

# MODULE 1

# 1

## INTRODUCTORY ASPECTS OF RURAL DEVELOPMENT - 1

### Unit Structure

- 1.0 Objectives
- 1.1 Concept of Rural Development
- 1.2 Nature of Rural Development
- 1.3 Scope of Rural Development
- 1.4 Characteristics of the Rural Economy
- 1.5 Summary
- 1.6 Questions

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### 1.0 OBJECTIVES

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- To know the concept of rural development.
- To study the nature of rural development.
- To discuss the scope of rural development.
- To study the characteristics of the rural economy.

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### 1.1 CONCEPT OF RURAL DEVELOPMENT

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The proper concept of rural development is not found still some thinkers have randomly put forward few concepts of rural development. But before you understand the concept of rural development it is very essential to understand the meaning of these two words-Rural and Development.

#### 1.1.1 What is the Meaning of Rural?:

The word 'rural' is associated with the rural community. Geographical areas having specific distinguishing features is called a rural area. According to some sociologist village is the one which is not a city. The person who cultivates land is called is a villager and this villagers community where it lives is called a village. If in a geographical area the main occupation and means of living of the people is farming then that society is called a rural society. If in a geographical area 50% or more than that people's main occupation or means of livelihood is farming then that community is said to be a rural community. If in a geographical area more than 50% of the population depend on farming that area is said to be a rural area.

### 1.1.2 What is the Meaning of Development?:

This word development is more often used in economics. The word development with reference to rural development includes three constituent parts which include - Agricultural development, Economic development and Overall development of the rural community. These are the three important aspects of rural development. 'Development' means changing the economic condition of the economically feeble community.

### 1.1.3 What is the Meaning of Rural Development?:

- According to Robert McNamara, "Giving stress on the development of the weak or feeble rural community like small farmers, landless farmers and rural artisans and an overall development of the rural area is Rural Development."
- According to Dr. Swaminathan, "The process of developing the weaker sections of the rural society and making them strong in all aspects is rural development."
- Chester Bolls say that, "Rural development is not limited only to agriculture but improving the standard of small scale industries, educational development, advanced communication, rural electrification, rural health, population control centre and to give encouragement to rural culture is rural development."
- Rural population has to begin to lead a self-dependent life, providing technical and other facilities to the rural population for its efforts and bringing change in oneself means rural development.
- Solving problems like poverty, unemployment, illiteracy, and health of the rural areas by increasing their standard of living and giving stress on overall development of the rural areas does mean rural development.
- Making proper and sufficient use of the available natural resources to bring about a developmental change in the poorest of the poor section of the rural society is rural development. It is very clear from the above concepts that rural development is nothing but bringing about a developmental change in the financial status of the poorest section of the rural society. For this programs like poverty eradication and employment generation are to be undertaken. Along with this an effort taking society to minimize the minimum needs has to be developed. Rural life, Rural community, Rural areas and their problems and to find a solution to it is very essential and also study the rural development process and to find new avenues for the development and implement it by the rural society is expected.

Following things are to be included while explaining the rural development programs extensively.

- Fulfilling the minimum needs. In this provision of pure drinking water in each and every village, providing good quality food grains at a reasonable price, providing shelter, rural electrification, educational facilities, health facilities etc are to be created.
- Creating agro based industries at the village level, creating basic facilities for this industries, providing transport, communication and market facilities.
- Creating employment opportunities at village level or in the nearby areas and creating permanent productive capital.
- Creating primary educational facilities at village, hamlets, providing secondary school at the central place in the village, wherever possible providing junior colleges and improving the educational standards of the rural society.
- Providing library facilities, television sets agricultural extension services for cultural development and social change.
- Implementing programs to eradicate superstitious beliefs, providing health facilities at free of cost or at subsidized rate, creating health centres to increase capacity of the human resources and make full use of this resource in the development process.
- Developing independency, cooperation and leadership qualities and try to solve the problems themselves.
- Developing network of roadways in the rural areas, developing the kutchha roads into permanent pucca roads, developing transport facilities and providing big market facility for the rural agricultural produce in the cities.
- Developing the available natural resources, and make use of the dormant natural resource for economic development, and reproducing the necessary ingredients.
- Providing basic facilities and enough capital for developing agriculture and allied agricultural activities and subsidiary occupations.

**Check your progress:**

Q. 1. Discuss the concept of rural development.

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## 1.2 NATURE OF RURAL DEVELOPMENT

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While clarifying the nature of rural development it is very much essential to understand the sociological (social science) structure and the process of rural development independently.

### 1.2.1 Rural Development is a Social Science:

#### 1) Study of the rural community and their problems:

Here a study of rural environment and the community living in it is done. The social, economic, political and cultural study is taken into consideration in rural environment. We can see the problems like poverty, illiteracy, superstitions, ill health, lack of motivation, fatalist attitude, and opposition to the changes to be brought to change the lifestyle or disinterest in changing themselves. An explanation to the above issues is done in the study of social sciences in rural development.

#### 2) Idealistic Discussion:

While studying the rural community and their problems what measures are to be adopted is discussed in this issue. Measures such as rural diversification, generating self-employment for the unemployed, active participation of the rural people at the grassroots level planning through the medium of gram-sabha, awareness generation through the voluntary organizations, development of the weaker sections of the society through cooperation are suggested. Mahatma Gandhiji's concept of Gram Swarajya and the concept of Decentralization of the democracy there are the ideal concepts for bringing about a change in the rural community. Guidance is given in the social science of rural development to change the present situation to an idealistic situation.

#### 3) Scientific Attitude and Suggested Facets:

Suggested facets are more important in the social sciences of rural development because rural development is an action oriented social science. Rural social science was put forward with the objective to solve the problems of the rural community. That is why study of programs whether they are governmental or non-governmental is done in this rural social science.

#### 4) Interrelated Scientific Facets:

Though rural development is a social science it deals with the materialistic, humanistic, scientific attitude. Agriculture and rural economy, genetically engineering and environmental science are the different facets of this. It considers all the issues of this facet.

## Check your progress:

Q1. Write short note - Rural Development a social Science.

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### 1.2.2 Rural Development is a Process:

Rural development is an important process to bring about an overall development and change in the rural community. Its nature is as follows:-

#### 1) People's Agitation:

Community development program was started with the objective of rural development. After few years it became a people's agitation a mass movement. As rural development is a program of the people, by the people and for the people. In the process of rural development rural community should have the attitude of developing or bringing about a change in the society and for bringing about this change there should be spontaneous and active participation of the people. For this Balwantrai Mehta had put forward the concept of Democratic decentralization and three-tier Panchayat Raj system. As per his recommendation the three-tier system of Panchayat raj came into existence. Voluntary organizations also came forward. Co-operative movement made it possible, for the development process to get mobility.

#### 2) Extensive Objectives:

Objectives of rural development are extensive in nature and include all the facets of rural life. Agricultural development, developing available water resources, Infrastructural development, human resource development, conservation of natural resources and its proper utility, economic development, social change, etc objectives have been put forward. To fulfill this objectives various programs, schemes and projects have been undertaken. As a result the objective of rural development have become of extensive nature.

#### 3) Processing Industries:

Developing agricultural processing industries, motivating industrialization in the rural areas, establishing industries based on co-operation so that maximum benefit reaches the producer. Developing Infrastructural Facilities: Providing transport and communication facilities, provision of drinking water, rural electrification, bringing the level of education to the highest, providing health facilities and creating favorable conditions for the development of human resources.

**Check your progress:**

Q1. Rural development is an important process to bring about an overall development. Explain?

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### **1.3 SCOPE OF RURAL DEVELOPMENT**

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Area wise India is big country. Its area is 32,87,263 sq. km. Population of the country is more than 120 crores, but 70% resides in the rural areas. The geographical condition is different everywhere. There is vast diversity in the climate, rainfall, quality of soil, natural resources, and various occupations having in the rural areas. The rural areas in different regions have different problems. Many measures had been taken in the post-independence period but there was no solution to these problems. As a result rural development has gained importance to solve the problems in the rural areas. Therefore the scope of rural development is extensive. This can be understood from the following points.

**i) To bring about a Change in the Rural Occupational Structure:**

Agriculture is the main occupation in the rural areas. Out of the total population 64.5% population is directly engaged in farming. But the majority small farmers and marginal farmers use traditional method of farming due to which they could not progress. Due to unstable economic condition capital investment in the agricultural sector was not possible. As a result agriculture remained undeveloped. Therefore provision of credit supply to the agricultural sector, water facilities, provision of agricultural implements and allied and subsidiary occupation is very important. If the rural population is provided with some occupations they can be a means to generate regular income to the families. So we can say the scope of rural development is extensive with the point of view of rural occupations and industries.

**ii) Basic Necessities:**

To create favourable conditions for rural development it is essential to provide basic necessities in the rural areas. To develop and provide the facilities like transport, communication, unemployment, markets, electric supply, water supply the scope of rural development has become extensive.

**iii) Industrial Development:**

The occupation carried on in the rural areas, are of primary sector in nature. The raw material is created from this. But the processing industries on the raw material is maximum in the cities. Therefore the benefits of the production is reached to the traders in the cities due to which the economic

condition in the rural areas is not improved. Therefore there is a big chance that, processing on raw material industries should be established in the rural areas itself.

#### **iv) Social Development:**

People from different caste and religion reside in the rural areas. Also many traditional, undesirable customs are seen in the rural community. This results in the adverse effects on the progress of the rural community. Rural community is scattered and there are many problems in the backward community staying in the remotest areas. Development of this whole community and include them in the development process is very essential. To solve the basic problems and bring about a social development of this community rural development scope has become extensive.

#### **v) Developing Human Resource:**

Total utilization of the available human resource is possible only if rural human resource is utilized to its full capacity. For this spread of education and provision of higher education is necessary. To develop the skills in the human resource training facilities are to be provided. Health facilities are essential to increase the efficiency and to preserve the human resource. It is then only we can utilize the human resource to its fullest in the development process. Therefore there is an extensive scope in the rural human resource development, which motivates the economic development.

#### **vi) Developing Natural Resources:**

Natural resources are available in abundance in the rural areas. As this natural resource is not utilized it is remaining in the dormant state. To develop this natural resource capital is required in large proportion so that it can be used for economic development. To develop the factors like land, water, minerals, animal resources, ocean wealth in proper proportion and make its use in economic development the scope of rural development has to be extensive.

#### **vii) Population Control:**

The main obstacle in the rural development is the increasing population at a faster rate. If the population is not controlled development is not possible at any cost. Population control is an important factor so the scope of rural has to be extensive.

#### **Check your progress:**

Q1. Discuss the scope of rural development.

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## 1.4 CHARACTERISTICS OF THE RURAL ECONOMY

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Main characteristics of rural economy are:

### 1. Village is an Institution:

The Village is a primary institution and it satisfies almost all the needs of the rural community. The rural people have a feeling of belongingness and a sense of unity towards each other.

### 2. Dependence on Agriculture:

The rural economy depends much on nature and agricultural activities. Agriculture and allied activities are the main occupation in rural areas.

### 3. Life of Rural People:

Lifestyles in villages are very simple. Public services like education, housing, health and sanitation, transport and communication, banking, roads and markets are limited and unavailable. Rural people rely much on faith, superstitions and traditional cultural practices. The standards of living of majority of rural people are poor and pitiable. In terms of methods of production, social organization and political mobilization, rural sector is extremely backward and weak. In recent years, the incidence of alcohol drinking has gone up.

### 4. Population Density:

Population density, measured by number of persons living per sq. km is very low and houses are scattered in the entire villages.

### 5. Employment:

There exists unemployment, seasonal unemployment and underemployment in rural areas. Unemployment refers to the situation of people with willingness and ability to work but is not getting employed. Underemployment also called disguised unemployment is the situation of people employed in excess, over and above the requirement. Disguised unemployment is a situation Where people work but no increase in production. Both the situations are common in rural areas.

### 6. Poverty:

Poverty is a condition where the basic needs of the people like food, clothing and shelter are not being met. According to the 2011-12 estimates, about 22 crores of people in rural areas are poor and live below the poverty line.

### 7. Indebtedness:

People in rural areas are highly indebted owing to poverty and underemployment, lack of farm and non-farm employment opportunities, low wage employment, seasonality in production, poor marketing network etc. A famous British writer Sir Malcolm Darling



(1925) stated that ‘An Indian farmer is born in debt, lives in debt, dies in debt and bequeaths debt’. Since formal loan facilities are not available to the villagers, they depend on local money lenders who, like a parasite, squeeze the villagers. Hence the villagers commit suicide frequently.

### **8. Rural Income:**

The income of the rural people is constrained as the rural economy is not sufficiently vibrant to provide them with jobs or self – employment opportunities.

Large proportion of labourers and skilled persons are underemployed and the scope for increasing their income is limited.

### **9. Dependency:**

Rural households are largely dependent on social grants and remittances from family members working in urban areas and cities.

### **10. Dualism:**

Dualism means the co-existence of two extremely different features like developed and underdeveloped, organised and unorganised, traditional and modern, regulated and unregulated, poor and rich, skilled and unskilled and similar contradicting situations in a region. These characteristics are very common in rural areas.

### **11. Inequality:**

The distributions of income, wealth and assets are highly skewed among rural people. There are number of historical, social, economic and political reasons behind the existence of inequality. Landlords and landowners dominate the rural activities. Land, livestock and other assets are owned by a few people.

### **12. Migration:**

Rural people are forced to migrate from villages to urban areas in order to seek gainful employment for their livelihood. This character of the development gives rise to the formation of cities. Enmity and Lack of basic amenities in rural areas also push the people to migrate to urban areas. This is called ‘double poisoning’ by Schumacher, one side villages are empty, on the other side towns are congested. His book is ‘‘ Small is Beautiful ‘‘describes the dangers of the present kind of development.

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## **1.5 SUMMARY**

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Rural development is very urgent in the context of the overall growth and development of Indian economy due to the following reasons.

- A major share of population lives in rural areas, and their development and contributions are very much supportive for the

nation building activities. India cannot be developed by retaining rural as backward.

- The rural economy supports the urban sectors by way of supplying drinking water, milk, food and raw materials. Hence, the backwardness of the rural sector would be a major impediment to the overall progress of the economy.
- Improvements in education, health and sanitation in villages can help avoid many urban problems namely, begging, rick picking and road side slumming.
- Development of agriculture and allied activities are necessary for providing gainful employment in rural areas and improving overall food production.
- The evils of brain-drain and rural-urban migration can be reduced if rural areas are developed.
- In order to better utilise the unused and under-utilised resources, there is a need to develop the rural economy.
- Rural development should minimise the gap between rural and urban areas in terms of the provision of infrastructural facilities. It was called as PURA by former President Abdul Kalam.
- In order to improve the nation's status in the global arena in terms of the economic indicators like Human Development Index (HDI), Women Empowerment Index (WEI), Gender Disparity Index (GDI), Physical Quality of Life Index (PQLI) and Gross National Happiness Index (GNHI) should be given due attention.

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## 1.6 QUESTIONS

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- Q1. Discuss the concept and nature of rural development.
- Q2. Explain the scope of rural development.
- Q3. What are the characteristics of the rural economy?

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## INTRODUCTORY ASPECTS OF RURAL DEVELOPMENT - 2

### Unit Structure

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Objectives of Rural Development
- 2.3 Importance of Rural Development
- 2.4 The Problems of Rural Development in India
- 2.5 Questions

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### 2.0 OBJECTIVES

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- To understand the objectives of rural development.
- To know the importance of rural development.
- To study about the problems of rural development in India.

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### 2.1 INTRODUCTION

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Rural Development is defined as an overall improvement in the economies and social well-being of villagers and the institutional and physical environments in which they live. According to the World Bank, 'Rural Development is a strategy designed to improve the economic and social life of a specific group of people - rural poor'. In short, rural development is a process of improving the rural areas, rural people and rural living.

