

# A Research Study on the Impact of Rural Development Programmes to Growth of Indian Economy

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## ABSTRACT

*The economic investigations of rural programmes tend to be rather myopic remaining preoccupied with increases in employment, income, assets, etc. The purpose of this paper is to argue that looking at the rural programmes from the broader perspective of changing relative positions of rural strata would provide deeper understanding of rural change and, also, bring the empirical studies closer to the emerging theoretical issues in development economics. As the topic suggests, rural development in India is the overall progress in the economic and social conditions of Indians residing in rural areas. It is not an objective but a constant process in itself. As a result, this process actively contributes to the economic growth of a rural region and the country as a whole. Conversely, the economic development in an area leads to rural development.*

**KEYWORDS:** *I-Investigations, M-Myopic, P-Perspective, D-Development, E-Economic*

## INTRODUCTION

Therefore, the objectives of rural development include providing opportunities for earning a respectable livelihood. Consequently, the rural population will be able to relieve themselves of poverty and economic backwardness. The policy-makers in India attempt to introduce modern education, health standards, and land reforms to offer the rural inhabitants a standard of living. To begin with, rural development stands for the increase in income opportunities for people living in rural areas. According to the Population Census of 2011, the percentage of people residing in rural areas is close to 69% of the Indian population. It roughly translates to about 83.3 crore Indians who are settled in rural areas. Thus, rural development also includes the measures implemented by government bodies to curb the poverty rate in such areas. As per another report by the Government of India, the percentage of the Indian population that was situated Below the Poverty Line (BPL) in 2011-2012 amounted to 21.9%. Needless to say, people affected by rural poverty contribute to a large chunk of the percentage. Therefore, the development of rural areas in terms of economy and viability of

professional options is much needed. Through this progress, a sizable portion of the Indian population will find themselves out of the BPL group.

***However, the primary objectives of rural development include the following –***

To promote economic growth among the rural population through adequate access to food, shelter, clothing, education, and employment. With proper opportunities proportional to the same in urban areas, individuals residing in rural areas will be able to get a level ground for income options.

- ❖ To introduce modern techniques for agriculture in rural areas to contribute to an increased productivity rate. As a result, the role of rural development is to establish sustainable and affordable technology to increase production in a national market.
- ❖ To ensure consistent rural infrastructure development in India. In addition, this process should involve all local rural populations. Consequently, they will gain the agency to make large-scale economic decisions that lead to area-based financial development.
- ❖ To bridge the gap between local governing bodies and the Central administration for better economic communication. On top of that, rural development aims to provide executive powers to panchayats for carrying on the policies framed by experts.
- ❖ Finally, the objective of rural development is to use natural resources within a territory to ensure maximum economic benefit for inhabitants. This also includes important land reform measures to boost the agricultural output and productivity of every individual involved.

***Now that we know what the concept of rural development in India aims to achieve, let's progress to the elements that impact rural growth.***

**The Factors that Affect Rural Development of Indian Economy**

Multiple factors contribute to the urban development of India. However, in-depth knowledge of knowledge and knowledge development will certainly help students understand the ingredients of rural progress. As a result, they will be able to pinpoint the nature of factors that have a direct impact on rural development.

***Therefore, factors affecting the rural development in India are duly stated below –***

**Infrastructure** – The infrastructural condition of a rural area has a direct link with its scale of development. Primarily, infrastructure consists of pucca roads, a consistent supply of electricity, and availability of transport. With these factors, governing bodies have been able to reduce connectivity issues related to these areas. As a result, there has been an increase in the efficiency of the supply of agricultural

output to mainland markets all over India. Therefore the opportunity of income increases among the rural residents.

**Education** – It is quite obvious that the level of education plays an integral role in the overall progress of rural areas. First of all, education introduces one to new and innovative ideas to improve his/her social condition. Educating the rural population at an early age ensures that there is no discrimination between the urban and rural populations. Therefore, they are open to countless employment opportunities from multiple sectors and industries.

**Healthcare** – Needless to say, healthcare is an important part of rural development in India. The rural population is often susceptible to diseases that can be avoided with proper healthcare measures. Besides, this contributes directly to their productivity. As a result, they will be able to participate in healthy competitions in the market. Proper healthcare systems also reduce the mortality rate, thus ensuring a healthy and meaningful life.

**Technology** – The role of technology in rural development is indisputable. First of all, modern production techniques in various sectors can actively increase their rate of production, which allows for a remarkable rise in the scale of economic activities in rural areas. On the other hand, the technology significantly reduces irrigation and quality issues. Therefore, the presence of appropriate technological means such as pumps, tractors is the make-or-break factor of rural development. In addition, access to clean drinkable water and sanitation is a must for the development of rural areas. In this way, rural residents will be able to benefit from equal income opportunities and sustainable healthcare services.

