

Challenges of Rural Development : Indian Experience

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Introduction

India lives in villages. This adage which emphasizes the agrarian character of the Indian economy continues to be true to this day in spite of industrial development that has taken place in the last six and half decades since independence. The 2011 census estimates about 69% of the country's total population continues to live in rural India that neither have adequate land holdings nor alternate service opportunities to produce or procure essential commodities. In the absence of adequate employment opportunities, the rural people are unable to generate enough wages to sustain their livelihood. As a result, 40% families, who earn less than Rs.11, 000 per annum are classified as poor even though government estimates is only 22%. Apart from lower income, rural people also suffer from shortage of clean drinking water, poor health care and illiteracy which adversely affect the quality of life. Presently, about 25% of the villages do not have assured source of drinking water for about 4-5 months during the year and about 70-75% of the water does not meet the standard prescribed by WHO. Poor quality drinking water is adversely affecting the health and diarrhea is an important cause of infant mortality.

Objective of the study

- To analyse the challenges of rural economy.
- Suggest possible ways to mitigate these problems.

Research Methodology

The study is theoretical in nature and the required material for the study is collected through secondary sources like books, journals, reports.

Rural Scenario

At present there are six major flagship programmes implemented to develop rural areas by

the Ministry of Rural Development like the Mahatma Gandhi Rural Employment Guarantee Schemes (MGNREGS) with a budgetary allocation of 33,000 billion INR in 2012-13, National Rural Livelihood Mission (NRLM) with a budgetary allocation of 3563 billion INR in 2012-13, Integrated Water Development Programme (IWDP) with a budgetary allocation of 2744 billion INR in 2012-13, with a budgetary allocation of 3563 billion INR in 2012-13, Indira Awaas Yojana (IAY) with a budgetary allocation of 9966 billion INR in 2012-13, National Rural Drinking Water Programme (NRDWP) with a budgetary allocation of 10,500 billion INR in 2012-13 and Nirmal Bharat Aayn (NBA) with a budgetary allocation of 3500 billion INR in 2012-13.

The important issue here is has there programmes brought about a marked improvement of lives of rural people? The real scenario is that rural India is faced with multiple developmental challenges. The critical ones include:

- **Population:** Increasing population which causes severe pressure on natural resources and the environment.
- **Natural Resources:** Depleting natural resources, resulting in insecurity of food and employment, compelling about 40% of the rural population to live in poverty.
- **Pollution:** Pollution of the environment and climate change, are causing shortage of clean drinking water and creating adverse impact on agricultural production.
- **Education:** Poor access to education, resulting in low literacy and unemployment of the youth. While the average literacy rate in rural areas is around 50-65%, it is as low as 20-25% among women in backward areas. Education of girls was felt to be unnecessary in the past and this

has seriously affected their quality of life. Illiteracy has also hindered their development due to lack of communication with the outside world. They are slow in adopting new practices, which are essential with the changing times. Low literacy rate, particularly among women having adverse effect on their skills development, employment productivity, family welfare and education of their children.

- **Health:** Poor health status due to lack of clean drinking water, hygiene, sanitation and drainage facilities; inadequate health care facilities, leading to high child mortality and morbidity; loss of labour productivity, economic loss, indebtedness and poor quality of life; The rate of infant mortality in rural India is marginally higher than in the cities on account of poorer access to safe drinking water, sanitation and health care support. Urban India has 15 times the number of beds and four times the number of doctors per capita compared to rural India. Not only is there an acute shortage of medical personnel, but doctors and medical workers are absent 40 per cent of the time in rural public health facilities.
- **Infrastructure:** Poor infrastructure for receiving timely information on development opportunities, market demand and prices for agricultural commodities, new technologies, forward and backward linkages, credit facilities and development policies of the government.
- **Globalization:** Liberalized trade regimes as well as more integrated and consumer driven agricultural and food markets are globalising rapidly and driving innovations, forcing farmers to adapt or lose out. Poor farmers do not have the capacity face the cut throat competition and hence they are bound to perish.
- **Problems of Livelihood:** In India, although the contribution of agriculture to the Gross Domestic Product (GDP) is around 19%, in the absence of employment opportunities in industrial and service sectors, over 85% of the rural income is generated from agriculture, who spend about 75% - 80% of their earnings on food. Agriculture is the major source of livelihood but most of the illiterate farmers have not been successful in cultivating their land

economically. They have been treating agriculture as a family tradition. Over 12-15% of the rural families are landless and among the land holders, 69% are marginal farmers with less than 1 ha holding (17% of the total land) and about 21% are small farmers with 1-2 ha holdings (34% of the land). Thus about 90% families own less than 51% lands, with a per capita holding of 0.19 ha. Out of the 147 million ha agricultural lands, about 60 million ha are located in arid zones, which are mostly owned by the poor families. As the chances of crop failure on these lands is very high, the farmers generally do not invest in external inputs like improved seeds, fertilisers and plant protection measures and end up with poor crop yields, even during normal years.