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### 2.2 OBJECTIVES OF RURAL DEVELOPMENT

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During the British period the self-sufficient villages were ruined which gave rise to many problems. After the Independence Indian government gave more stress on programs for developing rural areas through planning. Before implementing the programs and schemes for rural development some objectives were decided.

The objectives of rural development are as follows:

#### **a) Increasing the Agricultural Production:**

Out of the total population 64.5% population directly depends on agriculture. As majority population is engaged in agriculture it is necessary to increase the agricultural production through agricultural development. The main objective of rural development is to increase the agricultural production by using new technology i.e new techniques of production, providing agricultural loan to increase per acre production.

**b) Research and Training:**

Establishing research centres, agricultural universities, and agricultural colleges for rural development. High yielding variety seeds should be invented through research and that has to reach the producers and also train them in the same, developing agricultural extension services, allied and subsidiary occupations are to be promoted, new technique and technology has to reach the farmers and convince them to use the same.

**c) Develop Agricultural Processing Industries:**

Raw material processing industries mostly are set up in the urban areas, as a result the farmers have to sell the raw material at a very low rate. The raw material is not sold at a desired and reasonable rate. Which is again a reason for the farmer's low standard of living. Therefore if the farmer has to be benefited then the processing industries have to be set up in the rural areas than the urban areas. This is also one of the objectives of rural development.

**d) Allied activities and Subsidiary occupations:**

Out of the total land in the country 77% depends on irrigated water supply. Therefore the unemployment persists for the remaining 8 months other than the rainy season. Therefore the objective of developing allied and subsidiary occupations is taken into consideration so that through this medium employment can be generated.

**e) Development of the weaker sections through Co-operation:**

To unite the economically weaker sections of the rural society. To stop the ill-treatment given to the small farmers, marginal farmers, agricultural labourers and small traders by establishing co-operative societies. This are the objectives to provide the benefits of the new techniques of production to the farmers through co-operation, to establish co-operative credit societies to stop the exploitation of farmers from the moneylenders and to make the weaker section of the rural society powerful through co-operation.

**f) Fulfilling the basic necessities of the rural community:**

To create a favourable climate to develop the human resources by fulfilling the basic needs like food, clothing, shelter, education, health, pure drinking water, rural electrification for the overall development of the rural community.

**g) Implementing self-employment programs:**

Providing facilities like employment training for the rural youths, providing financial assistance to the weaker sections of the society, eradicating poverty by including the weaker sections in the development process.

**h) Creating awareness:**

To create love and feel proud for the country, equality, unity, fraternity and national integration in the minds of rural community. Creating awareness among the rural community to keep away the distinction between the caste, class, religion, region.

**i) More stress on rural industrialization:**

Minimizing the distance between the rural thinking and urban thinking. To bring together the rural and urban culture.

**j) To raise the standard of living:**

They should be provided with income generating sources and to develop the household resources.

**k) To remove the supernatural beliefs:**

To remove the supernatural beliefs from the mind of the rural community and develop a scientific attitude. To keep away the rural community from the evil or obnoxious traditions and cultures and sow the seeds to develop themselves on their own.

**l) Employment generating programs:**

Start the employment generating programs at local level and create productive assets (benefits) from it.

**Check your progress:**

Q1. What are the objectives of rural development?

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## **2.3 IMPORTANCE OF RURAL DEVELOPMENT**

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It is very important to develop a scientific attitude to study rural community in rural development. Through this medium it is possible to study the problems in rural areas and measures can be adopted to solve this problems. Mahatma Gandhi's views are very important with regards to rural development. India is a land of villages and if this villages are not developed then rural development is not possible till then we cannot say country is developed. Out of the total geographical area 80% is rural area. It means we cannot say the country is developed till and until the maximum population living in the maximum geographical area i.e rural is developed. Indian constitution has adopted the objectives of justice and equality. To achieve this objectives rural areas are to be provided with the basic necessities like food, clothing, shelter, education, and health facilities.

To remove the inequality between the economic condition in the rural and urban areas rural development has to be given priority. This is understood by the politicians and planning commission. From the 6th five year plan rural development was given more importance and priority providing more monetary benefits and rural development program was started on a wider 12 scope. Which resulted in the mobility of rural development process. But still all the rural community problems were not solved. If and only if the rural areas become self-dependent, then in the real sense we can say rural development has taken place. Rural development is important because it will help the rural people to develop themselves and along with it countries economic status will get mobility.

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## **2.4 THE PROBLEMS OF RURAL DEVELOPMENT IN INDIA**

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Rural areas are facing number of problems relating to, 1) People, 2) Agriculture, 3) Infrastructure, 4) Economy, 5) Society and Culture, 6) Leadership and 7) Administration.

The problems of rural economy are discussed below.

### **1. People Related Problems:**

The problems related to individuals and their standard of living consist of illiteracy, lack of technical knowhow, low level of confidence, dependence on sentiments and beliefs etc.

### **2. Agriculture Related Problems:**

The problems related to agriculture include

1. Lack of expected awareness, knowledge, skill and attitude,
2. Unavailability of inputs,
3. Poor marketing facility,
4. Insufficient extension staff and services,
5. Multidimensional tasks to extension personnel,
6. Small size of land holding,
7. Sub-division and fragmentation of landholdings,
8. Absence of infrastructure to work and stay in rural areas,
9. Primitive technology and low adoption of modern technologies
10. Reduced public investment and absence of role for farmers in fixing the prices for their own products..

### **3. Infrastructural Related Problems:**

Poor infrastructure facilities like, water, electricity, transport, educational institutions, communication, health, employment, storage facility, banking and insurance are found in rural areas.

### **4. Economics related Problems:**

The economic problems related to rural areas are: inability to adopt high cost technology, high cost of inputs, under privileged rural industries, low income, indebtedness and existence of inequality in land holdings and assets. In fertile areas, a few absentee landlords own large area and they do not evince greater Interest in improving the performance of agriculture.

### **5. Leadership Related Problems:**

The specific leadership related problems found in rural areas are: Leadership among the hands of inactive and incompetent people, self-interest of leaders, biased political will, less bargaining power and negation skills and dominance of political leaders.

### **6. Administrative Problems:**

The rural administrative problems consist of political interference, lack of motivation and interest, low wages in villages, improper utilization of budget, and absence of monitoring and implementation of rural development programme.

Rural poverty, rural unemployment, rural industries, micro finance, rural health and sanitation and rural infrastructures are the issues that are considered for detailed discussion.

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## **2.5 QUESTIONS**

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Q1. Discuss the objectives of rural development.

Q2. Describe the importance of Rural Development.

Q3. Explain the problems of Rural Development in India.

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### APPROACHES TO RURAL DEVELOPMENT - 1

#### Unit Structure

3.0 Objectives

3.1 Introduction

3.2 Gandhian Approach to Rural Development

3.3 Rural Reconstruction Approach to Rural Development

3.4 Community Development Approach to Rural Development

3.5 Summary

3.6 Questions

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#### 3.0 OBJECTIVES

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- To know the concept of rural development and Gandhian approach.
- To know about rural reconstruction approach and community approach of rural development.
- To know about how rural development is possible through sectoral and participatory approach.

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#### 3.1 INTRODUCTION

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Rural development is vital not only for the mainstream of the population living in rural areas, but also for the comprehensive economic expansion of the country. Rural development is considered to be of obvious importance in the country today than in the past days in the process of the evolution of the country. It is an approach that tries to obtain an improved productivity, better socio-economic equality and ambition, and stability in social and economic development.

The main task is to reduce the scarcity that exists in roughly about 70 percent of the rural population, and to make adequate and healthy food available.

The subordinate task is to confirm the availability of clothing and footwear, a clean atmosphere and house, medical attention, recreational facility, communication, education and transport.

Thus, Mahatma Gandhi had a vision to develop rural India and tried all villages would be self-dependent. Mahatma Gandhi had an image of India and clear awareness of its villages and made a definite statement that "India lives in her seven and half lakhs of villages". Gandhi gave message



to turn to the rural areas except of cities and start our business in rural areas. The development of the nation lies in the development of villages that would be at vital place in the economic programme would bring them in the main stream of development. That's why after independent, our 1st five-year plan gives more importance of rural development and larger productivity to solve the problem of acute poverty and self-reliance in food-grains production.

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## **3.2 GANDHIAN APPROACH TO RURAL DEVELOPMENT**

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### **3.2.1 Introduction:**

With reference to India, rural development may be demarcated as maximising agricultural production and activities related to agriculture in the rural areas including development of rural industries with stress on village and cottage industries. It assigns significance to the generation of maximum possible job creation opportunities in rural areas, especially for the weaker sections of the community so as to enable them to improve their standard of living.

Gandhian approach to rural development may be considered as 'idealist'. It assigns highest rank to ethical values and gives importance to ethical values over material conditions. The Gandharans believe that the source of ethical values in general lies in religion and Hindu scriptures like the Upanishads and the Gita, in particular.

The 'Rama Rajya' concept forms the basis of Gandhiji's idea of a supreme social order. Gandhi demarcated Rama Rajya as "sovereignty of the people based on moral authority". He did not assess Rama as a king, and people as his subjects. In the Gandhian scheme, 'Rama' stood for God or one's own 'inner voice' Gandhi believed in a self-governing social order in which people are ultimate. Their supremacy is, however, not absolute. It is subject to ethical values.

### **3.2.2 Gandhi's approach of Development:**

The villages are the elementary component of the Gandhian perfect social order. Gandhi momentarily pointed out, "if the village dies India will die too. We have to make a choice between India of the villages that is as traditional as herself and India of the cities which are a creation of overseas control". His concept of a perfect village referred to a village which belonged to the time period prior to the British rule, when Indian villages were supposed to make the group of sovereign independent nations.

The central authority will have no power to impose its decisions on village nations except the ethical pressure or power of persuasion. The economics system and transport system introduced by British have destroyed the "republican's character of villages".

Gandhi firmly believes that villages republics can be built only through decentralisation of social and political power. In such a system decision making power will be bestowed in the Village Panchayat rather than in the state and the national capital. The representatives would be chosen by all adults for a fixed period of five years. The elected representatives would create a board, called the panchayat.

The Panchayat exercises legislatures, executive and judicial functions. It would look after health, sanitation and education of the village. It would be the Panchayats duty to defend and upheaval 'untouchables' and other poor people. Resources required for Gandhian Approach in order to manage village matters would be raised from the villages.

### **3.2.3 Self-Sufficient Production:**

The village should be self-sufficient in order to satisfy its basic needs like clothing, food, and other necessities are concerned. The village has to do importation of certain things which it cannot be produced in the village. Gandhi said " We shall have to manufacture or produce more of what we can, in order thereby to get in exchange, what we are not able to manufacture or produce".

Rural economy should be strategized with a view to generate full employment for all the adults of the village. Each man should be guaranteed employment to be enable him to meet his basic needs in the village itself so that he is not compelled to travel to towns. In the final analysis full employment should be related with equivalence.

### **3.2.4 Industrialization:**

Gandhiji sustained that industrialization would benefit only a few and will lead to concentration of financial power. Industrialization leads to inert or active abuse of the villages. It inspires competition. Large scale manufacture requires advertising. Advertising means profit-seeking through a manipulative mechanism. Moreover industrialisation, replaces workforce and hence it adds to unemployment. In a country like India, where millions of workers in the villages who do not get work for even six months in a year, industrialisation will not only upsurge unemployment but force workers to migrate to urban areas. This will ruin villages.

### **3.2.5 Principles of Trusteeships:**

Gandhiji was not contrary to the institution of private property. But he wanted to restrict the rights of private property to what was necessary to yield an honourable livelihood. For the excess he advocated the principle of trusteeships. Gandhiji stressed the principle of trusteeship in social and economic affairs. He firmly believed that all community property should be held in trust. The capitalist would take care not of themselves but also of others. Some of their excess wealth would be used for the rest of the society.

The poor workers, under trusteeship, would consider the capitalist as their benefactors, and would repose faith in their noble intentions. Gandhiji felt that if a such trusteeship were established, the welfare of the workers would increase and the clash between the workers and employers would be avoided. Trusteeship would benefit considerably " in realising a state of equality on earth."

Gandhiji strongly believed that land should not be possessed by any individual. Land belongs to God. Hence, individual ownership of land should be a rejected. For that a land owner should be convinced to become a trustee of his land. He should be persuaded that the land he possesses does not belongs to him. Land belongs to the public and must be used for the welfare of the public. They are merely trustees. By urging, the heart of landowners should be altered and they should be persuaded to donate their land willingly.

Gandhian Approach to rural development attempts to rebuild village republics which would be self-governed, self-sufficient and non-violent, so far as the basic necessities of rural population are concerned. Apart from creating a new socio-economic order, it strives to transform man, otherwise the changes in the socio-economic order will be short-lived.

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### **3.3 RURAL RECONSTRUCTION APPROACH TO RURAL DEVELOPMENT**

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#### **3.3.1 Introduction:**

In the Indian context, the rural population has been growing without a balanced increase in production or income. The average villager has a pathetically low standard of comfort.

He is already "embraced and shifted life's requirements to the vanishing point." He is remarkably affected by the effects of poor harvests and his emotions and sad content have long been objects of sympathy. To affect any real enhancement in his condition, rural reconstruction programme is an attempt in the right direction.

Rural reconstruction indicates revamp of the villages for the total welfare of the rural population. It is concerned with to their economic, political and social development. The principal objectives of rural reconstruction include (a) abolition of poverty by means of renewal of cottage industries, formation of cooperative societies, enhancement of transport, (b) spread of education, (c) progress of health, (d) eradication of social malpractices like untouchability, casteism and the like. The non-violent Swaraj of Mahatma Gandhi was founded on the awareness of rural reconstruction.

Rural reconstruction has been encouraged by three schools of thought who are known as (i) The Philanthropic Group, (ii) The Reformist Group, and (iii) The Revolutionary Group.

The Philanthropists propose a realistic approach. They beg for refining the condition of the rural population within the horizon of the existing rural institutions and structure of the rural society.

They attach highest rank to purely charitable endeavour's like (i) formation of hospitals and schools, (ii) creation of charity funds to furnish to the needs of the rural poor people, (iii) ethical appeals to money lenders or landlords to reduce their burdens on the labourers and peasants.

The Reformists adopt that it is the shortcoming of the existing social institutions that originates economic wretchedness and socio- cultural backwardness of the rural population. They, therefore, highlight the need of reorganization of the social institutions for the healthy functioning of the social system in order to bring about all-inclusive development of the rural community.

The Revolutionary group advocates for the programme of revolutionary change of the rural atmosphere. The thinkers belonging to this group are of the view that ills of the rural community are not an outcome of the shortcoming of the rural social institutions but are associated of the social system.

These evils are the unavoidable product of the normal functioning of the modern social order. Therefore, they recommend sweeping change of the rural social institutions to bring about a radical change in the social system.

### **3.3.2 Rural Reconstruction Approach:**

The programme laid thrust on the following points:

1. Firstly, there should be a comprehensive programme to improvements carefully organised for improving all aspects of rural life.
2. Secondly, increased agricultural production holds the key to the success of the movement. Programme for this purpose to cover all areas should be worked out from year to year and there should be an efficient organisation for supplies and services and credit.
3. Third, the block team should work unitedly and with a single aim and its activities co-ordinated. The best non-official leadership should be enlisted for the programme.
4. Fourth, the agency in the village through which to assist every family should be the panchayat and co-operative, the village school and library should be the centre for most activities. The Baroda experiment was a great success.

### **3.3.3 Importance of Rural Reconstruction:**

The significance of rural reconstruction cannot be opposed. Rural reconstruction puts an end to mistreatment, illnesses, illiteracy, betting, drinking, bribery or casteism. It seeks to establish a socialist system in the

country and thereby brings about the social and economic development of the rural population.

By establishing agro-based and cottage industries, rural reconstruction answers the food problem of the nation and saves millions of rupees in foreign exchange which goes towards the import of food grains. It also increases the national income.

Indian culture will be renewed and will move ahead through rural reconstruction. Rural reconstruction, in this way, will make way for the formation of a true democracy in India, since most of the population lives in the rural areas.

