



Rural development in India: A study on progress, performance, and determinants

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Abstract

Rural development has assumed global attention especially among the developing nations and it has great significance for a country like India. Rural development is the backbone for any country's economic development and it helps the economy to grow and sustain. Rural development usually refers to the process of enhancing the quality of life and financial well-being of individuals, specifically living in populated and remote areas. The rural India facing the major problems of infrastructure in villages and connectivity by roads and less employment opportunities in rural areas. Rural development focuses upon the development of rural economies, issues and effectively aims at developing their productivity. It emphasises the need to address various issues of rural economies that hamper growth and improve these areas. The Government of India has launched many schemes for development of rural areas. This paper is to study the role of these schemes in rural development of India and to analyse the conditions of rural economy and also study the issues and challenges of the rural areas.

Keywords: social infrastructure, approaches, communities, schemes, rural development

Introduction

Rural Development in India is one of the most important factors for the growth of the Indian economy. Rural Development is the process of improving the quality of life and economic well-being of people living in rural areas. Rural development is also characterized by its emphasis on locally produced economic development strategies. Rural development actions are intended to further the social and economic development of rural communities.

The rural economy is an integral part of the overall Indian economy. Rural development aims at finding ways to improve rural lives with participation of rural people themselves, so as to meet the required needs of rural communities. Rural Development in India is one of the most important factors for the growth of the Indian economy.

The need for rural communities to approach development from a wider perspective has created more focus on a broad range of development goals rather than only creating incentive for agricultural or resource-based businesses. Education, physical infrastructure, and social infrastructure all play an important role in developing rural regions.

The main objectives of Rural Development Programmes have been alleviation of poverty and unemployment through creation of social and economic infrastructure, provision of training to rural unemployed people. Rural development means an action- plan for the social and economic upliftment of the rural areas.

Rural development still remains the core of the overall development of the country. More than two-third of the country's people are dependent on agriculture for their livelihood, and one-third of rural India is still below the poverty line. Therefore, it is important for the government to be productive and provide enough facilities to upgrade their standard of living.

Government initiatives in developing rural regions

The Ministry of Rural Development (MoRD) provides policy guidance in rural development. The Ministry of Rural Development in India is the apex body for formulating policies and regulations relating to the development of the rural sector. Agriculture, poultry, handicrafts, fisheries, and dairy are the main contributors to the rural business and economy.

It monitors the progress of the various schemes and programmes, including DAY-NRLM, MGNREGA, PMAY, NSAP, PMGSY, SPMRM, implemented by the Ministry.

Core Functions

1. To monitor MoRD's schemes such as MNREGA, Pradhan Mantri Awas Yojana-Gramin (PMAY-G), Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY- NRLM), and National Social Assistance Programme.
2. To assist in policy formulation of rural development programmes and to make periodic assessments of the physical and financial progress achieved.

Rural development in India has witnessed several changes over the years in its emphasis, approaches, strategies and programmes.

Rural Development strategy in India:

The Ministry of Rural Development plays a pivotal role in the overall development strategy of the country. The vision of the Ministry is sustainable and inclusive growth of rural India through a multipronged strategy for eradication of poverty by increasing livelihoods opportunities, providing social safety net and developing infrastructure for growth. This is expected to improve quality of life in rural India and to correct the developmental imbalances, aiming in the process, to reach out to most disadvantaged sections of the society.

Broadly, the aims of the Ministry of Rural Development are:

1. Providing for the enhancement of livelihood security of households in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household demanding it.
2. Providing urban amenities in rural areas for improvement of quality of rural life.
3. Development of the productive resources of each locality.
4. Infrastructure development like electricity, irrigation, credit, marketing, transport facilities.
5. Provision of all-weather rural connectivity to unconnected rural habitations and upgradation of existing roads to provide market access.
6. Development of human resources including literacy (more specifically female literacy) education and skill development.
7. Providing livelihood opportunities to those in need including women and other vulnerable sections with focus on Below Poverty Line (BPL) households.
8. Development of human resources like health, addressing both sanitation and public health.
9. Providing basic housing and homestead to BPL household in rural areas.
10. Implementation of land reforms.
11. Restoring lost or depleted productivity of the land. This is done through watershed development programmes and initiating effective land reform measures for providing land to the landless rural poor.
12. Special measures for alleviation of poverty and bringing about significant improvement in the living conditions of the weaker sections of the populations emphasising access to productive employment opportunities.
13. Capacity development and training of rural development functionaries.
14. Providing social assistance to the elderly, widow and disabled persons.
15. Promoting involvement of voluntary agencies and individuals for rural development.
16. Facilities for agriculture research and extension and information dissemination.