### **How to Ensure the Rural Development of India?**

The Government of India has launched multiple projects on rural development in India over the decades. The keys to sustainable rural development in terms of economic situation include the following –

- ❖ Proper presence of advanced facilities for irrigation to all land types in India. As a result, farmers can boost their agricultural output and create economic opportunities for themselves.
- ❖ Credit facilities on access to the necessary ingredients of farming such as fertilizers, pesticides, and seeds. Subsidies on electricity used for farming purposes ensure that the rural population saves more than it spends.
- ❖ Combat with social inequalities and discrimination in rural areas to create a sense of unity. This sense of social unity will lead to the formation of an economic class whose aim is to boost production and ensure rural development.

- ❖ Make sure that there are adequate training sessions for farmers to equip them with modern agricultural measures. Besides, farmers should also be aware of agricultural policies, land reforms, and market prices for the best use of their resources.

In addition, any improvement in current agricultural markets also makes sure that they can accommodate the economic contribution of the rural population. In these ways, one can ensure a sustainable growth curve and desirable rural development of India. For an in-depth insight into the factors that determine rural progress in India, go through the study materials available on our website. You can also install the Vedantu app to help you with your classes.

## Scope of Rural Development

Since times immemorial India has been continuing to be and will remain in the future land of village communities. That is why Mahatma Gandhi rightly stated that "India lives in villages" If the village Perishes India will too Perish. Most of the people in India live in rural areas and any strategy of social-economic development in India that neglects rural people and rural areas cannot be successful. It is a sine -qua -non of the development of India. Rural development is a result of interchanges between various physical, technical, economic, social, cultural, and institutional factors. Rural development is continuously designed to improve the economic and social well-being of rural people.

## Contents of Rural Development

- ❖ Scope of rural development
- ❖ Rural demography
- ❖ Rural unemployment
- ❖ Rural credit and indebtedness
- ❖ Rural industrialization
- ❖ Rural development programs
- ❖ Institution for rural development
- ❖ Rural migration
- ❖ Rural labor.

## Strategy and Approaches to Rural Development

- ❖ The multipurpose method
- ❖ The minimum package method
- ❖ The target group approach
- ❖ The area development approach
- ❖ Integrated rural development approach.

***In the rural economy of India, there are broadly two sectors namely***

- ❖ Agricultural sector
- ❖ Nonagricultural sector

Rural development means the development of agriculture and rural nonagricultural sectors. that sector are divided into some sub-sectors as shown in the following table.

**Programs for Fastest-Growing Rural Development**

The Indian government has launched extensive programs for rural development areas. Below is the list of the development programs which are carried out by the government for the upliftment of the weaker section,s in rural areas:

- ❖ Rural works program
- ❖ Marginal farmers and agricultural laborers Development Agency
- ❖ Small farmers Development Agency
- ❖ Integrated dryland Agricultural Development
- ❖ Agro services centers
- ❖ Area development schemes
- ❖ Crash program for employment food for work program
- ❖ Pilot intensive Rural Employment
- ❖ Projects minimum needs programs
- ❖ Common area development
- ❖ Desert development program
- ❖ Drought-prone area program
- ❖ Integrated rural development program
- ❖ National Rural Employment program
- ❖ Training rural youth for self-employment rural and less employment guarantee program
- ❖ Jawahar Rozgar Yojana

- ❖ Indira Mahila Yojana
- ❖ Indira Awas Yojana
- ❖ Rural area council for Advancement of people's action and rural technology
- ❖ Prime Minister Rozgar Yojana
- ❖ Modernization of Agricultural Green Revolution
- ❖ Development of Agriculture High-value
- ❖ Credit banking cooperative societies
- ❖ Land Reforms promotion of rural industrialization
- ❖ Integrated rural energy program
- ❖ Social development programs
- ❖ Dryland and rainfed farming
- ❖ Watershed development program
- ❖ Horticulture development
- ❖ Capital development
- ❖ Dairy development
- ❖ Operation Flood fisheries and development.

For uplifting the rural sector of our country, the Ministry of Rural Development and the Government of India in coordination with Department of Rural Development and Department of Land Resources have been carrying forward various schemes. These schemes are formulated to benefit the citizens of rural India who will eventually become the pillars of Indian Economy in the long run.

*Some important schemes for Rural Development launched by Government of India are –*

### **Pradhan Mantri Gram Sadak Yojana (PMGSY)**

Launched on 25 December 2000 by then Prime Minister Atal Bihari Vajpayee, the scheme aims at enhancing rural road connectivity. This scheme provides connectivity to the habitations with less or no connectivity at all and helps in poverty reduction by promoting access to economic and social services.

This ensures sustainable poverty reduction in the long run as people get an opportunity to get connected with the rest of the world. The scheme has been benefiting several villagers and is helping them lead better lives. Nearly 82% of roads have been built till December 2014 which have successfully connected several rural areas to cities.

## **Deen Dayal Upadhyaya Grameen Kaushalya Yojana**

[Deen Dayal Upadhyaya Grameen Kaushalya Yojana](#), a part of National Livelihood Mission, has the objectives of catering to the career aspirations of the rural youth and adding diversity to the income of rural families. Launched on 25th September 2014, the scheme's prime focus is on the rural youth of poor families aged between 15 and 35. An amount of Rs 1500 crores has been provided for the scheme which will help in enhancing employability. The yojana is present in 21 States and Union Territories across 568 districts and 6215 blocks changing the lives of youth. Around 690 projects are being implemented by 300 partners. As per the government reports, over 11 lakh candidates have been trained till now and nearly more than 6 lakh candidates have been placed in jobs.