Various individual groups, associations and parties have recognized the gigantic task of rural reconstruction in their own light. Prominent among them are government institutions, welfare associations, missionary groups, leaders, planners, philanthropic bodies and others.

### **3.3.4 Progress and Schemes for Rural Reconstruction:**

1. Encouraged by thoughtful humanism, **Rabindranath Tagore's experiments at Sriniketan** in 1921 were intended for both the economic as well as the moral rehabilitation of the rural people.
2. Rural reconstruction programme was started by **Spencer Hatch at Martandum in 1921**. Martandum rural reconstruction centre was opened with a five-sided programme including spirit, mind, body, economic and social side. To meet the spiritual, mental and physical needs of the people, social activities were introduced in health centres, libraries, boy scouts and girl guides, and in sports club. Special stress was placed on folk-dances and folk-singing. Cooperation in work and play and in fact in all activities of life was effectively emphasised.
3. The "**Gurgaon Scheme**" **undertaken in 1920** was the real-world application of the principle that the villager himself must be made to take bigger interest in himself and in his village before any results can be attained; and the government agencies should support, help and guide him for bringing about rural welfare. The progress work taken up under the Gurgaon scheme created (a) institutional work including a School of Rural Economy to train village guides for the rural upthrust work, a Domestic School of Economics to upthrust village women and Health association to encourage public health, (b) rural hygiene work, (c) agricultural expansion programme, (d) education for scouting and development of co-education, (e) co-operation, (f) co-ordination and advertising and (g) social reforms like ban of child marriages, eradication of purdah etc.
4. The scheme made the people and the government aware of the vital problem of village reconstruction as an immediate requirement. The **rural reconstruction centre in Baroda was established in 1932** and the work started in a group of villages round Kosamba. The centre pointed at: (i) implementing an enhancement in all facets of rural life;

- (ii) undertaking exhaustive work to realise this aim; (iii) evolving best type of village leadership; and (iv) undertaking various educational, economic and moral programmes for attaining rural reconstruction.
5. **The Firka Development Scheme started by Madras Government in 1946** intended to attain the Gandhian ideal of “Village Swaraj” by carrying about not only sanitary, economic, educational and other developmental activities of villages but also by energizing the spirit of the people and making them self-reliant and self-confident. Sarvodaya Scheme was started by the Bombay Government with a view to encouraging the continuance of Gandhiji’s constructive programme.
  6. The fundamental idea of this scheme was to teach the villagers the spirit of self-help and mutual help. Begun under the funding of the **provincial government of Uttar Pradesh in late 1948** with a unit of sixty-four villages, the project of Etawah finally became an example for Community Development Projects and National Extension Service blocks in thousands of villages in every part of India by an educated popular government and carried through without pressure among a peasantry known for its conservatism.
  7. **The Nilokheri test in 1948** was planned not only to rehabilitate the displaced persons but also visualised a core township with all the amenities of an urbanized society.
  8. In the **Post – Independent India**, rural reconstruction programmes are affected through specific efforts. They include Five Year Plans, Community Development Projects, Co-operative Movement, Panchayati Raj and Land Reforms.
  9. So far as **land reform** measures are concerned, a large number of tenants or agriculturalists have now become the owners of the land that they are farming. The slogan “land to the tiller” has been successfully transformed into reality in most of the states of India. The tenancy rights are more protected now. The zamindari eradication laws have succeeded in removing the intermediaries.
  10. **Tenancy legislations** have been passed in most of the states to control rent and also to make the rent fair and judicious. Removal of the tenants from the land which they have been cultivating becomes a tough task now. Most of the states have passed ceiling laws to fix the maximum amount of land that an individual or family can own. Needless to state that this is a step in the right direction of attaining social justice. Attempts have been made for merging of holdings. So far 51.8 million hectares of land have been merged in the country. The evil of absentee landlordism related with the Indian agriculture has been removed.
  11. **Co-operative farming** has been backed to solve the problems of sub-division and partition of holdings. Through the **Bhoodan movement** efforts are being made to give land to the landless labourers. Efforts



are also being made for the gathering and updating of the land records.

12. **The Panchayati Raj** through the organisation of Gram Panchayat, Panchayat Samiti and Zilla Parishad got distinct attention of the government as a result of the recommendation of Balwant Rai Mehta Committee in 1957. Politically the system has made an average citizen more aware of his rights than before. So far as the organizational implication of the Panchayati Raj system is concerned, it has connected the gap between them. Recently, Co-operative Movement has provided a number of assistances to the rural population in numerous ways. Co-operative societies have provided a huge amount of credit to the farmers at a discounted rate. They have promoted the habit of carefulness and self-help among the rural population.
13. **The Community Development Programme** has been the major rural reconstruction scheme started by the government of free India. The programme is contributory in raising the standard of living of the rural population and in reconstructing the rural India.
14. **The Five-Year Plans** also played an important role in the success of the Rural Reconstruction Programme. In the first, second and third five-year plans efforts were made to solve the key problems of the villages such as illiteracy, unemployment and poverty. They laid emphasis on economic growth. But in the subsequent five year plans supreme importance was given to the growth of self-reliance, removal of poverty and modernization.

### **3.3.5 Obstacles in Rural Reconstruction Approach:**

The programme of rural reconstruction has been beset with a number of obstacles. They are as follows:

#### **1. Exclusive attention on one characteristic of village life:**

Some people and establishments entirely concentrate on one single characteristic of the rural life like fight against disease, sanitation, economic welfare, education, etc. They separate one characteristic of the village life from its other characteristics. The organic unity of the village life is not to be seen.

#### **2. Predominantly emotional approach:**

People and establishments concerned with the work of rural reconstruction don't have scientific planning for the assignment they start. They do not take into consideration the fact that a patient collection of realistic data pertaining to the ethnic and communal composition, customs and beliefs, psychological traits of the rural population is also crucial for the purpose. They develop several simple programmes which frequently meet either with disappointment or with limited success.

### **3. Lack of coordination of work:**

The program of rural reconstruction is categorized by absence of co-ordination of activities in various areas. This script the work of some establishments and groups. Further, their activities are often based on contradictory value systems. Again, in the absence of a single belief to determine and permit the varied activities in different fields, mutual opposing of activities is the only result.

### **4. Inadequate capability to evaluate the results:**

Some groups and establishments show inadequate capability for a appropriate assessment of the consequences of their efforts in various areas of village work. Since they have no satisfactory start of the cumulative result of their activities, they get a unclear view regarding their movement towards their goal. In the absence of appropriate planning and goal assessment, there is also the risk of losing the path from the chosen goal. Irregular and unexpected forms of rural welfare incline to make the picture of the rural reconstruction work disordered. Moreover, the actions taken for the prevention of famines and floods etc. are insufficient. The working of the Panchayats is not up to the satisfactory level. The amount of money spent upon the road construction in the villages is substantial when one compares the amount of money spent on the construction of the same to the quality of the roads built. There is barely any considerable enhancement in the area of small scale and cottage industries. In very few villages in which health facilities in the form of hospitals and maternity homes are being provided. Very little has been done with respect to free and compulsory primary education. There is barely any considerable development in the condition of small and marginal agriculturalists and agricultural workers.

### **5. Absence of appropriate sociological viewpoint:**

Last but not least, the main shortcoming pertaining to rural reconstruction programme arises from shortage of proper sociological viewpoint on the part of various groups and establishments connected with the programme.

The achievement of rural reconstruction programme depends upon appropriate understanding of the important laws governing the progress of rural society. But in reality, this characteristic has been very much ignored. As a result, the Rural Reconstruction Programme loses much of its worth.

### **3.3.6 Suggestions for Rural Reconstruction Approach:**

**Prof. C.B. Mamoria** has presented a number of valuable suggestions for the accomplishment of the rural reconstruction programme. They are as follows:

1. There should be a collective growth with an ever-rising speed in each positive field. A rising trend should be maintained till the particular program reaches the satiety point by achieving the end set out for it.



2. There should be appropriate organization among the several aspects of the program. There should be concurrent development on a number of fronts in an organically connected manner.
3. Success in the modest programs should give way to more tough and complex programs of greater dimensions.
4. Farming productivity should be enlarged through the adoption of better-quality techniques of production and physical changes by means of irrigation, soil conservation, communication etc.
5. The education level of the rural population should be elevated and their skill and level of interest should be developed so as to empower them to play active role towards the accomplishment of the rural reconstruction program.
6. The present institutes of the rural community should be altered keeping in view the needs of the rural population.
7. Local people should accept more and more responsibility towards the active execution of rural reconstruction program.
8. There should be satisfactory provision of greater facilities, services and physical resources in order to provide best conditions for the full development of the sectors of social services, industry and agriculture.
9. Efforts should be made to quicken the procedures of urbanization and rural industrialization so as to eradicate unemployment and discharge the pressure on land.
10. A balance should be re-established between manpower and material resources through the control of population and maximum expansion of the resources.
11. Last but not least, the programme of rural reconstruction should have a high survival value.

In fine, it cannot be argued that the problem of rural reconstruction requires to be undertaken from two sides, one of which is economic and the other moral. So far as the economic side of the challenge is concerned, an atmosphere free of feelings of bias against innovation and western philosophy has to be created to pursue economic matters with the power of economic development.

The ethical character of the rural population should be elevated to a higher level. The age-old Indian ideal of simple living and high thinking must be imparted to the rural population. Only sweeping efforts by the government accompanied by lively public support can bring about the anticipated enhancement in the conditions of the villages.

**Check Your Progress:**

1. What is the Gandhian concept of Industrialisation?

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2. Discuss self-sufficient production approach of Gandhian model of rural development.

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3. Explain importance of Rural Reconstruction approach of rural development.

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4. Explain various schemes for rural reconstruction approach of rural development.

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5. What are the obstacles of rural Re-construction approach of rural development.

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### **3.4 COMMUNITY DEVELOPMENT APPROACH TO RURAL DEVELOPMENT**

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#### **3.4.1 Introduction:**

During the first quarter of the present century, it was realised that if the poverty of India's teeming millions is to be removed, more attentions had to be given to rural areas where 80 percent of Indian population are living. Therefore, several experiments in rural reconstruction were undertaken by official and non-official agencies which proved the beneficial effects of

intensive area projection in which activities in various fields of development were closely integrated.

The rural development programmes, introduced in the First plan aimed at initiating and directing a process of change with a view to transform the social and economic life of villages. The desired change in social life and the production process of the agrarian economy was sought to be achieved by initiating various progressive schemes of socio-economic development programmes. The necessary instrument for the implementations of this programme came which is known as Panchayati Raj System. Community Development Programme was the result of this right experiment.

Community development has been defined as "a movement designed to promote better living for the whole community with the active participation and on the initiative of the community." Essentially, community development was looked upon as an integrated approach to local development as a part of the bigger scheme of planned national development.

### **3.4.2 Objectives of Community Development Program:**

Shri V.T. Krishnamachari, while reviewing the objectives of the Community Development Programme can be explain in the following points:

- 1) Leading rural population from chronic under-development to full employment.
- 2) Leading rural population from chronic agricultural under-production to full production by scientific knowledge.
- 3) The largest possible extension of the principles of co-operation by making rural families credit-worthy.
- 4) Increased community efforts for the benefit of the community as a whole, such as village roads, tanks, wells, schools, community centre, children's park, etc.

In short, the aim of Community Development Programme is not merely to provide ample food, clothing, and shelter, health and sanitation facilities in villages but more important than the immediate material improvement in the change in outlook of the people, instilling in them an ambition for a richer and fuller life and developing the capacities of an individual so that he can master matters for himself.

### **3.4.3 Implementation of the Programme:**

The Community Development Programme was launched on 2nd October, 1952, with 55 pilot projects on an experimental basis. The programme is implemented in units of blocks, each block covers an area of about 400-500 sq. kms. with about 100 villages and population of about 1 lakh. In order to meet the demand of the village for the extension of resources, a less intensive scheme called the National Extension Service (NES) was

created from October 2, 1963. In both the CD and the NES, the work of agricultural extension was a common factor, but in the former it was more intensive.

Initially, the pattern of three stages of development of a block was introduced. The NES represented the first or the preparatory stage that created conditions for transition to a more intensive second stage of development. The final stage was known as the post-intensive phase. The pattern was revised in 1959 on the recommendations of the Balwantrai Mehta Committee. The old pattern was substituted by the two-stage pattern. A CD block enters the first stage of intensive development for five years. On the completion of this stage, the block enters the second stage for another 5 years with a relatively reduced budget provision. By the time, a block completes the second stage, it becomes a permanent unit of planning and development and establishes channel for developmental expenditure.

#### **3.4.4 Highlights of the Programme:**

The principal idea of the Community Development programme is to change the basic attitude of the rural-folk from tradition to modernity. To accomplish this objective, community development embraces all those programmes that touch the very existence of human living for example agriculture and related matters, irrigation, communications, education, health, supplementary employment, housing, training and social welfare activities. According to the Planning Commission there are three major activities involved in these programmes:

- (i) An increase in production and employment in the agricultural sector.
- (ii) The application of the principles of self-reliance and co-operation on an extensive scale for which a variety of institutions have been set-up, such as the provision for free education, free medical aid, sanitation and public health measures etc.
- (iii) Maximum utilisation of available manpower resources.

#### **3.4.5 A Critically Review of the Working of the Programme:**

Critics point out that the Community Development Programme has not yielded desirable results. It is worth mentioning in this connection that for a vast country like India with as many as 5,50,000 villages, a hoary history and diversities pertaining to races, languages, religions and cultures, a period of little more than five decades is insufficient to bring about any substantial changes.

The strategy of community development programme is essentially global, aiming at a uniform pattern of staffing and planning all over the country. No attempt has been made to relate the block development plans to local problems and needs. The spatial aspect of the rural development plan has largely been ignored.

Political observers envisage that democracy as a system of governance in India has failed miserably. Caste system prevailing in India has made a mockery of democracy. Traditionally dominant castes have seized the reins of power and manipulate the administrative machinery to their advantage.

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### 3.5 SUMMARY

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Our country lives in villages so this is necessary to development of rural areas for economic growth and development. It is prerequisite of development to development of rural areas. Government and our great scholars introduced various approaches of rural development. In which approaches, Gandhian approach to rural development may be considered as 'idealist'. In self-sufficiency approach the Gandhian view is the village should be self-sufficient in order to satisfy its basic needs like clothing, food, and other necessities are concerned. Rural reconstruction approach indicates restructure of the villages for the total welfare of the rural population. It is concerned with to their economic, political and social development. community development approach to local development as a part of the bigger scheme of planned national development. The main aims of community development program - increase in production and employment in the agricultural sector and the application of the principles of self-reliance and co-operation on an extensive scale for which a variety of institutions have been set-up, such as the provision for free education, free medical aid, sanitation and public health measures etc.

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### 3.6 QUESTIONS

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- Q1. Discuss in detail Gandhian concept of Rural Development.
- Q2. Explain concept and importance of Rural Re-construction approaches of rural development.
- Q3. Discuss various schemes which is introduced in rural Re-construction approach & obstacles of rural Re-construction approach.
- Q4. Critically evaluate Community Development programme of rural development.

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## **APPROACHES TO RURAL DEVELOPMENT - 2**

### **Unit Structure**

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Sectoral Approach to Rural Development
- 4.3 Participatory Approach to Rural Development
- 4.4 Area - Specific and Target Group oriented Approach
- 4.5 Integrated Rural Development and Economic Development with social justice Approach
- 4.6 Summary
- 4.7 Questions
- 4.8 Reference

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### **4.0 OBJECTIVES**

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- To know the importance of sectoral and participatory approach to rural development.
- To know the Area-Specific and Target oriented approach of rural development.
- To know about Integrated Rural Development program.
- To know about how we can achieve Economic and social justice approach to rural development.