Role and function of the Government

Rural development implies both the economic betterment of people as well as greater social transformation. Increased participation of people in the rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit are envisaged for providing the rural people with better prospects.

Initially, main thrust for development was laid on agriculture, industry, communication, education, health and allied sectors. Later on, realizing that accelerated development can be provided only if governmental efforts are adequately supplemented by direct and indirect involvement of people at the grass root level, the thrust shifted.

Accordingly, on 31st March 1952, an organization known as Community Projects Administration was set up under the Planning Commission to administer the programmes relating to community development. The community development programme, inaugurated on October 2, 1952, was an important landmark in the history of the rural

development. This programme underwent many changes and was handled by different Ministries.

In October 1974, the Department of Rural Development came into existence as a part of Ministry of Food and Agriculture. On 18th August 1979, the Department of Rural Development was elevated to the status of a new Ministry of Rural Reconstruction. It was renamed as Ministry of Rural Development on 23rd January 1982. In January 1985, the Ministry of Rural Development was again converted into a Department under the Ministry of Agriculture and Rural Development which was later rechristened as Ministry of Agriculture in September 1985. On July 5, 1991 the Department was upgraded as Ministry of Rural Development. Another Department viz. Department of Wasteland Development was created under this Ministry on 2nd July 1992. In March 1995, the Ministry was renamed as the Ministry of Rural Areas and Employment with three departments namely Department of Rural Employment and Poverty Alleviation, Rural Development and Wasteland Development.

Again, in 1999 Ministry of Rural Areas and Employment was renamed as Ministry of Rural Development. This Ministry has been acting as a catalyst effecting the change in rural areas through the implementation of wide spectrum of programmes which are aimed at poverty alleviation, employment generation, infrastructure development and social security. Over the years, with the experience gained, in the implementation of the programmes and in response to the felt needs of the poor, several programmes have been modified and new programmes have been introduced. The Ministry's main objective is to alleviate rural poverty and ensure improved quality of life for the rural population especially those below the poverty line. These objectives are achieved through formulation, development and implementation of programmes relating to various spheres of rural life and activities, from income generation to environmental replenishment.

In order to ensure that the fruits of economic reform are shared by all sections of societies five elements of social and economic infrastructure, critical to the quality of life in rural areas, were identified. These are health, education, drinking water, housing and roads. To impart greater momentum to the efforts in these sectors the Government launched the Pradhan Mantri Gramdoya Yojana (PMGY) and the Ministry of Rural Development was entrusted with the responsibility of implementing drinking water, housing and rural roads component of PMGY.

During the Ninth Plan period, several anti-poverty Programmes have been restructured to enhance the efficiency of the Programmes for providing increased benefits to the rural poor. Self-Employment Programmes were revamped by merging the Integrated Rural Development Programme (IRDP), the Development of Women and Children in Rural Areas (DWCRA), the Supply of Improved Tool-Kits to Rural Artisans (SITRA), the Training of Rural Youth for Self-Employment (TRYSEM), the Ganga Kalyan Yojana (GKY) and the Million Wells Scheme (MWS) into a holistic self-employment scheme called Swarnjayanti Gram Swarozgar Yojana (SGSY).

Keeping in view the needs and aspirations of the local people, Panchayati Raj Institutions (PRIs) have been involved in the programme implementation and these institutions constitute the core of decentralized development of planning and its implementation. The Ministry vigorously

pursue with the State Governments for expeditious devolution of requisite administrative and financial powers to PRIs as envisaged under 73rd Amendment Act of the Constitution of India. On 25th December 2002, under Drinking Water Sector, a new initiative 'Swajal Dhara' empowering the Panchayats to formulate, implement, operate and maintain drinking water Projects was launched. In order to further involve PRIs in the development process, a new initiative 'Hariyali' was launched by Hon'ble Prime Minister on 27th January, 2003. Hariyali was launched to strengthen and involve Panchayati Raj Institutions in the implementation of watershed development programmes namely IWDP, DPAP and DDP.