Rainfall is the main source of water for agricultural production in India. However, in the absence of adequate soil and water conservation practices, it is estimated that over 65% rainwater runs off, flooding the rivers. About 30% of the total cropping area in the country is under irrigation, where farmers have a tendency to use excessive water. In the absence of adequate training and demonstration, they believe that excess water can enhance their crop yields. Moreover, as the water charges are fixed on the basis of the area covered under irrigation instead of on the quantity of water supplied, farmers do not want to restrict the use of water. As a result of poor soil and water conservation measures, the average yield of food crops in India is only 1.9 tons/ha as compared to 4.0 tons/ha in China. Due to excessive use of water for irrigation, over 9.00 million ha fertile lands have turned into sodic and saline wastelands, thereby posing a serious threat not only to food security and employment generation but also to community health, biodiversity and the environment.

Small farmers have work only for 100-120 days for growing one crop in a year, which is not adequate to sustain their livelihood. Hence, they have to struggle to earn additional wages by working in irrigated areas or migrate to urban areas. The migration pattern varies with the region, opportunities and socio-economic status of the families. The poorest families, particularly the

landless and marginal holders owning poor quality land tend to migrate with the entire family.

Many tribal families migrate to cities as construction workers and return at the onset of the rains. Such migrations severely affect the quality of life, due to poor health, lack of education and social pressures leading to erosion of moral values.

Thus, the poor continued to live in the clutches of the powerful, accepting it as their destiny. They avoid confrontation and prefer to live a voiceless and suppressed life.

Way Out

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. As a strategy, it is designed to improve the economic and social well-being of a specific group of people – the rural poor. As a discipline, it is multi-disciplinary in nature, representing an intersection of agriculture, social, behavioural, engineering and management sciences. Some of the strategies that are suggested are as follows:

Assured Livelihood: While promoting various development programmes, the main objectives should be to help the target family to come out of poverty, within a shortest period. The dairy development programme has a gestation period of 3-4 years, till the newly born calf comes into milk production. In land based development programmes the gestation period may vary from 2 to 6 years, depending on the type of farming systems practiced by the farmers. In case of arable crop production, the gestation period is short due to short rotation crops while the fruit and tree crops take 5-6 years to generate income. While promoting this income generation activities there are two critical factors which affect the success of the programmes. Firstly

the programme should be well planned to generate substantial income to enable the participating families to come out of poverty. Generally small farmers having poor quality land and livestock may not be able to earn substantial income with only one intervention. Hence multi-disciplinary programmes have the advantage. Similarly, small interventions such as kitchen garden, vermi-composting, homestead horticulture in isolation will not help the poor. These interventions can be helpful as a part of an integrated programme.

The other important aspect is to provide support during the gestation period. Many of the poor who do not have any resources even to procure their daily ration, are likely to neglect their development work, if no support is available in the form of assistance or wages to ensure their food security. Hence different short term income generation activities need to be designed till the income starts generating from the major interventions.

Women Empowerment: Involvement of women in all the development programmes right from the stage of project planning is essential. Although women represent 50% of the population, they also have the major responsibility of grooming children and procuring the basic needs required for food, fuel and fodder securities. Active participation of women in development programmes will help to identify their problems and reduce their drudgery.

Environmental Protection: In all the development programmes conservation of the natural resources and protection of the environment are essential, as these are critical for sustainable development. This is particularly important, while dealing with the poor as their primary objective is to earn their livelihood and the development organisations have the obligation to carefully design the programme to ensure environmental protection with income generation activities.

Blending Development with Research and Training: For effective implementation of various development programmes, the development programmes should be supported by applied research and training activities. The development programme without research back up is outdated and any research programme without development and extension outlets is academic. Training of the field functionaries and farmers is essential for effective

transferring of technologies from laboratories to the field.

Water Resource Development: Development of water resources and wastelands are other important activities, having good potential for supporting the livelihood. However, with watershed development alone particularly the small farmers owning poor quality land cannot take advantage as they do not have the capacity to invest in land development and critical agricultural inputs. Hence they do not take active part in such programmes. Therefore the strategy should be to combine watershed management with development of low productive agricultural lands and wastelands owned by the weaker sections of the society.

In all the watershed development programmes, involvement of the community right from the stage of planning will be a critical factor, for the success. Mobilising the community through entry point activities and establishing effective communication through SHGs and village level planning committees, participation of the community in resource identification and development should be the important elements of the programme. With watershed development, introduction of the improved agricultural practices such as use of certified seeds, promotion of timely tillage operations, integrated pest management, supply of micro- credit to procure inputs, setting up of grain bank to meet the emergency needs of the poor etc. can play a very significant role in building the confidence of the community and sustain their interest.

Level of Infrastructure Development: Development of physical as well as social infrastructure plays an important in the overall advance of the rural economy by directly contributing to employment generation and asset creation. Improved network of physical infrastructure facilities such as well-built roads, irrigation, rail links, power and telecommunications, information technology, food storage, cold chains, market-growth centres, processing of produce and social infrastructure support, viz., health and education, water and sanitation, and veterinary services and co-operatives are essential for the development of the rural economy, especially in the

era of liberalization, privatization and globalization (LPG).