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### **4.1 INTRODUCTION**

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Rural development, over the years, has emerged as "a strategy designed to improve the economic and social life of a specific group of people - the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the natural areas. The objective of rural development encompasses improved productivities, increased employment, higher income for target groups as well as a minimum acceptable level of food, clothing, shelter, education and health. Growth with social justice is the objective of Indian economic planning. The need of the ours is that rural development programme must be devised to synchronise with self-reliance and self-respect.

### 4.2.1 Introduction:

Sectoral development planning in individual sectors like education, health, housing and social security are included in sectoral approach of development. This approach advocates compartmentalization of development in different sectors as if these are watertight compartments and have nothing to do with each other. Its inadequacies stem from this compartmentalized approach. Little attempts are to be made to integrate them. By 1960's the situation was rather critical on the food front. The need for great concentration on food production led to strategy for locating potential sectors and well-endowed districts and areas capable of yielding higher agricultural production. More attention was paid in improving productivity per acre than on extending the acreage. Thus, the Intensive Agriculture Development Programme (1960) (IADP) and later in 1963 intensive Agricultural Area Programme (IAAP) were launched. Both IADP and IAAP constituted landmarks in the development of agriculture, indeed of the rural sector in India. The programmes placed agriculture on a qualitatively different footing with wide ranging repercussions on rural scenario. The programmes resulted in a spectacular breakthrough in total agricultural production and productivity per hectare but at the expense of social equality and social justice.

### 4.2.2 Sectoral Approach Programmes in India:

#### 1. Intensive Agricultural District Program (IADP):

The IADP was launched in 1960-61 in 7 districts of the nation. They are: 1. Thanjavur (Tamil Nadu), 2. West Godavari (A. P.), 3. Shahabad (Bihar), 4. Raipur (M.P.), 5. Aligarh (U.P.), 6. Ludhiana (Punjab), Pali (Rajasthan). The selected seven districts were delimited into 140 community development blocks with 14038 villages and a total gross cropped area of about 45 lakh hectares. The following measures were taken to accelerate the pace of agricultural development in IADP districts. They include:

- (i) Adequate and timely supply of credit through credit cooperatives, based on farm production plans
- (ii) Adequate and timely supply of inputs such as seeds and fertilizers through cooperatives
- (iii) Intensive crop demonstration to educate the farmers in improved agricultural practices
- (iv) Provision of adequate storage facilities for supplies
- (v) Provision of transport services for the free movement of supplies and staff

- (vi) Arrangement for marketing of products through cooperatives, ensuring a remunerative price to farmers
- (vii) Setting up of agricultural implement workshops, seed and soil testing laboratories and implementation of local works programs which directly help boost agricultural productions.
- (viii) Formulating village plans for increased production
- (ix) Monitoring and evaluation of the program from its initiation

### **Evaluation of IADP:**

An evaluation of the performance of IADP from its inception in 1960 through 1967-68 revealed that effective application of improved agricultural practices, supported by institutional services, did help to putting the traditional agriculture on high growth-high yields-trajectory. Besides, concentrated efforts, effective use and better management of resources did help small, medium and large farmers reap richer harvests. Though the IADP model was not extended to more than 300 blocks in the 16 districts in the country, it did pave the way for implementation of Intensive Agricultural Area Program, Intensive Cattle Development Program etc.

### **1. Intensive Agricultural Area Program (IAAP):**

Encouraged by the positive impact of the IADP, the IAAP was launched in 1964-65 for intensive development of important crops like wheat, paddy, millets, pulses, cotton, etc. in 114 selected districts. The criteria applied in IADP was adopted to select IAAP districts. The Major objective of IAAP was to bring about substantial increase in agricultural production within a short period of time, by the application of intensive package approach in favourable regions. It is assumed that if higher level of productivity is achieved in selected areas by using package of modern practices, it will have 'spread effects' on neighbouring areas also, conducive to higher levels of agricultural productivity in different areas. The limited supplies of inputs and inadequate technical staff did limit the scope and achievement of IAAP.

### **2. Intensive Cattle Development Program (ICDP):**

- ICDP was launched in 1965 the program was designed to provide cattle owners a package of improved practices and envisaged intensive coverage of 1 lakh cows and buffaloes which can be bred for achieving marked impact on milk production.
- The ICPDs were located in selected areas with good potential and conditions to respond to cattle development programmes.

The National Commission on Agriculture (1976) recommended that the future cattle and buffalo development should focus on increasing milk production and improving the work efficiency of buffalos through planned breeding system. The task of cattle development, with collection,



processing and marketing should be in the shape of an integrated project. The Sixth Plan had the target of setting up 139 Intensive Cattle Development Projects with the objective of improving the quality of breeding, financing for purchase of cattle, supply of improved fodder, etc. Later the GOI modified the programme and started implementing the National Project for Cattle and Buffalo breeding since 2000.

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## **4.3 PARTICIPATORY APPROACH TO RURAL DEVELOPMENT**

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### **4.3.1 Introduction:**

“Participatory development is a process through which stakeholders can influence and share control over development initiatives, and over the decisions and resources that affect themselves” (ADB, 1996).

A process to engage local populations in development projects. Participatory development (PD) uses local decision making and capacities to steer and define the nature of an intervention. Its aim at achieving a localized capital accumulation process based on the skills development and local resources generation. The essential feature of PD is social mobilization. It gives a new self-confidence through which the community can engage in more ambitious projects involving collective action and management.

### **4.3.2 Scope and Applications of Participation:**

Participation at the micro level of projects such as project planning and design decisions, project implementation, monitoring and evaluation. Participation at the macro level, for instance, participatory poverty assessments (PPAs) are designed to influence policy particularly in relation to development and poverty reduction strategies. Between the micro and the macro level, a number of exercises in participation at an intermediate or meso level such as participatory budgeting in local governments and various forms of territory-based rural development.

### **4.3.3 Types of Participation:**

#### **1) Passive Participation:**

People are told what is going to happen or has already happened. Top down, information shared belongs only to external professionals. Information giving People answer questions posed by extractive researchers, using surveys etc. People not able to influence the research. Consultation People are consulted and external agents listen to their views. Usually externally defined problems and solutions. People not really involved in decision making. Participation by material incentives Provision of resources, e.g. labour. Little incentive to participate, for example farm research, some community forestry.

## 2) Functional Participation:

Groups are formed to meet predetermined objectives. Usually done after major project decisions are made, therefore initially dependent on outsiders but may become self-dependent and enabling. Interactive Participation Joint analysis to joint actions. Possible use of new local institutions or strengthening existing ones. Enabling and empowering so people have a stake in maintaining structures or practices. Self-Mobilization Already empowered, take decisions independently of external institutions. May or may not challenge existing inequitable distributions of wealth and power.

Participatory Rural Appraisal (PRA) and Rapid Rural Appraisal (RRA) To enable people so that they can express and analyse the realities of their lives and conditions, to plan themselves what actions to take, and to monitor and evaluate the results. The difference is that PRA emphasizes processes that empower local people, whereas RRA is mainly seen as a means for outsiders to gather information.

### 4.3.4 Key Elements & Implementation of Participatory Development Process:

Growth of consciousness and group identity. The realization of the creative potential of the poor. Empowerment: The process of reconstructing a group identity, raising consciousness, acquiring new skills and upgrading their knowledge base. Participation: Power to break the vicious circle of poverty.

### Variations of Participatory Development Manifestations

- Enabling "mutual learning" to enhance "communication, listening and learning between development workers and those they serve.
- Implementation
  - 1) Information-sharing tools: News and updates via media
  - 2) Consultation tools: Discussion forums, debates, focus groups etc.
  - 3) Collaborative planning tools: Establishment of local-level planning committees.
  - 4) Benefits High start-up cost but less expensive and more sustainable in the long run.
  - 5) More relevant to local populations than traditional development projects.
  - 6) Addressing local needs Criticisms
  - 7) Costly and slow
  - 8) Smaller target population than traditional development

- 9) Treating everyone same in the communities
- 10) Participatory Approaches to Rural Poverty Alleviation Diagnosis/  
project identification, community planning, and formulation.
- Diagnosing the situations that give rise to problems, setting priorities for their resolution, identifying and formulating project interventions that may help solve some of those problems. Research and extension, innovation, knowledge
  - The research and development realm consist of co-creative processes to identify needs and opportunities, generate new information and innovations, consolidate them with existing practices, and then translate them into learning objectives and activities for enhanced performance.
- 11) Natural resource management - Natural resource management development is a main area of application of participatory approaches to help poor in managing the natural resources available to them. Governance and Decentralization.
- Good governance makes it possible for citizens, individually or in groups, to articulate their interests, exercise their legal rights and negotiate their differences.
  - Within the broad area of governance, decentralization, which brings decision-making closer to the local level, is potentially important to participation, if it is done well, lead to more responsive government and new opportunities for citizens to participate.

**Check Your Progress:**

1. What do you understand by Intensive Agricultural District Programme. (IADP)

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2. What is Intensive Agricultural Area Programme?

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3. Explain the types of Participation.

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#### 4. What are the key elements of participatory Development process?

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### 4.4 AREA - SPECIFIC AND TARGET GROUP ORIENTED APPROACH

#### 4.4.1 Area-Specific Approach:

This approach contemplates that development of an area depends not only on the development of an adequate infrastructure network but also the way factors of the local economy are activated around the production infrastructure. In other words, for development of an area, spatial and functional integration is necessary. Thus, while rural growth centres provide ideal locations for the provision of infrastructural facilities, their hinterlands are regarded as basic planning units for integrated multi-sectoral planning to achieve integrated development of an area. The approach, while taking area poverty into consideration, provides a balance between various sectoral activities as well as spatial pattern of growth; however, it does not ensure that economic growth is being shared by all classes and communities of the rural areas.

Under this approach specific schemes were introduced after taking into account the quality of the soil, climatic conditions of a specific area. These schemes were:

#### 1. Drought Prone Areas Programme:

Drought Prone Area Programme (DPAP) is one of the area development programmes launched by the Government in 1973-74 to tackle the special problems faced by those fragile areas which are constantly affected by severe drought conditions. The basic objective of the programme is to minimise the adverse effects of drought on production of crops and livestock and productivity of land, water and human resources ultimately leading to the drought proofing of the affected areas. The programme also aim to promote overall economic development and improving the socio-economic conditions of the resource poor and disadvantage sections inhabiting the programme areas, through creation, widening and equitable distribution of resource base and increased employment opportunities.

#### 2. Intensive Agricultural Area Program:

Here, the main focus was on the intensive development of important crops like wheat, sugar, paddy, sugarcane, cotton etc. Roughly about 20% to 25% of the nation's total cultivated area was selected for intensive agricultural development. The scheme also promoted the use of latest

technology, fertilizers, improved quality of seeds etc. in order to increase the agricultural productivity.

### **3. Desert Development Program:**

The main aim of this scheme was to control the spread of desert area and to create a conducive environment which can help in raising both the production level as well as the employment level. To achieve the said motive groundwater development was undertaken, along with these measures like construction of water storage structures, afforestation, shelter belt plantations and grass stabilization were also undertaken.

### **4. Pradhan Mantri Gram Sadak Yojana:**

PMJY was launched on 25th December 2000. It is a fully funded scheme to provide good all-weather roads in rural areas of the country. The programme envisaged connecting all villages with a population of 200 person and above.

#### **4.4.2 Target Group Oriented Approach:**

In order to accommodate the lagging sectors/regions rural development was reconceptualized to highlight the improvement of the social and economic life of a specialized group of people. The target group comprised of marginal and small farmers, landless agricultural labourers for whom special programmes such as Small Farmer Development Agency 47 (SFDA) and Marginal Farmers Development Agency (MFALDA) were started. It was noticed that the target group approach showed a better result where information facilities were satisfactory and administrative and organizational arrangements were reasonably strong. This approach was for the correction of regional imbalance. In this connection, mention may be made of Tribal Area Development Programme (TADP, 1972), Hill Area Development Programme (HADP, 1974-75), Drought Prone Area Programme (DPAP, 1970), Desert Development Programme (DDP, 1977-78), and Command Area Development Programme (CADP, 1975). These programmes were fairly successful in terms of implementation.

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## **4.5 INTEGRATED RURAL DEVELOPMENT AND ECONOMIC DEVELOPMENT WITH SOCIAL JUSTICE APPROACH**

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### **4.5.1 Integrated Development Approach:**

In the context of problems in the area development approach to tackle the problems of rural poverty, a new strategy of development, i.e. the integrated development approach has been developed because the area development approach by and large failed to address the question of inequalities in the distribution of employment, incomes and assets. A mere geographical emphasis, as is the case with the area development approach, has been found to be inadequate in solving the problems. The Indian economy and social structure are characterized by widespread poverty,

poor health conditions, illiteracy, exploitation, inequitable distribution of land and other assets and lack of infrastructure and public utilities (roads, communications etc). Clearly, this means that the problem requires an approach that will take into account all these factors in devising a comprehensive strategy to further rural development. The concept of “integrated rural development” came into vogue with the need for a multipurpose thrust to rural planning. It stresses that various facets of rural development, which have an impact on rural life, are interrelated and cannot be looked at in isolation. Thus, an integrated approach towards rural development is essential. The various dimensions of rural life-growth of agriculture and allied activities, rural industrialization, education, health, public works, poverty alleviation and rural employment programmes, all form a part of an integrated approach to the problems of rural development.

#### **4.5.2 Economic Development with Social Justice Approach:**

The idea of social justice is that each person should have equal access to justice, education, health, well-being, privileges, and opportunity regardless of their political, economic, religious, or caste conditions. According to the current data 2020, about 69% of India’s population lives in villages and the incidence of poverty is much higher in villages – about 53% of the rural population. Rural poverty is so prevalent, that the majority of the initiatives are aimed at helping people in rural regions. Poverty reduction is also difficult in rural regions owing to a variety of physical and infrastructure constraints. The aiding programs are mostly divided into these categories - Wage-earner program, Programs for self-employment, Program for food security, Programs for social security, Job-training program in India etc.

Some of the Govt. Initiatives that Help to Reform Economic Conditions of Rural Areas:

##### **1. Jawahar Gram Samridhi Yojana (JSY):**

On April 1, 1999, it began. The development of rural regions was the primary goal of this initiative. Infrastructure such as roads connecting the hamlet to different places, as well as other social, educational (schools), and infrastructure such as hospitals, made the village more accessible. Its secondary goal was to provide long-term paid employment. This was exclusively supplied to households that were BELOW THE POVERTY LINE.

##### **2. National family benefit scheme (NFBS):**

His program began in August of 1995. The state government is funding this program. After 2002–03, it was moved to the state sector program. It’s part of the department of community and rural affairs. In case of the death of the primary breadwinner, this program provides a one-time Rs 10,000/- amount to that family, irrespective of the cause of death. A breadwinner is a person above the age of 18 who makes the most money for the family and ensures that the family survives.

### **3. Annapurna:**

The government began this program in 1999–2000 to give meals to older persons who are unable to care for themselves, are not covered by the National Old Age Pension Scheme (NOAPS), and have no one in their community to look after them. This program will offer qualified older adults 10 kg of free food grains per month. In the years 2000-2001, a total of 100 crores was set aside for this program. They primarily target ‘poorest of the poor and ‘indigent elderly people’ groups.

### **4. Pradhan Mantri Gramin Awaas Yojna:**

This plan is intended to provide homes to everyone. It all started in 1985. It intended to build 20 lakh housing units, 13 lakhs of which would be in rural regions. This plan will also provide individuals with low-interest financing to build dwellings. It began in the years 1999–2000. This project received 1438.39 crores in 1999–2000, and roughly 7.98 lakh units were developed. This project had a government outlay of 1710.00 crores in 2000-01. It enhanced the health, primary education, drinking water, housing, and road conditions in rural regions.

### **5. Mahatma Gandhi National Rural Employment (MNREGA):**

On September 7, 2005, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was notified. The MGNREGA has resulted in the world’s largest employment program. It is unlike any previously paid employment program in terms of scope, architecture, and focus. It has a unique and unparalleled bottom-up, people-centred, demand-driven, self-selecting, rights-based design.