Realising that empowerment of rural women is crucial for the development of rural India, a women's component is introduced in the programmes for poverty alleviation to ensure flow of adequate funds to this section. The Constitutional Amendment (73rd), Act 1992 provides for reservation of selective posts for women. The Constitution has placed enormous responsibility on the Panchayats to formulate and execute various programmes of economic development and social justice, and a number of Centrally Sponsored Schemes are being implemented through Panchayats. Thus, women Members and Chairpersons of Panchayats, who are basically new entrants in Panchayats, have to acquire the required skill and be given appropriate orientation to assume their rightful roles as leaders and decision makers. Imparting training to elected representatives of PRIs is primarily the responsibility of the State Governments/Union territory Administrations. Ministry of Rural Development also extends some financial assistance to the States/UTs with a view to improve the quality of training programmes and to catalyze capacity building initiatives for the elected members and functionaries of PRIs.

The Eleventh Plan saw injection of huge resources from the Union Budget to the rural and farm sector. This thrust formed the substance of the Bharat Nirman Programme. The Mahatma Gandhi National Rural Employment Guarantee Act has provided a major foundational support.

Department of Drinking Water and Sanitation has been separated from the Ministry of Rural Development from 13th July, 2011 and renamed as Ministry of Drinking Water and Sanitation.

Schemes for Rural Development:

The following major programmes are being operated by the Ministry of Rural Development in rural areas,

1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for providing wage employment,
2. National Rural Livelihoods Mission (NRLM) for self-employment and skill development,
3. Housing for All: Pradhan Mantri Awaas Yojana - Grameen (PMAY-G) for providing housing to BPL households,
4. Pradhan Mantri Gram Sadak Yojana (PMGSY) for construction of quality roads,
5. National Social Assistance Programme (NSAP) for social pension,
6. Shyama Prasad Mukherjee RURBAN Mission,
7. Integrated Watershed Management Programme (IWMP) for improving the productivity of the land.

In addition, the Ministry also has schemes for capacity development of rural functionaries; Information, Education and Communication; and Monitoring and Evaluation.

Budgetary allocations for Rural Development for the year 2020-21, and analyses issues related to the schemes implemented by the Ministry.

The Ministry of Rural Development is responsible for development and welfare activities in rural areas.

Allocation in Union Budget 2020-21

The Ministry of Rural Development has the fourth highest allocation across Ministries in 2020-21, at Rs 1, 22,398 crore. In 2020-21, the Department of Rural Development has an allocation of Rs 1, 20,147 crore, accounting for 98% of the Ministry's allocation. It witnessed a 2% decrease in funds from revised estimates of 2019-20.

On the other hand, the Department of Land Resources has an allocation of Rs 2,251 crore, which is 18.5% more than the revised estimates of 2019-20.

Table 1 gives the trend in budgetary allocation towards the Ministry over the past three years.

Table 1: Budgetary allocation to the Ministry of Rural Development (Rs crore)

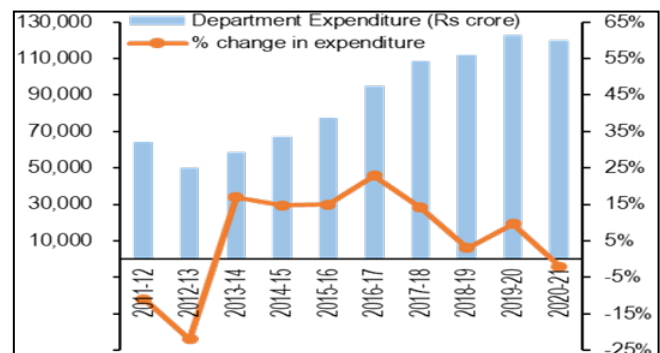
Department	Actuals (2018-19)	Revised (2019-20)	Budgeted (2020-21)	% Change (RE to BE)
Rural Development	1,11,842	1,22,649	1,20,147	-2.0%
Land Resources	1,864	1,900	2,251	18.5%
Total	1,13,706	1,24,549	1,22,398	-1.7%

Note: BE is budget estimate and RE is revised estimate.

Sources: Demands for Grants 2020-21, Ministry of Rural Development; PRS.