## **Deendayal Antyodaya Yojana/ National Rural Livelihood Mission**

Swarnjayanti Gram Swarozgar Yojana which is redesigned as National Rural Livelihood Mission was launched in 2011 by Ministry of Rural Develop. Also known as Ajeevika , this scheme aims at empowering women self-help model across the country. Under this scheme, the government provides a loan of 3 lakh rupees at an interest rate of 7% which can be reduced to 4% at the time of repayment. The scheme was aided by World Bank and aimed at creating efficient and also effective institutional platforms for poor people. It also helped in increasing the household income by improving access to financial services. NRLM also helps in harnessing the capabilities of the poor so that they can participate in the growth of the economy of the country.

## **Prime Minister Rural Development Fellows Scheme**

The Prime Minister Rural Development Fellowship (PMRDF) is a scheme initiated by the Ministry of Rural Development, implemented in collaboration with State Governments. It has dual goals of providing short-term support to the district administration in the underdeveloped and remote areas of the country and develop competent and committed leaders and facilitators who can serve as a resource for a long-term.



## **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**

As per the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) of 2005, 100 days of employment is guaranteed to any rural household adult who is willing to do unskilled manual work in a financial year. The Act addresses the working people and their fundamental right to live life with dignity. If a person does not get a job within 15 days, he is eligible for getting unemployment allowance. National Rural Employment Guarantee Act (NREGA) also highlights the importance of basic right to work. Amendments have been introduced to this act to minimize corruption in the scheme. MGNREGA has covered more than 700 districts in India. Also, there are currently more than 14.8 crore MGNREGA cards that have been issued in the country, and in total of 28 crore individuals have reaped the benefits of this scheme in the year 2014-15

## **Sampoorna Grameen Rozgar Yojana (SGRY)**

The [Sampoorna Grameen Rozgar Yojana \(SGRY\)](#) was launched in 2001 to provide employment to the poor. It also aimed at providing food to people in areas who live below the poverty line and improving their nutritional levels. Other objectives of this Yojana were to provide social and economic assets to the people living in rural areas. The scheme did not include the employment of contractors or middlemen.

## **Sansad Adarsh Gram Yojana (SAGY)**

[Sansad Adarsh Gram Yojana \(SAGY\)](#) is a rural development project launched in 2014 by the Government of India in which each Member of Parliament will take the responsibility of three villages and look after the personal, human, social, environmental and economic development of the villages. This would substantially improve the standard of living as well as the quality of life in the villages. No fundings have been provided to this project as fundings can be raised through existing schemes.

## **National Social Assistance Programme (NSAP)**

National Social Assistance Programme signifies the fulfilment of Directive Principles in Article 41 and 42 of the constitution which states that it is the duty of the state to provide assistance to the citizens in terms of sickness, unemployment, old age in limits of the economic capabilities. It is basically a centrally sponsored scheme of Government of India which provides financial help to widows, elderly, people with disability in form of pensions. The scheme was launched on August 15 in



1995. Until now the NSAP has more than 2.9 crore beneficiaries and by adding 1.5 crore state beneficiaries, the total adds up to more than 4 crore people who reap benefits of this program.

### **Antyodaya Anna Yojana (AAY)**

Launched by the former Prime Minister [Atal Bihari Vajpayee](#) in 2000, the [Antyodaya Anna Yojana](#) aimed at providing food grains to around 2 crore people at subsidised rates. As per the scheme Below Poverty Line (BPL) families were provided 35 kgs of food grains. Rice was provided at the rate of Rs 3/kg and wheat at the rate of Rs 2/kg. The scheme was first launched in Rajasthan but has now been implemented in all Indian states.

### **Provision of Urban Amenities In Rural Areas (PURA)**

PURA is a strategy for Rural Development in India which was proposed by former President APJ Abdul Kalam in his book Target 3 billion. PURA proposes that urban infrastructure and services should be provided in rural areas to create opportunities outside the cities. This will also prevent the migration of youth from the rural areas to urban areas. The Central Government has been running PURA programs in various states since its launch in 2004.

### **CONCLUSION**

Moreover, India stepping back from being an aid-dependent country has also added weight to its profile on the international stage. “India has not been an aid dependent country for a long time now. International development funds, whether from the World Bank, or unilateral development funding from individual donor countries , have come in the form of loans. Additionally , India has now become an important provider of developmental aid to many countries ..There is no doubt that rural India has benefited by way of flagship rural schemes of the government of India like MNREGA, PMGSY etc. Allocation of funds for these schemes has been possible from the Budget because the economy of the country is growing steadily after economic liberalisation . Yet the question arises whether any country that has not succeeded in fulfilling the basic needs of a majority of its citizens can refer to itself as having ‘emerged’..The structural faults in the economy which prevent an equitable distribution of wealth are the mega challenges that cannot be wished away. While the euphoria of India’s steady progress is a concrete truth, it is still open to debate whether around the corner from the ivory tower of India, Bharat still awaits its Obama moment

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