The MGNREGA guarantees paid work as a legal right. It is a demand-driven program in which the provision of employment is prompted by wage seekers’ demand for work. Both in situations of inability to deliver work on demand and delays in payment of remuneration for labour completed, there are legal provisions for allowances and compensation. It is the largest social assistance program in the world. The initiative has cost 3.14 lakh crores in the previous ten years. A total of 1980 million person-days of employment were created. Several lakhs of villagers have undoubtedly been lifted out of rural poverty as a result of the initiative.

“Justice in terms of the distribution of income, opportunities, and advantages within a society” is how social justice is described. This is frequently accomplished through institutions or services that aim to ensure that everyone has equal access to the advantages of social cooperation while also preventing socioeconomic inequality.

A government is made up of a collection of persons that are in charge of governing a state. As a result, each country’s government should act wisely in the interests of the community’s growth. Social welfare is a policy that focuses on the overall well-being of society. The government implements several programs as a result of these changes in order to provide social welfare and economic equality.



**Check Your Progress:**

1. Write name of various specific schemes which is introduced under area specific programme.

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2. Discuss Target Group Oriented Approach of rural development.

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3. Write name of various schemes which is introduced under Economic Development with Social Justice Approach of rural development.

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**4.6 SUMMARY**

From the point of view of sectoral division these programs were started. Keeping in mind the different problems in different areas individual programs for different areas was started instead of implementing a single program all over the country and through this the problems in the rural areas were solved. Participatory approach of rural development is a process to engage local populations in development projects. Area specific approach of rural development is related to improve infrastructure in rural area so that unemployment problem and poverty problem in rural areas can be solved. And some programs are related to economic growth and development. Development of rural areas has always been one of the paramount concerns of the various programs through five years plans. Several rural development programs were launched specially to provide job opportunities to raise their income, improve their standard of living by eradicating poverty. These programs were designed to create socio-economic infrastructure necessary for rapid development of rural areas and to increase income of individual rural people by providing productive job. These programs provided certain economic and social infrastructure, ensuring facilities like roads, electricity, transport, drinking water, medical care, primary-school etc. They have acted as a catalyst in bringing socio-economic changes in rural life. Programs like IADP, IAAP, DPAP, PMJY, MNREGA etc.



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## 4.7 QUESTIONS

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- Q.1 Explain in detail, Sectorial Approach to Rural Development.
- Q.2 Write about Participatory Approach to Rural Development.
- Q.3 What do you understand by Area specific & Target group Approach to Rural development?
- Q.4 Explain Integrated Rural development & Economic Development with social justice approach to rural development.

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## 4.8 REFERENCE

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- Indian Economy - Datt & Sundharam, Rural Development in India - Vasant Desai, Rural Development - Satyasundaram.

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### DIVERSIFICATION OF RURAL ECONOMY - 1

#### Unit Structure

- 5.0 Objectives
- 5.1 Introduction
- 5.2 Livestock economics
- 5.3 Dairy Development
- 5.4 Social Forestry
- 5.5 Summary
- 5.6 Questions
- 5.7 Reference

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#### 5.0 OBJECTIVES

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- To know the importance of livestock and Dairy farming in India.
- To know about Social Forestry
- To know Importance of livestock, dairy farming and social forestry for rural development

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#### 5.1 INTRODUCTION

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India has been an agricultural country, and it is because of this reason livestock and dairy farming plays a very important in complementing the main agricultural sector. Livestock and dairy farming help in completing the circle of the primary sector which is a very important base for the development of the secondary sector in our country. Social forestry, livestock and dairy farming have come a long way in the rural development of India.

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#### 5.2 LIVESTOCK ECONOMICS

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Indian economy has predominantly dominated by the primary sector whether it is agriculture or cattle farming. The main reason for the same has been the low literacy rate, lack of infrastructure, etc. This is the main reason why livestock economics has played a crucial role in India.

### 5.2.1 Contribution of livestock in Indian Economy:

The livestock offers food and non-food items to the people.

#### 1. Food:

- a) The livestock offers food items such as eggs, milk and meat for human consumption. India is ranked first as milk producer in the world.
- b) India is producing about 176.34 million tons of milk in a year (2017-18).
- c) Similarly, it is producing about 95.22 billion of eggs, 7.70 million tonnes of meat on annual basis.
- d) The value of output of livestock sector at current prices was Rs 9,17,910 crores at current prices during 2016-17 which is roughly about 31.25% of the value of output from agricultural and allied sector. At constant prices the value of output from livestock was about 31.11% of the value of the output from total agricultural and allied sector.
- e) During the financial year 2017-18, the total fish production in India was estimated at 12.61 million metric tonnes.

#### 2. Fibre and skins:

The livestock also contribute to the output of wool, hair, hides, and pelts. Leather is the utmost important product which has a very high export potential. India is manufacturing about 41.5 million kg of wool per annum during 2017-18.

#### 3. Draft:

Bullocks are the backbone of Indian farming. Despite lot of developments in the use of mechanical power in Indian agrarian operations, the Indian agriculturalist particularly in rural areas still rely upon bullocks for numerous agricultural operations. The bullocks are saving a lot on fuel which is a necessary raw material for using mechanical power like tractors, combine harvesters etc. Pack animals like camels, horses, donkeys, ponies, mules etc are being widely used in transportation of goods in different parts of the country in addition to bullocks. In situations like hilly terrains mules and ponies serve as the only substitute to transport goods. Similarly, the army has to depend upon these animals to transport numerous items in high areas of high altitude.

#### 4. Dung and other animal waste materials:

Animal waste and dung are used as a very good agricultural manure which is worth in several crores in money terms. Additionally, dung and bio gas are also used as fuel, and even for construction purposes it is used by the poor man as cement (dung).

## **5. Storage:**

Livestock are compared to 'moving banks' as because of their capability to move off during emergencies. They serve as wealth and in cases of landless farming labourers many times it is the only capital resource they hold. Livestock serve as an asset and in case of crises they serve as guarantee for taking loans from the local sources such as money lenders in the villages.

## **6. Weed control:**

Livestock also serve the purpose of being used as biological control of brush, plants and weeds.

## **7. Cultural:**

Livestock act as a security for the owners and also add to their self-respect particularly when they are owning esteemed animals such as pedigreed bulls, dogs and high yielding cows/ buffaloes etc.

## **8. Sports / recreation:**

Animals like cocks, rams, bulls etc are often used by the people for competition and sports. Although there is a ban on these animal competitions the cock fights, ram fights and bull fights (jalli kattu) are quite common during festive seasons.

## **9. Companion animals:**

Dogs are known to be the most faithful friend of man and are being kept as a companion animal since ancient times. Ever since the culture of nuclear family has increased the aged parents are forced to keep pets like dogs, cats, etc to safeguard themselves against the danger of unknown human beings.

### **5.2.2 Role of livestock in farmer's economy:**

The livestock plays a vital role in the agriculturalists' economy. The agriculturalists in India keep mixed agricultural system i.e. a blend of crop and livestock where the production of one enterprise becomes the raw material of another enterprise thereby realize the resource effectiveness. The livestock serve the agriculturalists in different ways.

#### **1. Income:**

Livestock may be a source of subsidiary income for many families in India especially the resource poor who maintain few heads of animals. Cows and buffaloes if milking will offer regular income to the livestock farmers through sale of milk. Animals like sheep and goat function as sources of income during crises to meet demands like marriages, treatment of sick persons, children education, repair of homes etc. The animals also function as moving banks and assets which provide economic security to the owners.

## **2. Employment:**

A huge population in India being illiterate and unskilled depend upon farming for their livelihoods. But agriculture being cyclical in nature could provide employment for a maximum period of 180 days in a year. The landless and marginal people depend upon livestock for using their labour during lean farming season.

## **3. Food:**

The livestock products such as eggs, meat and milk, are a vital source of animal protein to the members of the livestock owners. The per capita accessibility of milk is around 375 g / day; eggs is 74 / annum during 2017-18 as per the available data.

## **4. Social security:**

The animals give social security to their owners in relation to their status in the society. The families particularly the landless which own animals are better positioned than those who do not own the same. Gifting of animals during marriages is a very common thing to happen in different parts of the country. Rearing of animals has been a part of the Indian culture since ancient times. Animals are used for variety of socio religious functions. cows for house warming ceremonies; rams, bucks and chicken are sacrificed during festive seasons; bulls and cows are worshipped during various religious functions. Many owners develop emotional attachment with their animals.

## **5. Draft:**

The bullocks are the main support of Indian farming. The farmers especially the marginal and small rely upon bullocks for ploughing their fields, carting and transport of both raw materials as well as the final product.

## **6. Dung:**

In villages dung is used for numerous purposes which include plastering material (poor man's cement), fuel (dung cakes) and fertilizers (farm yard manure).

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## **5.3 DIARY DEVELOPMENT**

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### **5.3.1 Introduction:**

Apart from being a significant sector internationally, dairying is equally significant in emerging economies like India, for providing nourishment support, dropping rural poverty, inequality, confirming food security for millions of rural families, and increasing economic growth, principally in rural areas.

In the decades of 1950s and 1960s, India was a milk deficient country, relying generally on imports. In 1965, the government of India established

the National Dairy Development Board to take care of India's dairy sector development. In 1970, the government started Operation Flood (OF), the world's largest dairy development program, whose goal was increasing milk production in the country.

By 1998, India had overtaken the US to become the largest milk manufacturer on global basis, and it contributed 22 per cent of the worldwide milk production in 2018. Between 1991 and 2018, the per capita accessibility of milk increased from 178 (gm/day) to 394 (gm/day). During this time period, milk production in India increased from 55.6 million tonnes to 187.7 million tonnes, growing at rate of 4 per cent compounded annually.

As per the NITI Aayog working group 2018 report, milk production in India will rise to around 330 million tonnes in 2032-33, and milk supply will surpass milk demand by 38 million tonnes in 2032-33. As per the National Action Plan on Dairy Development vision 2022 report, it is proposed to increase milk attainment and processing through setting up of village-level dairy infrastructure. Under this plan, organised milk management is to be enlarged to 41 per cent by 2022 and to 50 per cent by 2023-24. Milk attainment by cooperatives will increase from 10 per cent in 2020 to 20 per cent in 2023, and milk attainment by the private sector will be improved from 10 per cent to 30 per cent in the same time frame.

### **5.3.2 Significance of Dairy Farming in Indian Economy:**

The dairy sector is one of the critical sectors in the Indian economy that not only generates employment for millions of rural families but also contributes to the economy. Among the livestock products, milk consists of the largest share, and it accounted for 67.2 per cent of the livestock sector in 2017.

Besides, there is an interesting note here that milk and milk products contributed more than 20.6% of the joint production of paddy, wheat and pulses in 2017. Yearly, 8.4 million agriculturalists rely on the dairy sector for their source of revenue, out of which 71% are women (Agriculture Skill Council of India). Additionally, in a year, crop output employs the rural labour force for 90 to 120 days, but dairy gives another employment opportunity throughout the 365 days of the year.

India is independent in milk production because 73 million dairy agriculturalists are involved in the dairy sector, particularly women.

Concerning aids to the agriculturalist, around 60% of the consumer price from milk goes to the agriculturalist, which is the maximum among main milk-producing nations (International Farm Comparison Network, Dairy Report, 2018). The information show that 10 States in India produce 81% of the milk, and the rest of the States and Union Territories produce the balance 19%.

Similarly, only nine States have attained per capita accessibility of milk at par with the national level. The government needs to plan a suitable dairy

development policy for increasing milk production in probable districts and States. Therefore, dairy elevation among small and landless farmers is essential to upsurge the availability of milk, and it will also help reduce nourishment related problems in milk shortfall regions of the nation.

### **5.3.3 Dairy business In India:**

The recent Covid-19 pandemic has impacted different segments of the economy and has brought down the job openings, mainly for migratory workers. India has 45.36 crore internal migrants, which includes both within-State and inter-State migrants; the latter have been hit hardest, due to pandemic enforced restriction on inter-State movements these are the details as per the 2011 census. When these migratory workers return to their homes, this reverse migration will generate new challenges for them, as the deficiency of employment prospects at the rural level will make their life more challenging.

This is a brilliant opening for the State governments to encourage dairy profession in those districts where milk output and milk obtainability are lower than the national average. They can simplify the promotion of the cooperative model in these regions, to channelise and formalise milk attainment, which will aid millions of people to be gainfully employed.

They can transmit funds from different central government schemes like 'Dairy Entrepreneurship Development Scheme (DEDS), National Programme for Dairy Development (NPDD), and DIDF (Dairy Processing & Infrastructure Development Fund), for the same; a budget provision of ₹ 3,289 crore was made wholly for Animal Husbandry and Dairying, for the year 2020-21.

The Finance Minister recently declared an expenditure to the tune of Rs.15,000 crore for Animal Husbandry Infrastructure Development Fund, which will be utilized for supporting private investments in dairy processing and value addition, and cattle feed infrastructure. This will not only help increase the local output of the goods and services but will also help in increasing the consumption of locally produced commodities and will also assist in making the nationwide consumer "vocal for local"; thus, taking India forward on the path of self-sufficiency.

### **5.3.4 Role of technology in Dairy Business:**

This lockdown has gradually recognized the role of technology in the farming and cattle breeding sector be it Ninja cart (tech-driven supply chain platform) which is linking thousands of manufacturers directly with patrons or Amul which has increased both its milk obtaining (15 per cent) and processing during the lockdown period. Technology has played a critical role in changing these uncertain times into openings for growth. Thus, apart from constructing milk procurement infrastructure in milk shortage States and districts, efforts should also be made for the infiltration of appropriate technology in these regions.

This Milk Day, let's hope to marshal in a new age of progress for the dairy sector, which will decrease poverty, joblessness, and disparity in the most underprivileged regions of the nation. Furthermore, strengthening cooperative milk profession across these areas will help generate another service opportunity, particularly for women and economically deprived communities. A thriving dairy sector will aid rural India become self-reliant and will also contribute to doubling agriculturalists' income.

### Check Progress

1. Write contribution of livestock in Indian Economy.

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2. Discuss role of livestock in farmer's economy.

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3. Explain significance of dairy farming in Indian economy.

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## 5.4 SOCIAL FORESTRY

### 5.4.1 Introduction:

Widespread loss of tree vegetation in the emerging world within the past few decades led to the development of social forestry. It was a reply to meet the growing scarcity of biomass and to save the environment. Several nations in the emerging world launched this type of program to meet the demands of an increasing population for fuel, fodder and timber. Social forestry was new tactic to solve the problem of fuel shortage with the involvement of rural people who would plant, tend and maintain trees by themselves. The type planted would be of their choice.

In our nation the concept of social forestry is quite old. It is found in the moral teachings of Buddha about 2500 years ago. Lord Buddha addressed that every good Buddhist should plant one tree and look after it over five years so that it grows to a full tree and in this way, he should plant about 5 trees during his life span.



The Great Emperor Ashoka is given the credit to have got planted shady trees and fruit trees along the roadsides for the assistance of travellers. During early period of British rule, need for industrial development and communication required timber from the forests. Attempts made by the British were simply to restrict and define forests for their industrial needs. No importance was given to important role of trees to the local population.

Afforestation in the period after independence can be divided in to three phases. In the first phase, during 1950's saw the beginning of 'Van Mahotsav' however it failed to attract attention mainly due to the unawareness at all levels. In the second phase, farm forestry was initiated in some states in the 1970's. The third phase was the period when social forestry program actually took off in eighties with huge programs and determined targets.

#### **5.4.2 Concept of social forestry:**

The word Social forestry was invented by Westoby and used in the Ninth Commonwealth Forestry Congress in 1968. According to Prasad (1985) "Forestry outside the typical forests which mainly targets at providing regular flow of goods and services for the benefit of the people". This definition implies that the manufacture of forest goods for the requirements of the local people is Social forestry. Social forestry is "social" in the sense of being socially prepared, that is, flexible, active, and reactive to the context and social environment. Social forestry plans take changing forms depending on the particular (economic, cultural, ecological, political) environment and remain dynamic because of the "social creativity" of the contributing interest groups determining this forest management. Social possibility and social amalgamation as described above are besides only coming when social forestry reacts flexibly to the development of new groups of interests, to alterations in the pressure for exploitation and to changes in frameworks.

