance. The intention of the Anti-Hunger Program is to give higher priority to research and resource mobilization for agriculture and non-farm activities in rural areas. Agricultural produce is the biggest resource of economic activity and development in India. Be poultry, pisciculture, horticulture, apiculture, dairy development, etc. These activities create a big base for agricultural machinery and other inputs. With increased agricultural production rural economy is boosted and migration of marginal farmers can be reduced.

Improvement of industries

Mahatma Gandhi, was probably the first among our leaders to promote rural development in India. On March 30, 1946 at the Prayer meeting at Uruli kanchan before leaving for Delhi for final negotiation with the British, Gandhiji reiterated that we cannot retain power in Delhi without developing rural India. His concept of rural development meant self-reliance with least dependence on outsiders. The Swadeshi Movement was launched through spinning and weaving to promote Khadi. This small-scale cottage activities, provided livelihood to the rural people.

Cottage Activities

Typical small-scale cottage activities are food processing, e.g. baking, parboiling of rice, preparation of noodles, preservation of fruits and vegetables, meat grilling, street food preparation, brewing of beverages, drying of grain and spices and roasting of coffee. The economic importance of these activities to the rural economy as a whole, is enormous. There is an increasing need for the off-farm cash generating activities, and this is crucial if dependence on the declining agricultural base is to be avoided. The advantages of many small activities is that the production can easily be stopped over planting and harvesting periods if necessary, so that they provide income in the off-season.

Village Enterprises

Medium-scale village processing activities include breweries, bakeries, dairies, restaurants, blacksmithing, potteries, lime

processing and brick manufacturing. The village enterprises may be owned by a group of people, an extended family, a cooperative or an entrepreneur, who employs others. In some cases the owners have a considerable business skill, although most small enterprises are run by people with little schooling or experience outside their own village. Many of these medium-scale village enterprises do not seem to be very profitable from a pure economic point of view, but the number of people involved in the business is high and their importance to the rural development, as employers of unpropertied rural low-income population, is indisputable. There are only a few figures available. However, Gandhi (19) estimated for India that there are 15 000 brick kilns in the country, the majority being small-scale and most located in peri-urban or rural areas. 1.5 – 2.25 million people are employed by the Indian brick industry.

Rural Industries

This category includes the processing of such typical cash crops as tobacco, tea, coffee, cocoa, copra, and rubber, which are also important export products with a high impact on the national economy. Their proportion in the GNP of the country is significant. In addition to the importance of these cash crops to national economics and their relatively large share in the GNP of the countries, a very high number of people are employed by the industries and development of infrastructures)

Improvement of Human Capabilities

Rural India, in fact can be the most efficient powerhouse for national development. Three fourth of Indian population belongs to villages. Therefore, Indian human resource is primarily based on rural areas. Furthermore, more than 65% of total population in India is under 35 years. This signifies the large potential that the country possesses in terms of labour power. Without bringing rural India under the ambit of active development, holistic progress of the nation is impossible. Skill development is now a priority in India. Emphasis must be on dedicated schemes for capacity building in rural India. Formation of a well-established infrastructure exclusively for skill development must be initiated. Professional Skill and employment-oriented training must be provided to rural youth for creation of skilled labour force. Since the Indian market is growing lucrative with a strengthening buying power of a section of its population, many foreign companies are keen to invest. This will bring up many industries in various sectors in the nation, which will have a huge demand of skilled labour in coming times. Directing the Make in India initiative to rural India will bring about an impressive development in overall economy of the nation. Rural India has immense potential to add an intriguing feature to manufacturing and export. Numerous indigenous products of India have a prodigious value in international as well as in the domestic market. For instance, handicraft, handloom and textiles, orchids, herbs and similar products have huge commercial viability in the global market. Industries associated with these products should be developed with bases in rural landscape throughout the nation. This will bring about a sharp breakthrough in indigenous industry and manufacturing of the nation and enable rural communities to become self-dependent with economic empowerment. Skill development schemes that focus on infrastructure development in rural India are the need of the hour. It could be a great initiative if government schools can

add vocational training along with other subjects across the nation. Apart from these, schemes should be floated to use school infrastructure in post school hours for training and skill development. There should be special incentive schemes under Make in India policy for Industries to setup their units in rural locales utilizing local resources

Improvement of Political Capabilities

Encourage rural communities, participation in decision-making, promote rural communities empowerment and rural leadership. Improve access by rural people and communities to information, education, extension services and learning resources, knowledge and training to support sustainable development planning and decision-making.

Development of Infrastructure

Invest in essential infrastructure and services for rural communities. Increase public and private investments in infrastructure in rural areas, including roads, waterways and transport systems, storage and market facilities, livestock facilities, irrigation systems, affordable housing, water supply and sanitation services, electrification facilities, and information and communications networks.

Conservation of Natural Environment

Ensure environmental sustainability in rural areas

Encourage the use of land resources in a sustainable manner to prevent land degradation that is caused by unsustainable exploitation of land resources; Encourage the use of environmentally friendly practices; Promote sustainable natural resources use and management, including ecosystem conservation through community-based programmes; Promote safe and environmentally sound waste management practices

Promote women empowerment and gender equality:

In that context

Involve women in decision-making in all activities related to rural development. Take measures that promote access to and ownership of means of production, including land, capital, entrepreneurship, by women. Promote gender equality as well as take measures to achieve equal opportunities for women and men in all aspects of rural development. Carry out extensive education, and awareness-raising on the rights of women and the concept of empowerment and gender equality in rural areas.

Conclusion

There is a basic issue of providing livelihood security, basic enticements to the rural population. Infrastructural gaps require to be filled and connectivity with urban areas requires to be strengthened. Therefore the core of rural development strategy is to provide both self and wage employment, water supply, proper sanitary and health care measures and education. The dream of India becoming a super power aligned with countries such as the US, and neighboring China, can be transformed to reality only with proper utilization of its resources. Human resource is the best resources of any nation and for India; our rural populace can become the driving factor for development and industrialization. Time has arrived to hone this asset and utilise it for the best.

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