

# GROWTH AND DEVELOPMENT OF INDIAN ECONOMY: A STUDY ON RURAL DEVELOPMENT

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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. 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. The process of raising the standard of living and economic security of rural residents is known as rural development. 68.84% of people, as per the 2011 Census, reside in villages. The rural sector's sluggishness would be a significant barrier to the economy's overall development. Over the years, India's rural development has seen a number of changes in terms of its emphasis, methodologies, strategies, and projects. As a result, it now has a new viewpoint and dimension. The integration of cross-functional sectors into rural economic growth produces crucial policies for the transformation needed to offer the rural sector sustainable development. 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 objective of the study is to understand the role, importance, issues and Government initiatives of rural development in India.

**Keywords:** Social infrastructure, Schemes, Rural Development, Employment.

## INTRODUCTION

India's rural development has seen a number of changes in terms of its emphasis, methodologies, strategies, and projects. As a result, it now has a new viewpoint and dimension. Only with the involvement of development's target audiences can rural development become richer and more significant. People's involvement is the key to rural development, just as execution is the yardstick for

planning. From a procedural and philosophical standpoint, one of the most important prerequisites for the development process is the involvement of the populace. It is crucial for administrators and planners of development to enlist the help of various rural communities in order to make the plans participatory. The Indian government has a number of programmes planned for rural development. India's top organisation for developing policies, rules, and laws relating to the development of the

rural sector is the Ministry of Rural Development. The main industries that contribute to the rural business and economy include agriculture, handicrafts, fishery, poultry, and dairy.

Rural Development in India is one of the most important factors for the growth of the Indian economy. Rural development successfully tries to increase the productivity of those areas of rural economies that are experiencing severe poverty challenges. The process of raising the standard of living and economic security of rural residents is known as rural development. 68.84% of people, as per the 2011 Census, reside in villages. The rural sector's sluggishness would be a significant barrier to the economy's overall development. Rural development is the foundation of every nation's economic development, and it supports long-term economic growth. The economic axis of rural development is labour ethics, which have a significant influence on corporate potential. It is a common misconception that fast industrialization is the source of economic progress. However, without agriculture, industrial progress would not be possible. About two-thirds of India's population depends on agriculture, making it one of the most significant main industries there. The issue is that agriculture's contribution to GDP has been steadily declining. Agriculture specifically contributes to economic growth through product and market contributions. The long-term plan for economic growth is the agricultural sector.

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.

## THE GOVERNMENT INITIATIVES FOR RURAL DEVELOPMENT

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 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 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.
- ❖ 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 assist in policy formulation of rural development programmes and to make periodic assessments of the physical and financial progress achieved.
- ❖ 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.

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.

## FACTORS AFFECT THE RURAL 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. 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:

- ❖ Infrastructure development like electricity, irrigation, credit, marketing, transport facilities.
- ❖ 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.
- ❖ Development of the productive resources of each locality.
- ❖ Providing urban amenities in rural areas for improvement of quality of rural life.
- ❖ Providing basic housing and homestead to BPL household in rural areas.

- ❖ Development of human resources like health, addressing both sanitation and public health.
- ❖ Providing livelihood opportunities to those in need including women and other vulnerable sections with focus on Below Poverty Line (BPL) households.
- ❖ Development of human resources including literacy (more specifically female literacy) education and skill development.
- ❖ Provision of all-weather rural connectivity to unconnected rural habitations and upgradation of existing roads to provide market access.
- ❖ Implementation of land reforms and 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.
- ❖ 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.
- ❖ Facilities for agriculture research and extension and information dissemination.
- ❖ Promoting involvement of voluntary agencies and individuals for rural development.
- ❖ Capacity development and training of rural development functionaries.
- ❖ Providing social assistance to the elderly, widow and disabled persons.

## 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

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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

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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

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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.

## SCOPE OF RURAL DEVELOPMENT

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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.

## INNOVATIVE IDEAS FOR RURAL DEVELOPMENT IN INDIA

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### **Utilization of Local Resources:**

If there are water sources nearby, such as rivers and tanks, plans must be developed to access them in the summer by closing holes in the tanks, building new reservoirs, bunds, and canals while bolstering the ones that already exist to prevent water loss. In a similar vein, any iron, coal, or granite mines should be explored in order to offer work for the local community.