Simply it is the practice of forestry of the public, forestry by the public and forestry for the public. The social forestry practices include the following:

1. Raising wind breaks on dry farm lands.
2. Planting shelterbelt.
3. Planting along roadsides.
4. Planting in rural areas common lands and waste lands.
5. Planting along the railway tracks and banks of a canal,
6. Planting small lumber lots in farmlands if it is large.
7. Planting foreshore areas of irrigation tanks.
8. Reclamation of highly degraded and eroded soils.
9. Afforestation of command areas of irrigation projects.

### 5.4.3 Objectives of social forestry:

Social forestry, programs that have been commenced across the country have made a substantial difference in the overall forest cover in a very short duration of time. Afforestation outside the conservative forest area for the benefit of village and urban communities. The objectives of Social forestry adopted by the Commission (1976) were created on the economic needs of the community intended at improving the conditions of living. They are:

1. To achieve the basic necessities such as fuel, fodder, small wood, supplementary food and income from excess forest products to the village area and substitution of cow dung.
2. To generate job opportunities and to increase the family income substantially for lessening poverty.
3. To develop cottage industries in village areas.
4. To organize them in such manner which will help them in their struggle for socioeconomic development and to integrate economic gains in the distribution of their benefits to the rural society.
5. To provide friendly atmosphere and conserve their social identity as their life is related to forest.
6. To brainwash the value of rural level self-reliance and self-management in the manufacture as well as distribution of forest products with social justice.
7. To convert the villagers into a closely-knit community and an operative functional unit of society which can form its own destiny.
8. To play an important role in the repossession of degraded lands, preservation of soil and moistness, improvement of agricultural production and prevention of environmental deterioration.
9. To surge the normal beauty of the landscape, make entertaining forests for the advantage of rural and urban population.
10. To protect the farming fields against wind speed and natural calamity.
11. To resolve the food grain problem of the village area to a great extent. Certain edible fruits like palms, coconut, mango and cashew have high nourishing value and grow under social forestry programme.
12. To use the available land according to its carrying capacity.

### 5.4.4 Scope of the social forestry:

The key scopes of the social forestry are

1. Street planting in cities.
2. Establishment of manufacturing shelter belt.

3. Management of town parks and wild life parks.
4. Urban composites management and efficient recycling.

#### **5.4.5 Components of social forestry:**

The scope or components of social forestry defined by the Commission includes reforestation in degraded forests, recreation forestry, extension forestry and farm forestry.

##### **1. Farm forestry:**

Farm forestry is the term given to programs which endorse viable tree growing by farmers on their own land. Farm forestry was defined by NCA (1976) as the practice of forestry in all its aspects in and around the farmsteads or rural lands united with other farm operations.

##### **2. Extension forestry:**

Extension forestry is the exercise of forestry in areas lacking in tree growth and other flora situated in spaces away from the conservative forest areas with the objective of increasing the space under tree growth. It includes the following.

##### **3. Mixed forestry:**

Mixed forestry is the exercise of forestry for growing fodder grass with dispersed fodder trees, fruit trees and fuel wood trees on appropriate wastelands, panchayat lands and village commons

##### **4. Shelterbelts:**

Shelterbelt can be defined as a belt of trees and or shrubs sustained for the motive of shelter from wind, sun, snow drift, etc.

##### **5. Linear strip plantations:**

Linear strip plantations are plantations of fast-growing species on linear strips of land

##### **6. Rehabilitation of degraded forests:**

The area under forests facing ecological degradation needs immediate care for ecological restoration and for meeting the socio-economic needs of the people living in and around such areas.

##### **7. Recreation forestry:**

Recreation forestry is the exercise of forestry with the objective of growing up flowering trees and shrubs primarily to serve as recreation forests for the urban and rural people. This kind of forestry is also known by the name of Aesthetic forestry which is defined as the exercise of forestry with the objective of evolving or preserving a forest of high scenic value.

#### **5.4.6 Benefits of social forestry:**

1. Increase the supply of fuel wood and fodder.
2. Generate rural employment
3. Maintain ecological balance
4. Appropriate use of wastelands
5. Promote village and cottage industries
6. Induce environmental and tree consciousness among people
7. Relieve pressure from natural forests
8. Stabilize agricultural production
  - Increase the supply of fuel wood and

#### **5.4.7 Achievements of social forestry:**

1. Increased area under tree cover.
2. Increased production of industrial timbers, firewood and fodder
3. Increased employment opportunities
4. Increased employment opportunities for the rural poor.
5. Improvement in environment
6. Enhance the conservation of soil and water table
  - Improvement in environment.
  - Enhance the conservation of soil and

#### **5.4.8 Important schemes being implemented for social forestry:**

1. Aerial seeding
2. Area oriented fuelwood and fodder schemes
3. Awards
4. Categorization and identification of wastelands
5. Decentralized nurseries program
6. Externally aided projects
7. Grants and aids to voluntary agencies
8. Greening of Himalayas
9. Margin money assistance scheme

10. Operation soil watch
  11. Promotion of co-operatives
  12. Rural fuelwood plantation scheme
  13. Scheme on minor forest produce
  14. Silvipasture scheme
  15. Tree Patta Scheme
- Decentralised nurseries programmes.
  - Externally aided projects.
  - Grants-in-aid to voluntary agencies.
  - Greening of Himalayas.
  - Margin money assistance scheme.
  - Operation soil watch.

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- Promotion of Co-Operatives.
- Rural fuelwood plantation scheme.
- Scheme on minor forest produce.
- Silvipasture scheme.
- Tree Patta scheme.
- Constraints in obtaining people's

#### **5.4.9 Constraints in obtaining participation in Social forestry:**

- Antipathy to trees.
  - Credit schemes, market support
1. Antipathy to trees
  2. Credit schemes, market support measures and tax rules.
  3. Lack of appropriate technology
  4. Lacking of appropriate policies and public awareness.
  5. Lacking of suitable organization
  6. Most people show future ignoring behaviour

7. Small size of holding and land ownership
8. Social forestry generates common property resource

### **Check Progress**

1. Write concept of Social Forestry.

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2. Discuss objectives and scope of Social Forestry.

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3. Write name of various schemes which is introduced under Social Forestry.

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4. Explain Benefits and Achievements of Social Forestry.

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### **5.5 SUMMARY**

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Livestock plays a very important role in human lives whether it is concerned with their economic activities like farming or whether its concerned with providing them with companionship is concerned. In dairy farming too livestock plays a crucial role, dairy farming has provided employment to millions of people with establishment of units like Amul. Social forestry implies that the manufacture of forest goods for the requirements of the local people. The main idea of social forestry is to provide employment to the people living in the forest area through use of the forest and at the same time to see that the forest cover also increases through the process of afforestation.

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## 5.6 QUESTIONS

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- Q1. Write in detail what is contribution of livestock in Indian economy and farmer's economy.
- Q2. Write a note on Dairy Business in India and explain the importance of dairy farming in India.
- Q3. Explain the role of technology in Dairy farming.
- Q4. What do you understand by concept of Social Forestry? Write an objective and scope of social forestry in India.
- Q5. Explain components of social forestry in India.
- Q6. Explain benefits, achievements and constraint of Social forestry in India.

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## 5.7 REFERENCE

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- Indian Economy - Datt & Sundharam, Rural Development in India - Vasant Desai, Rural Development - Satyasundaram.

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## DIVERSIFICATION OF RURAL ECONOMY - 2

### Unit Structure

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Agro-Based Industries: Problems & Remedial Measures
- 6.3 Role of KVIC in Rural Development
- 6.4 Recent Development of Science & Technology in Rural Development
- 6.5 Summary
- 6.6 Questions
- 6.7 Reference

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### 6.0 OBJECTIVES

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- To know the problems and remedial measures of agro-based industries
- To know the concept of KVIC in rural development
- To know the recent development of science and technology in rural development.

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### 6.1 INTRODUCTION

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We are here to study the problems faced by the agro-based industries in our country and at the same time we will also have a look at the solutions or the remedies for such problems. At the same we will try to understand the role played by the Khadi and Village Industries Commission (KVIC) in the rural development. Here our focus will also be on the latest development of science and technology and the role it plays in the rural development of our country.

- Small size of holdings and land

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### 6.2 AGRO-BASED INDUSTRIES: PROBLEMS & REMEDIAL MEASURES

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#### 6.2.1 Introduction:

Agro-based industries are those in which the resources are procured from the farming and allied sectors such as animal husbandry and dairy. The agro-based industries are mainly reliant on the agriculture sectors for its resources. According to the economic survey of India, through the last five years (ending 2018-19), the **food processing industry sector has developed at an average annual growth rate of around 9.9%** which is



much higher when compared to around 3.12% in the agricultural sector and 8.25% in the manufacturing sector (at 2011-12 prices). Agro-based industry can relate the primary sector to the manufacturing sector which will minimise the additional load on agriculture sectors. It will also eliminate notable employment from the agriculture sector which will lead to an inclusive development.

### 6.2.2 Advantages of Agro-based Industries:

**Agro-based industries have numerous advantages in India because of the following reasons:**

1. **Strong demand, huge population, and increasing urban and rural income** is driving the demand.
2. **Policy support:** Government has set an important farming export target of \$60 billion dollars by 2022.
3. **Great opportunity** as demand for agricultural raw materials such as hybrid seeds and fertilizers and allied services like warehouse and cold storage is increasing.
4. **Competitive advantage** as India has a high percentage of farming land and varied agro climatic condition which inspires the farming of the different crops which can be used as an input for the agro-based industry.

As per the data given by the Department for the Promotion of Industry and Internal Trade, The Indian food processing industry has attracted an investment to the tune of 10.2 billion US dollars between April 2020 and September 2020. It is also a sunrise sector which has very large scope to improve the socioeconomic status of the poor people. Agro-based industries provides employment to 3% of the workforce only.

### 6.2.3 Types of the agro-based industry:

1. **Textile industry:** This industry was having a market worth of 108 US billion dollars in 2015-16 which was expected to achieve 225 US billion dollars by 2023. Its growth rate is estimated to be approximately 9% per year.
2. **Sugar Industry:** The production of sugar in India now stands at 29 million metric tons which is approximately 17 percent of the total world production. Recently India has become one of the largest manufacturers of sugar in the world.
3. **Vegetable Oil Industry:** Vegetable oil production in India is nearly 5% of the world's total vegetable oil production. India is also the largest consumer of edible oil. Despite the fact that we are the largest manufacturer, we are unable to meet our domestic demand of 23 million tonnes and hence the additional required oil is imported from the other countries.

4. **Tea Industry:** India is the second-largest manufacturer of tea in the world, at the same time we are also the largest consumer of tea. It is to be noted that 75% of our tea demand is fulfilled by the local production and the rest 25% is imported from other nations.
5. **Leather Industry:** India has an enormous cattle population. 13% of the world's leather is produced in India which creates about 20 lakh job opportunities.

#### **6.2.4 Importance of agro-based industries:**

##### **1. Job opportunities:**

It has enormous capacity to give employment to the eminent employees from the agriculture sector which can result in enhanced inclusive growth of the agro-based sector industries.

##### **2. Regional development:**

The urban region is the driving force of the economy. However, the agro-based industries can infuse life into the rural economy and can provide regional balance and reduce the inequality.

##### **3. Export promotion:**

The exports can be encouraged through The Agricultural and Processed Food Products Export Development Authority (**APEDA**) as India is a cultivation-based economy. It can offer a variety of agro-based products which will lead to higher exports.

##### **4. Industrial production:**

The agricultural products are converted into the manufactured products as many agricultural products act as a raw material for the manufacturing sector like for example cotton for textile industry, sugarcane for sugar industry etc. which lead to the production of the finished goods by the industry and improves participation in GDP.

##### **5. Poverty alleviation:**

The agro-based industries link various sectors and provide a regular source of employment and a steady source of income to millions of households which in turn will lead to an improvement in the overall income level of the nation, thereby reducing the poverty level in the nation.

##### **6. Foreign exchange:**

When there is an improvement in the exports of agricultural products or exports of the agro-based industries it will lead to an increase in the foreign exchange reserves of the nation.

### **7. Nutrition and food security:**

When the crop start coming in different forms and varieties for the agro-industry it also leads to a better nourishment through food protection.

### **8. Links the different sectors:**

Agriculture sector production is connected to the manufacturing sector and is also connected to the service sector through marketing and advertisement.

### **9. Decrease in Post-Harvest losses:**

Around 35% of food output is lost due to post-harvest losses. If a storing facility will easily be made available for the industry then losses can be minimised.

### **10. Improved shelf life:**

Once the raw material becomes the finished product it can be preserved for a long time.

### **11. Diversification of food choices:**

When the agricultural products become input for the agro-based industries, it leads to a variety of products which in turn leads to increasing range of food choices.

### **12. Establishment of MSME:**

The creation of new MSMEs is a must to generate a variety of agro-based products and create job opportunities.

### **13. Increment in farmer's income:**

As the government has planned to double the income of farmers by 2022, the agro-based industry can play an important role as farmers can provide regular inputs in the form of raw material to these industries.

### **14. Controlled food inflation:**

With the availability and accessibility of choices as far as the food items are concerned food inflation can be controlled.

### **15. Reduce the migration:**

With the establishment of agro-based industries in the villages, a lot of job opportunities will be created there which in turn will tremendously reduce the migration of rural labour to the urban areas in search of jobs or employment opportunities.

The agro-based economy is the procedure in which agricultural products are changed into a variety of foods and other forms. It is under the importance sector of the government for development.

### 6.2.5 Challenges face by agro-based industries:

1. **Seasonal in nature:** As agriculture provides raw material to agro-based industries but since agriculture is seasonal in nature hence these agro-based industries also become seasonal in nature, as the availability of their raw-material is seasonal in nature.
2. **Low landholding:** As the landlords don't have large landholdings their agricultural output is also quite limited which at times may not enough to provide input to the agro-based industries which in turn adversely affects the productivity of the industry as a whole.
3. **Perishable products:** Due to poor or non-availability of cold chain a huge wastage is generated in the products which are perishable in nature.
4. **Quality control and poor standard:** Good quality is the primary requirement for the goods to be exported, poor quality goods present a big challenge for the them to be exported.
5. **Tax and duty:** Higher rates of taxes and duties will create an unfair business environment in fair of the huge corporates.
6. **Value addition is low in India** compared to other countries.
7. **Skill and training are traditional** so there is a need for incorporating technology advancement, integration, and regular assessment.
8. **Due to tough competition from the other neighbouring nations** there is a diversion in the Foreign Direct Investment.
9. **Supply chain disruption:** Due to poor connectivity and logistics problem also, cold chain has poor availability.
10. **Poor marketing and advertising:** It are important to have a good marketing and advertising strategies as poor marketing and advertising may lead to a failure even the product quality may be of the highest standards.

### 6.2.6 How to improve the Agro-based industries:

1. Bring steady growth in the farming sector so that it can supply the raw material regularly.
2. Measures like giving judicious credit to agro-based industries make it more viable.
3. Market restructuring should be there to remove the middlemen from the stock chain.
4. Expand productivity through up-to-date agricultural techniques and the use of technology in the industry.