Department of Rural Development

In the past 10 years, the expenditure of the Department of Rural Development has seen an annual growth of 7.2%. Except in 2011-12 and 2012-13, when the Department reduced its spending, its expenditure increased in all other years up till 2019-20. In 2020-21 the estimated expenditure is 2% less than the revised estimates for the previous year.



Note: Values for 2019-20 and 2020-21 are revised estimates and budget estimates respectively.

Sources: Union Budgets 2011-12 to 2020-21; PRS.

Fig 1: Expenditure by the Department of Rural Development over the years (Rs crore)

Major schemes under the Department

Table 2 represents the budgetary allocation for major schemes under the Department of Rural Development.

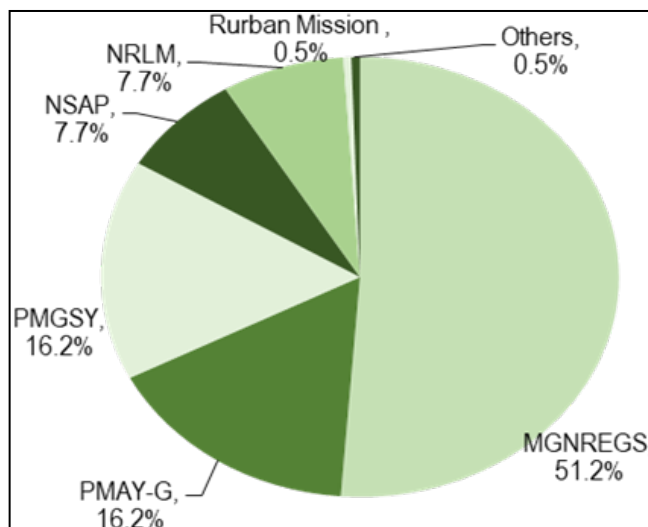
Table 2: Allocation to the Department of Rural Development (Rs crore)

Department	Actuals (2018-19)	Revised (2019-20)	Budgeted (2020-21)	% Change (RE to BE)
MGNREGS	61,815	71,002	61,500	-13%
PMAY-G	19,308	18,475	19,500	6%
PMGSY	15,414	14,070	19,500	39%
NSAP	8,418	9,200	9,197	0%
NRLM	5,783	9,024	9,210	2%
Rurban Mission	433	300	600	100%
Others	671	578	640	11%
Total	1,11,842	1,22,649	1,20,147	-2%

Note: BE is budget estimate and RE is revised estimate. Others include central sector projects like management support to rural development programs, socio-economic and caste census survey and centre’s expenditure.

Sources: Demands for Grants 2020-21, Department of Rural Development, Ministry of Rural Development; PRS.

- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), continues to account for more than half of the Department’s budget. However, the funds allocated to it have decreased by 13% this year.
- Funds allocated for the rural roads scheme, Pradhan Mantri Gram Sadak Yojana (PMGSY) has seen an increase of 39% from the revised estimates of 2019-20.



Sources: Demands for Grants 2020-21, Department of Rural Development, Ministry of Rural Development; PRS.

Fig 2: Top expenditure heads in 2020-21, as a percentage of total departmental allocation.

Figure 2 shows the composition of expenditure of the Department of Rural Development. In 2020- 21, 51% of the Department’s expenditure is estimated to be on the MGNREGS. This is followed by the rural component of Pradhan Mantri Awaas Yojana – Gramin (16.2%), and PMGSY (16.2%).

Conclusion

Rural development plays a vital role in the economic development of India, particularly in the rural economy. It helps in generating employment opportunities in the rural areas, contributing to the development of agriculture, reducing poverty, migration and economic disparity. However concerted efforts have been initiated by the Central and State Governments through several schemes and

measures to alleviate poverty in rural India. There still remains much more to be done to bring prosperity in the lives of the people in rural areas. Besides, there is also an imbalance between strategies and effective management programmes. Propagation of schemes for rural development is slow.

The economic elements of the rural environment directly put an impact on the Indian business market. The business has to understand the needs of the rural environment, rural values, culture and change according to the rural markets. Therefore, include the government, panchayats, village personals, industries, and private companies to not only help in reducing this imbalance, but also to have a multiplier effect on the overall economy.

The various rural development programs of Government should combine infrastructure development, education, health services and investment in agriculture. Rural development is the way of converting developing country into developed nation. Promotion of rural development programmes are extremely important in the context of producing gainful employment and reducing the widening disparities between the rural and urban.

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