Indigenization of Social Research: Most of our learning in the higher institutes is based upon hypotheses, concepts and theories evolved by western scholars including rural sociologists, which has limited application to our rural development. In the context of rural development, indigenization of concepts and theories are essential for understanding and resolving the issues that confront state governments, Panchayati Raj Institutions and stakeholders. This calls for Indigenization of social science research, particularly relating to rural areas. Such an approach, if adopted in social science research, is likely to provide solutions to problems of bringing about rural transformation at a faster pace.

Corporatization of the Rural Economy: Corporatization of the rural economy becomes more relevant in the changed globalized system, where market requirements of quality produce have to be met. The entry of the corporate sector will also help the farmers to diversify crops from wheat and rice to other crops. This can be done by providing awareness about quality inputs and their judicious use, ensuring their crop procurement, refrigeration, carrier, grading, cleaning, packing, branding and also helping in research and extension. The recent field experience of CRRID(Centre of Research and Rural Industrial Development) with Mahindra Subh Labh Services Limited (MSSL), Mumbai, showed that the farmers of the state are showing a keen interest to grow crops according to the requirements of the corporate sector, provided it protects the existing minimum returns and assures marketing of the produce.

Formation of a Globalized or Model Village: A model village is perceived as a village having all modern physical and social infrastructure facilities. A model village will facilitate human resource development through better education, health and training and generate employment avenues both in secondary and tertiary sectors. Initially funds for infrastructure building will have to be mobilized from government as well as non-government sources, such as non-government organizations, international funding agencies, non-resident Indians (NRIs), religious Institutions and other sources besides the village's income from its own sources.

Consequently, for the maintenance and sustainability of public services, user's charges could be levied according to the social and economic position of the households. According to the concept of a globalized village, each village will be connected with modern information technology for better dissemination of information. This type of a village will have the potential of producing human resources catering to national as well as international requirements.

Role of NGOs and SHGs

Voluntary social services have been an integral part of the socio-cultural and religious ethos of our society from ancient times. The objective has been to increase human capacities by promoting non-economic factors such as education, health and nutrition, which in turn would speed up the process of economic development. The role of NGOs is both co-operative and complementary to the state. The existence of NGOs assumes importance in the context of rural settings, as living conditions have deteriorated. State-NGO partnership alone cannot resolve all the socio-economic problems, hence it has to be in co-ordination with all agents of social change, i.e., the state, local self governments, the corporate sector, academics and civil society groups.

NGOs can play a significant role in strengthening local self-government by facilitating interaction and co-operation with state departments and also acting as catalysts to effectively implement various departmental schemes. The role of voluntary agencies in the development of rural areas can be to supplement efforts of government for the upliftment of the poor and needy disseminate information about development schemes and programmes of the government to rural people; make people aware of the consequences of female foeticides and imbalance in sex ratio; mobilize financial resources from the community; help in upgradation of skills of rural youths for self-employment opportunities; facilitate the formation of self-help groups and micro-finance; ensure protection of women and children's rights and abolish ills of child labour; and, make available technologies in a simpler form to the rural poor.

SHGs: When individuals, on their own initiative, act in a conglomeration to meet their individual and common needs with the primary focus on self-reliance, it can be called a Self Help Group (SHG).

The benefits of self-help groups are based on cooperation rather than competition. They provide benefits of economies of scale, cost effective alternatives for different financial services, collective learning, democratic and participatory culture and a firm base and platform for dialogue and co-operation. SHGs develop from a common binding force, common need, interest and concern, especially for the rural poor. It is this common binding force, which makes SHGs function more efficiently. The effectiveness of SHGs would be considerably enhanced if a symbiosis could be worked out between them and Panchayati Raj Institutions (PRIs). The key to this is the integration of SHGs with the democratically elected and empowered panchayats.

There is urgent need to work out a mechanism that will allow the SHGs and the PRIs to work in coordination and establish a system of supporting each other's work.

Conclusions

The spirit of India lives in villages and only by changing the face of rural areas, we can hope for a better future for the state and nation as a whole. If we have to meet the target 9% annual growth of GDP then it is essential to sustain an annual growth of 4% in the agricultural sector. This is important for ensuring that growth is more inclusive. Although agriculture contributes only 19% of India's GDP, it is the main source of income for 58% of the rural population. Agriculture has significance on food security and prices of goods and therefore on money wages. Further, agriculture has a strong multiplier effect because of its impact on rural income, demand and its supply of raw materials to several industrial sectors. The inter link between agriculture and industrial sector is so strong that if there is a 1% fall in agricultural growth, it will pull back industrial growth and GDP by 0.52%. If sustainable economic development has to be achieved it is essential that rural development must be a priority. For rural development modernization of agriculture is the most important requisite. This will lead to improvement in the economic conditions of the rural masses. The increased purchasing power of the rural masses will provide larger market for the products of the manufacturing sectors. It is essential to Greening rural development which refers to a variety of

activities that regenerate and conserve the natural resource base, innovate and use clean materials, technologies and processes to create environment-friendly products, livelihoods, enterprises and jobs. India will grow only when rural India marches in tandem with the urban India.

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