5. Refining the marketing of cultivated products and agro-based industry products through standardization of product and quality control.
6. Bring a huge food managing program that can manage the agricultural land to the folk and reduces weakness.
7. Shift from farming as a rural area's main source of income to the contemporary business initiative through the inducement of government policy.
8. Focus on nutrient crops and food protection lead to improved health.
9. Rural obtaining system could be better with self-help groups better example is Sudha dairy.
10. Connection between manufacture and processing lead to the selling of product at a time and decreases wastage.
11. Expansion of rural or village marketplaces can help the rural economy recover where agro-based industry plays an important role.
12. Choice of selling outside of the APMC market can break the association of the middlemen.
13. Improving warehousing like cold stores could help to preserve perishable goods.
14. Strengthening of railway freight operation leads to fast and swift movement of goods in lesser time.
15. Provide agriculturalists with elementary education and training to change drastically from producer to entrepreneur.
16. Reinforce farming extension services which provide technical information to agriculturalists about practice guidance of the use of these inputs and services lead to an upsurge in output outcome.
17. Duty-free import and export lead to motivation in the industry.

#### **6.2.7 Major steps taken by the Government to improve the Agro-based Industries:**

1. 100% Foreign Direct Investment is allowed so that the latest technology as well as finances are available.
2. Food parks have been established where cluster-based approach is included leading to the farm to the general public Agreement farming through the land lease act offers cluster farming surges mechanization leads to reduce wastage.
3. Combined cold storage and value addition infrastructure created. Formed e platform to offer single window clearance.

4. **Pradhan Mantri Kisan Sampada Yojana:** It is a central sector scheme that intends to complement agriculture, revolutionize processing and reduce agriculture waste.
5. **Various Government scheme to improve Agro-based Industries:** It was formerly known as a scheme for Agro-Marine Processing and the expansion of Agro-Processing Clusters (SAMPADA). Construction of contemporary infrastructure, development of food processing sector, and giving better prices to the agriculturalists. The following schemes will be executed under it:
  - (i) **PM – Formalization of Micro Food Processing Enterprises:** The scheme was started as a part of Atmanirbhar Bharat Abhiyan. It is to be executed over a period of five years from 2020-21 to 2024-25. The Scheme approves the **One District One Product** method to gain the advantage of scale in terms of locating of inputs, availing common services, and marketing of products.
  - (ii) **Operation Greens:** It was started on the similar lines of Operation Flood to double the income of agriculturalists by end of 2022. It intends to encourage agriculturalist producers' organizations agri-logistics processing facilities and professional management.
  - (iii) **Pradhan Mantri MUDRA Yojana:** This program was launched to give access to inexpensive credit to poor and small inexperienced business people with the aim to provide self-employment.
  - (iv) **Stand Up India Scheme:** It is under the guidance of the Ministry of Finance. The idea here is to encourage entrepreneurship among Scheduled Caste/Schedule Tribe and Women.
  - (v) **PM's Employment Generation Programme:** PMEGP is a chief credit-linked funding program being implemented since 2008-09 and it is extended up to 2019-2020. It is intended at generating self-employment prospects through the formation of micro-enterprises in the non-agricultural sector by helping old-style artisans and jobless youth in rural as well as urban areas.
  - (vi) **Zero Defect and Zero Effect (ZED) Scheme for MSMEs:** The objects are, financial backing to MSMEs in ZED Certification Scheme to develop an Ecosystem for Zero Defect production in MSME. Encourage adaptation of quality systems and energy-effective production. Empower MSMEs for manufacturing quality products.

#### Check Progress:

1. Write various advantages of Agro-based industries.

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2. Discuss types of Agro-based industries.

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3. What are the importance of Agro-based industries in India.

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4. What are the challenges faced by Agro-based industry in India.

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### **6.3 ROLE OF KVIC IN RURAL DEVELOPMENT**

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KVIC stands for Khadi Village and Industries Commission. It was established in the year 1957. It is a statutory body and comes under the preview of Ministry of MSMEs.

#### **6.3.1 Objectives of KVIC:**

The major objectives of Khadi Village and Industries Commission surrounding self-sufficiency and sustainability are as under:

1. To create new employment opportunities in the country and thereby increase the employment level in the country.
2. To encourage the promotion of Khadi articles in the country.
3. To help the nation in its self-reliance or self-sufficiency objective by providing authority to the weaker and rural sections of the society.

#### **6.3.2 Functions Of KVIC:**

The main functions of Khadi Village and Industries Commission are as follows:

1. Its main job is to plan, promote, organize and implement programs for the development and growth of Khadi and Village Industries (KVI).
2. Its job includes coordination with various agencies and bodies who work for the development of various khadi and village industries initiatives in the rural areas.

3. Khadi and Village Industries Commission maintains with itself a surplus balance of raw material which can be further be encouraged in the supply chain.
4. It helps in creation of common service facilities that are helpful in the processing of the raw materials.
5. Khadi Village Industries Commission helps in marketing the Khadi Village Industries products through artisans and other modes of marketing.
6. It establishes connection with numerous marketing agencies for increasing the sales of the Khadi Village Industries products.
7. Khadi Village Industries Commission promotes and encourages research and development in the Khadi Village Industries sector.
8. Khadi Village Industries Commission provides solutions to the difficulties faced by Khadi Village Industries products by encouraging research and increasing the competitive capacity.
9. Khadi Village Industries Commission helps in arranging financial help to the Khadi and Village Industries.
10. Khadi Village Industries Commission lays down and imposes guidelines which are to be complied with the product standards in order to eliminate the production of fake products.
11. Khadi Village Industries Commission has the power to create schemes, programs and projects relating to Khadi and Village Industries development.

### **6.3.3 Progress of KVIC in India:**

A major change in both Khadi production and Khadi sales can be seen because of the following developments

1. The average Khadi production which grew at 6.52% from 2004 to 2014 has grown at a rate of 26.43% from 2015 to 2018.
2. The average Khadi sales which grew at 6.62% from 2004 to 2014 has grown at a rate of 31% from 2015 to 2018.
3. During the digitalization phase from 2015 to 2018, 400 computers have been supplied to the Khadi institutions.
4. For the first time in 2018 in New Delhi Khadi Haat was set up.
5. Khadi Village Industries Commission established Digital India Pavilion in the India International Trade Fair.
6. Khadi Village Industries Commission gifted Gandhi Charkha to Uganda which was unveiled on International Day of Non-Violence.



7. Khadi Village Industries Commission foresees an artisan-focussed vision for a change in the Khadi and the Village Industries.
8. Khadi Village Industries Commission has developed an e-portal for Khadi institutions which aids the artisans promote and sell their Khadi Village Industries products.
9. Khadi Village Industries Commission is the nodal agency which develops groups for Khadi production under Scheme of Funds for Regeneration of Traditional Industries (SFURTI).
10. There are five organs of Khadi Village Industries Commission (KVIC) namely a) Organization b) Community c) Village Industry d) Market and e) Heritage

### 6.3.4 Mission of The Organs of KVIC

As mentioned above there are five organs of Khadi Village Industries Commission. The mission of each organ is briefly stated below:

1. **Organization:** Khadi Village Industries Commission undertakes the responsibility for the development of Khadi Village Industries and to reduce the burden of the government.
2. **Community:** To make the rural community self-reliant by encouraging security of life.
3. **Village Industry:** To accelerate and surge productivity in Khadi Vikas Industries sectors.
4. **Market:** To help the sales and marketing of Khadi Village Industries products.
5. **Heritage:** To protect the socio-cultural value as a national asset.

### 6.3.5 Role of Khadi and Village Industries Commission (KVIC) in Indian Economy

1. The Khadi and Village Industries Commission (KVIC) is playing an important role in Indian economy as it covers about 2.48 lakh villages throughout the country. Over the years, the main thrust of KVI activities has been to provide a larger share of employment to scheduled caste and scheduled tribes and women.
2. At present SC/STs comprise nearly 32.0 per cent of workers and women constitute 46 per cent of the work force. In 1992-93, the Khadi and Village industries produced goods worth Rs 270.49 crore and provided employment to 51.05 lakh persons.
3. During 1993-94 the production level increased to Rs 3,490.0 crore and provides employment to 55.50 lakh persons.
4. The khadi programme consists of production of cotton, silk, muslin and woollen and village industries consisting of 111 industries and

implemented through directly aided agencies and State/UT level Khadi and Village Industries Board.

5. The government has also launched a new scheme in 125 blocks of the country for intensive development of khadi and village industry. The objective of this programme is to create about 1,000 additional jobs in each block during the period of next three years.
6. The Khadi and Village Industries Commission (KVIC) has been playing an important role as an instrument to generate large scale employment in the rural areas with low per capita investment.
7. The Government will continue to encourage the khadi and village industry sector so that its products can become more competitive, for intensifying marketing efforts, the Budget 2000-01 proposed that the KVIC will introduce a common brand name for its products and also set up a professionally managed marketing company for domestic as well as export marketing.
8. KVIC has also launched a massive marketing development plan throughout the country so as to generate interest, awareness and attraction amongst the masses about the khadi and village industries products.
9. Accordingly, KVIC has approved a number of schemes in order to promote marketing of the products of village industries and also to offer employment opportunities to unemployed under Rural Employment Generation Programmes.
10. The MSME Ministry is also implementing a comprehensive reform package for the Khadi sector. This envisages upgradation and capacity building of 300 Khadi institutions and also for improving their marketing skills. Under the package, steps are being taken to distribute 1 lakh modern charkhas to artisans and also new handlooms to various Khadi Sansthans.
11. Seventy-nine clusters have been sanctioned under the Scheme of Fund for Regeneration of Traditional Industries (SFRUTI). Presently KVIC is functioning under the administrative control of the Ministry of MSME. KVIC has been identified as one of the major organizations in the decentralized sector for generating sustainable non- farm employment opportunities in rural areas at a low per capita investment.
12. It undertakes activities like skill improvement, transfer of technology, research and development, marketing etc. and also helps in generating employment self-employment opportunities in rural areas.

### **6.3.6 Challenges in KVIC**

1. To face the challenge of globalisation. KVIC has introduced a number of new products ranges like Khadi denim jeans, Sarvodaya brand for export purpose. The KVIC is also training its sales staff in order to

attune them to the new market-context being created by globalisation. For ensuring quality for KVI products, the commission is approaching the Bureau of Indian Standards and Directorate of Marketing and Inspection of Ministry of Agriculture.

2. Moreover, to create a market-niche for eco-friendly pure and bio-degradable natural products, the KVIC has introduced two new brands viz., “Sarvodaya” and “Khadi”. The KVIC has decided to participate actively in international trade exhibitions being organised by ITPO, with the primary objective of popularising its products in international markets.
3. The KVIC has worked out a plan to supply KVI products in a big way to Central and State Government organisations. Plans are afoot to set up show windows in Indian Missions abroad as well as to open Khadi Gramodyog Bhawans in Australia, Germany, U.K., U.S.A., Canada, Dubai and Singapore.

### Check Progress

1. Explain meaning and objectives of KVIC in India.

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2. Discuss functions of KVIC in India.

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3. Write a note on progress of KVIC in India.

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4. What are the Challenges faced by KVIC in India?

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## 6.4 RECENT DEVELOPMENT OF SCIENCE & TECHNOLOGY IN RURAL DEVELOPMENT

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### 6.4.1 Introduction:

Though after independence in 1947, there was an increase in the infrastructure relating to science and technology but however, there was a very poor economic growth of around 3% during the first 30 years after attaining independence. There has been major development in technology, introduction of innovative scientific methods within the nation ever since the commencement of the 21st century. Business and industrial sector have experienced a much better improvement as compared to science and technology which has lagged behind due to certain setbacks and crisis it has faced, public sector science and technology systems too are facing some major challenges. Despite all these shortcomings science and technology has provided a greater prosperity to the educated middle-class people who are employed in the information technology sector.

Major development in India has happened mainly due to science and technology, it is these technological factors which help in the development of the rural areas in India. There have been many sectors in the rural areas like small scale industries, agriculture, medical facilities, education and so on. It is important that there is a development in science and technology in order to bring about a development in the above-mentioned sectors in rural areas. So as to bring about such an improvement in the rural areas, it is important there is a proper co-ordination in various central government departments which include departments like biotechnology, non-conventional energy sources, ocean development, scientific and industrial research and space. Water bodies play a very important role in the lives of the rural people as agriculture being their main occupation is entirely dependent on the availability of water. So, it is very important to see that the water resources available in rural areas are clean and usable for all purposes whether it is for drinking or agricultural purposes.

### 6.4.2 Significance of science and technology in Rural Development:

Science and technology have always played a vital role in the rural development, science and technology have helped in bringing about a major change in the health conditions, lifestyle, income generation and productivity enhancement in the lives of the rural population. Science and technology provide a solution to the main problem faced by the rural population which are poverty removal and economic challenges.

Poverty has been considered to be the most serious problem faced by the rural people, in order to bring about solutions to the problems of poverty, there have been advances in science and technology for the welfare of the rural people. The main areas have been agriculture, health, energy, water and environmental concerns. When science and technological factors have been appropriately utilized in these five areas, then certainly there will be reduction of poverty and people will have more availability of food, health

care facilities, sources of energy, clean water and the environmental concerns.

Environmental fears like changes in climatic conditions, water pollution, air pollution, stratospheric ozone reduction, loss of biological diversity, land deprivation and desertification; these changes in the environment can unfavourably affect the incomes of the poor individuals who are dependent upon the environment for their livelihood, through air and water pollution human health can also be harmfully affected. The main challenge is to identify that local, regional and global ecological issues are interrelated and affect workable development. Therefore, there are collaborative opportunities to develop more effective response options to these environmental issues that improve benefits, reduce costs, and more sustainably meet human needs. The ability of the nations to adjust and alleviate can be enhanced when environmental policies are integrated with national development policies.

Science and technology have played a crucial role in economic growth. Initially, since the industrial revolution, rich as well as developed nations have had the most science and technical capability and have grown at an increasing pace. The developed nations which are scientifically and technologically advanced have become increasingly prosperous, and their rates of growth have not diminished as there was a regular development in the field of science and technology. Second, improvement in research and development have been applied in a steadily positive manner and high across almost in all the fields and the industries that have been accounted for, in the developed and the developing nations. Third, source of income is a must for rural people; they would like to have some kind of employment so that they can earn some income for themselves and their dependent families, income generation has been considered to be essential for economic growth and science and technological factors have contributed in the generation of employment opportunities for the rural people not only in agriculture, but in also other areas such as offices, educational institutions, industries, and so forth.

#### **6.4.3 Science and Technology: Schemes and Programs:**

The rural development is determined by the efficient, scientific and optimum assessment, conservation, utilization and distribution of rural resources. Science and technology and rural development are thus inter-related and inter-dependent. In the field of agriculture, advances in agricultural technology have brought about transformations in agricultural productivity. These include the use of high yielding and disease resistant seeds, fertilizers, pesticides, improved implements, irrigation and drainage, crop rotation and cropping patterns, storage, processing and marketing. Various programs connecting science and technology and rural development have been launched in recent times. The major ones have been stated as follows:

1. Science and Society Program of the Department of Science and Technology (DST), the Government of India. It includes S and T Application for Rural Development (STARD).
2. S and T Application for the Weaker Sections (STAWS).
3. S and T for Women.
4. S and T for practical and strategic needs of SC Population.
5. Empowering tribal groups through S and T.
6. Scheme for Young Scientists.

Several other programs are also available for the development of animal husbandry and fisheries, which are an integral part of agriculture in rural India. These include, Dairy Development Program (DDP), Fodder Development Program (FDP), Intensive Cattle Development Program (ICDP) and Special Livestock Production Program (SLPP). Awareness in terms of S and T inputs arising from the researches being done in genetics and breeding, botany, microbiology and biochemistry are made available to all under these programs. The setting up of poultry, piggery, fisheries and sheep production units and rearing of cross-heifers by small and marginal farmers and agricultural laborers are encouraged through these programs. There has been initiation of special programs for the development of hill areas, tribal areas, drought-prone and desert areas, command areas and so forth by adopting area-specific approaches. These are, Hill Area Development Program (HADP), Tribal Development Program (TDP), Intensive Agricultural District Program (IADP), Drought Prone Area Program (DPAP), Desert Development Program (DDP), Command Area Development Program (CADP) and Whole Village Development Program (WVDP).