### **Agro Based Industries:**

- ❖ Sugar industries, Jaggery, Oil processing from oil seeds, Pickles, Fruit juice, Spices, Dairy products etc.

### **Forest Based Industries:**

- ❖ Wood products, Bamboo products, Honey, Coir industry, making eating plates from leaves.

### **Mineral based industry:**

- ❖ Stone crushing, Cement industries, red oxide making, wall coating powders etc.

### **Engineering and Services:**

- ❖ Tractors and Pump set repairs etc. Small and medium sized industries to produce agricultural machinery, equipment for usage in rural areas etc.

**Handicrafts:**

- ❖ These include producing regionally unique wooden or bamboo handicrafts, traditional ornamental items, toys, and all other types of handicrafts.

**Startups:**

They are entrepreneurial initiatives, which are recently established enterprises that try to address a need, demand, or problem in the market by creating a workable business model based on goods, services, procedures, or platforms. As an illustration, consider the following topics: agriculture, supply chains, trading in agricultural products, processing agricultural products, fisheries - both culture and trade, rural microfinance, rural health, rural primary health care, and rural education, among others.

**Computer & Internet Services:**

Providing Computer Training and Repairing Services, Internet based business-like E-Commerce, Rail & Bus Ticket booking, Digital Marketing Agency – Examples: Social Media Marketing, Email Marketing etc.

**Encourage Rural Entrepreneurship:**

These are some possible kinds for them: Individual entrepreneurship is essentially one person owning the business. Group entrepreneurship, or "group entrepreneurship," mostly refers to partnerships, private limited companies, and public limited companies. Entrepreneurship in Cluster Formation, or c), includes networking between NGOs, VOs, CBOs, SHGs, and other similar organisations. These also include the formal and informal grouping of people based on things like caste, occupation, money, etc. Cooperative entrepreneurship is an autonomous group of people who have voluntarily come together for a shared goal.

**Rural Development Strategies:**

- ❖ In the event monsoon failure and crop failure due to floods etc, Government must come to the rescue of the farmers.

- ❖ Provide MSP (Minimum Support Price) for various crops to the farmers, apart from providing Crop Insurance.
- ❖ Provide Life Insurance to all the farmers who are actually performing agriculture.
- ❖ Instead of giving direct cash in to the hands of farmers, Government has to provide free of cost all required inputs like quality seeds, fertilizers and pesticides etc
- ❖ As there are no other activities except agriculture in rural areas, Government must provide loan facility to the interested educated youth for starting Startups to reduce unemployment.
- ❖ Agricultural research, extension of rural education and training programmes for farmers should form a part of institution building activities.
- ❖ Programmes to improve agricultural production and marketing should be organized.

**The Role of Government in Rural Development:**

The integration of cross-functional sectors into rural economic growth produces crucial policies for the transformation needed to offer the rural sector sustainable development. Utilising better and more modern policies helps to improve performance and increase overall productivity by combining the numerous factors that make up the rural economic environment. Because markets link people and businesses, their forces of operation have an effect on the entire economic system. Through project-based growth, the government must recognise the demands of the populace and give them access to job possibilities. Government spending on education is necessary to increase peoples' capacity and empowerment.

**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. India's economic progress, especially in the rural sector, depends heavily on rural development. It contributes to the growth of agriculture by lowering hidden unemployment, underemployment, unemployment, poverty, migration, and economic inequity. It also helps to provide employment possibilities in rural regions with modest capital requirements. The government has come to the realisation that in order to support a strategic shift occurring in the economic environment, they must mobilise their resources. The development of the economy is a comprehensive strategy that allows for the smooth integration of all facets of rural society. Using the internet's revolutionary power, economic growth impacts people's lives and merges people, processes, and technology. In today's fiercely competitive economy, the government is up against enormous obstacles as it works to achieve the greatest level of growth. If government operations are planned and carried out in accordance with environmental changes, economic development will be successful. The economic development of the rural environment can be by the government through the establishment, development, maintenance and optimization of long term mutually valuable relationships between the business and macroeconomic environmental variables.

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.

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