#### **6.4.4 Examples of Appropriate Technologies in Rural Development:**

The examples of suitable technologies that have been used in rural development have been stated as follows:

##### **1. Information and Communications Technology:**

There have been development of computers which are low in cost; they are used in the developing countries. Computers are the mechanical means that are widely used, when applying research in a particular area, internet is used, it is the most complete and appropriate areas to find out data regarding any area, topic, subject or problem.

##### **2. Construction:**

For the purpose of construction of houses or any buildings; technology is used such as rammed earth, Dutch brick, and cob; these materials are generally available and are inexpensive. These construction materials make the houses and the buildings strong, adaptable to all the environmental conditions and well-built. The rural people are able to

access these materials in a manageable way so that their construction is carried out in an appropriate manner.

### **3. Energy:**

Electricity can be provided from solar cells, wind power or micro, hydro, with energy stored in batteries. Biobutanol, biodiesel, biogas and vegetable oil are considered to be sources of energy. But with transformations taking place, rural areas are also acquiring electricity, as it is necessary to augment one's living conditions.

### **4. Cooking:**

Stoves that are smokeless and wood conserving lead to greater efficiency, saves time and labour, reduced deforestation and significant health benefits. In some cases, solar cookers are useful depending upon the climatical conditions and the means of cooking. Research has shown that individuals in rural areas are using electric stoves for the preparation of meals.

### **5. Health care:**

In the establishment of health centres, provision of medical facilities, health benefits, there is usage of science and technology. Through the use of technological factors and advancement in the field of science, medicines and innovative machines are coming into existence in hospitals and health care centres in rural areas.

### **6. Refrigeration:**

There are certain food items that need to be refrigerated, in rural areas in warm weather conditions, people would like to consume cold water, and hence, there has been facility of pot refrigeration system, which keeps things in cool even without electricity.

### **7. Television and Radio:**

These are the technological means that have improved the lives of the rural people; they take pleasure in watching various shows and movies on the television and enjoy listening to the radio. Television and radio systems have become their main sources of entertainment and learning as they even learn various things that they apply in their daily works, for example, the agricultural programs on the television benefit the farmers and they apply the appropriate methods in their occupation.

### **8. Agricultural Technologies:**

The cultivation of crops such as rice, wheat and maize have been considered to be the major advancement in agricultural technologies. More and more people found service and there was a huge reduction in poverty; difficulties of pollution and reduction of land and water got solved through the rise of technologies.



## **9. Computers:**

Research has indicated that individuals in rural areas are making use of computers to augment their understanding in terms of various concepts. Students and youth are the ones, who are making use of computers to a major extent. Through making use of computers, they are not only able to acquire an efficient understanding of the academic concepts, but also are able to work on their tasks and assignments efficiently and communicate. In rural areas, there have been establishment of computer centres, where individuals are able to work on computers well as make use of other technologies, such as, printers and scanners.

## **10. Mobile Phones:**

The use of mobile phones is common among rural individuals. The individuals, belonging to various age groups are making use of mobile technology. It is used for various purposes. Research has indicated that rural individuals are not educated. They are either illiterates or possess low literacy skills. They usually make use of mobile phones for communicating and for recreational purposes.

### **6.4.5 Applications of science and technology:**

The main objective of the science and technology applications is to empower the knowledge of the people. It means developing the ability among the individuals to attain their goals and objectives through the generation, acquisition and use of knowledge.

#### **Energy:**

Energy is essential for agriculture for inputs such as fertilizers, for delivery of water and for transportation. It is also necessary to bring about rural industrialization. The single major source of energy remains to be firewood, and this will continue for quite some time. Generation of biomass through the methods of tissue philosophy is very useful. The non-conventional energy sources which are renewable, decentralized and non-polluting are particularly relevant to rural areas which are unlikely to obtain electricity for their needs for a long time to come. Biogas plants, solar domestic lighting systems, water pumping systems, pumps, solar cookers, smokeless stoves, community lighting and television systems and solar battery charging units are the sources of energy that have led to regionalization of rural industrialization leading to generation of employment and change of natural resources into products of higher value.

#### **Water:**

Water is the most crucial single resource for the survival of human life. Every effort will have to be made to improve the availability of drinking water in rural areas; it is necessary to devise and implement scientific methods for water harvesting, conservation and recycling. Clean water supply in the rural areas has to be given the highest priority; remote sensing is a powerful technique utilized for water targeting. This effort



calls for development and rehabilitation of springs, studies on maintenance of water distribution system, evaluation and assessment of existing rural water supply systems, community participation, technology transfer, development and rehabilitation of springs and use of solar energy for rural water supply, development of integrated package for water treatment, to make water drinkable, use of hydraulic rams for water supply in hilly areas, use of solar energy for rural water supply.

### **Housing:**

Several technologies have been applied to grow low cost building resources, designs and construction methods; there has been availability of non-erodible mud plaster for the protection of mud walls from rain.

### **Biotechnology:**

In the field of biotechnology, developments relating to bio-fertilizers, aquaculture, biomass production through tissue culture techniques, embryo-transfer technology to upgrade cattle, herds, etc. have enormous potential for employment generation and increasing effectiveness and output for activities in daily life in rural areas; mechanisms to make these effective on a large scale have to be taken into consideration.

### **Information Technology:**

Use of information technology in sectors like agriculture, irrigation, energy, health, family planning, education, employment and transportation are vital for bringing about a major transformation in the rural sector. Information related to local skills and expertise and resources, is important to carry out effective decentralized planning. The National Informatics Centre (NIC) was set up in 1975 by the Department of Electronics, it has developed a District Information System, and this established a centre in each district of the country. There are a huge number of training and information transfer programs which have been based on the nationwide satellite communication network; this will assist in making available valuable information for district and local planning.

### **Space Technology:**

There are a wide range of applications of remote sensing technology in areas of disaster warning for coastal fishermen, inland/marine fisheries, minor irrigation, water targeting for drinking water, wasteland identification, vegetation mapping, drought monitoring, etc. Already, with the use of space imagery ground water potential zone maps have been prepared for more than 370 districts which include 91 DPAP districts and 20 DDP districts. A new development relates to the forecast for better fish catches in the coastal regions by making use of the satellite data. It is expected that optimal utilization of space technology can bring about a better dissemination of information through satellite-based communication and broadcasting. This will be of great significance to remote areas.

### **Technology Transfer:**

There are large number of technologies available in India, for the actual implementation of the technologies, adequate science and technologies, manpower and infrastructure should be spread throughout the nation. What are most immediately called for are appropriate mechanisms for transfer of technology and an appreciation of what technologies are needed and are appropriate. For this schools, research laboratories, academic institutions, schools and colleges including agricultural medical and engineering institutions and voluntary organizations have all to be brought together through suitable networking. At present, most of the work is split and classified making the impact much less than the potential.

### **Employment:**

Job openings within the rural areas can be generated with inputs of science and technology in the areas of small-scale industries, animal husbandry, agricultural practices, training and skill improvement of the rural people, education, awareness generation and popularization of scientific methods and approaches, biomass cultivation, utilization and agro-processing through innovative biotechnological processes and health care centres.

#### **6.4.6 Role of science academies:**

Progress in science, technology and innovation is essential, although not adequate to resolve the many underlying challenges for sustainable development. These include poor governance at all levels from local to global, insufficient education systems, and absence of rural development (access to roads, financing, education, and empowerment of women). The Academies believe that they are base for value of science which include emphasis on evidence, openness, ethical standards, and social responsibility can contribute to good governance. They recognize the context within which science and technology exist and initiate to support policy making for sustainable development.

### **Check Progress**

1. Write significance of Science and Technology in rural development.

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2. Write name of schemes & programs of science and technology which is launched by Govt. for rural development.

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3. Explain various examples of appropriate technology which is useful in rural development.

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## 6.5 SUMMARY

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Agro-based industries enjoy the advantages like strong demand, policy support, great opportunities and competitive advantages. On the other hand, it faces challenges like seasonal in nature, low landholdings, perishable products, poor standard in quality control etc. Khadi Village and Industries Commission was established with an objective to increase job opportunities in the country, to make the nation self-reliant and to promote the use of khadi articles. There are various challenges faced by the Khadi Village and Industries Commission like tough competition from international brands due to globalization. Science and technology have always played a vital role in the rural development, science and technology have helped in bringing about a major change in the health conditions, lifestyle, income generation and productivity enhancement in the lives of the rural population. Energy is as necessary for agriculture for inputs such as fertilizers, for delivery of water and for transportation. It is also necessary to bring about rural industrialization.

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## 6.6 QUESTIONS

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- Q1. Explain concept of Agro-based industries. Write advantages and types of agro-based industries.
- Q2. Discuss importance and challenges faced by Agro-based industries.
- Q3. How to improve the Agro-based industries?
- Q4. What are major steps taken by the Government to improve Agro-based Industries.
- Q5. Write in detail the role of KVIC in Rural Development.
- Q6. Write a note on mission of organs of KVIC.
- Q7. Explain the significance of Science and Technology in rural development.
- Q8. Discuss various examples of appropriate technology which is used in rural development.
- Q9. Write a note on Applications of Science and Technology.

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## 6.7 REFERENCE

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- Indian Economy - Datt & Sundharam, Rural Development in India - Vasant Desai, Rural Development - Satyasundaram.

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### RURAL EMPOWERMENT PROGRAMMES - 1

#### Unit structure

##### 7.0 Objectives

##### 7.1 Introduction

##### 7.2 Overview of rural development programs in India

##### 7.3 Provision of Urban Amenities in Rural Areas (PURA)

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

##### 7.5 Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM)

##### 7.6 Questions

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#### 7.0 OBJECTIVES

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After studying the unit, the students will be able to understand:

- Rural development programs in India
- Provisions of rural amenities in urban areas
- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
- Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM)

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#### 7.1 INTRODUCTION

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Rural development is the process of improving the quality of life and economic well-being of people living in rural areas. It is often relatively for the people isolated and sparsely populated areas. Rural development actions are intended to further the social and economic development of rural communities. Rural development programs were historically top-down approaches from local or regional authorities, regional development agencies, NGOs, national governments or international development organizations. The term rural development is not limited to issues of developing countries. In fact many developed countries have very active rural development programs.

Rural development aims at finding ways to improve rural lives with the participation of rural people themselves, so as to meet the required needs of rural communities. The outsider may not understand the setting, culture,

language and other things prevalent in the local area. As such, rural people themselves have to participate in their sustainable rural development.

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## **7.2 AN OVERVIEW OF RURAL DEVELOPMENT PROGRAMS IN INDIA**

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According to Census 2011, out of a total population of 121 crores, around 70% i.e. 83.3 crores live in rural areas. These rural populations can be characterized by mass poverty, low levels of literacy and income, high levels of unemployment, and poor nutrition and health status. In order to tackle these specific problems, a number of rural development programs are being implemented to create opportunities for improvement of the quality of life of these rural people.

The term “rural development” is the overall development of rural areas to improve the quality of life of rural people. And it is a process leading to sustainable improvement in the quality of life of rural people especially the poor. The rural developmental programs intend to reduce poverty and unemployment, to improve the health and educational status and to fulfill the basic needs such as food, shelter and clothing of the rural population. To improve the conditions of rural people, Government of India launched some schemes through the planning commission of India such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Rastriya Sama Vikas Yojana (RSVY), Indira Awas Yojana (IAY), Sampoorna Grameen Rozgar Yojana (SGRY), Integrated Tribal Development Project (ITDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), Integrated Child Development Services (ICDS), Development of Women and Children in Rural Areas (DWCRA), etc. All these schemes are aimed to reduce the gap between rural and urban people which would help reduce imbalances and speed up the development process.

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## **7.3 PROVISION OF URBAN AMENITIES IN RURAL AREAS (PURA)**

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### **7.3.1 Brief history:**

In pursuance to the announcement of Prime Minister on Independence Day, 2003, the Planning Commission submitted a proposal for approval of the Government to implement PURA scheme. The scheme was approved by the Government „in-principle“ in January 2004. Subsequently, MoRD implemented the PURA scheme on a pilot basis in seven clusters for a period of three years (2004- 05 to 2006-07). It was approved with retrospective effect by the Cabinet in its meeting on 16.03.06 with the direction to restructure the PURA scheme. The pilot phase of PURA was evaluated by National Institute of Rural Development (NIRD). Based on the experience learnt during the pilot phase, evaluation conducted by NIRD of pilot phase and the technical support of Asian Development Bank (ADB), the PURA scheme has been restructured. The restructured PURA scheme has been approved by the Government for implementation on a pilot basis during the 11th five year plan.

**7.3.2 Duties:**

- (i) Laying of policy guidelines
- (ii) Selection of private developers for implementation of the scheme
- (iii) Release of funds to the DRDAs
- (iv) Monitoring and evaluation of performance

**7.3.3 List of services:**

- Formulation of guidelines for implementation of PURA scheme.
- Evaluation and approval of Detailed Project Report
- Release of funds to DRDAs
- Convening the meeting of Project Screening and Monitoring Committee (PSMC) Inter – Ministerial Empowered Committee (EC) Central Level for approving the projects
- Monitoring / Evaluations
- Grievance redress mechanism

Provision of Urban Amenities in Rural Areas (PURA) is a Central Sector scheme re-launched by Ministry of Rural Development (MoRD), Government of India during the remaining period of the XI Plan with support from Department of Economic Affairs and the technical assistance of Asian Development Bank. MoRD intends to implement the PURA scheme under a Public Private Partnership (PPP) framework between Gram Panchayat(s) and private sector partners. The scheme envisages twinning of rural infrastructure development with economic re-generation activities and is the first attempt at delivering a basket of infrastructure and amenities through PPP in the rural areas. It is an effort to provide a different framework for the implementation of rural infrastructure development schemes and harness private sector efficiencies in the management of assets and delivery of services. This would perhaps be the first such attempt at PPP in integrated rural infrastructure development and management in the world.

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## **7.4 MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA)**

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**7.4.1 Introduction:**

National Rural Employment Guarantee Act 2005 (or, NREGA No 42, later renamed as the “Mahatma Gandhi National Rural Employment Guarantee Act”, MGNREGA), is an Indian labour law and social security measure that aims to guarantee the ‘right to work’.

It aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

The act was first proposed in 1991 by P.V. Narasimha Rao. In 2006, it was finally accepted in the parliament and commenced implementation in 625 districts of India. Based on this pilot experience, NREGA was scoped up to cover all the districts of India from 1 April 2008. The statute is hailed by the government as “the largest and most ambitious social security and public works programme in the world”. In its World Development Report 2014, the World Bank termed it a “stellar example of rural development”.

The MGNREGA was initiated with the objective of “enhancing livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year, to every household whose adult members volunteer to do unskilled manual work”. Another aim of MGNREGA is to create durable assets (such as roads, canals, ponds, wells). Employment is to be provided within 5 km of an applicant’s residence, and minimum wages are to be paid. If work is not provided within 15 days of applying, applicants are entitled to an unemployment allowance. Thus, employment under MGNREGA is a legal entitlement.

MGNREGA is to be implemented mainly by gram panchayats (GPs). The involvement of contractors is banned. Labour-intensive tasks like creating infrastructure for water harvesting, drought relief and flood control are preferred.

Apart from providing economic security and creating rural assets, NREGA can help in protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others.

The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) was notified on September 7, 2005.

#### **7.4.2 Aim:**

MGNREGA aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.

#### **7.4.3 Goals:**

- i) Social protection for the most vulnerable people living in rural India by providing employment opportunities
- ii) Livelihood security for the poor through creation of durable assets, improved water security, soil conservation and higher land productivity
- iii) Drought-proofing and flood management in rural India



- iv) Empowerment of the socially disadvantaged, especially women, Scheduled Castes (SCs) and Schedules Tribes (STs), through the processes of a rights-based legislation
- v) Strengthening decentralized, participatory planning through convergence of various anti-poverty and livelihoods initiatives
- vi) Deepening democracy at the grass-roots by strengthening Panchayati Raj Institutions
- vii) Effecting greater transparency and accountability in governance Thus, MGNREGA is a powerful instrument for ensuring inclusive growth in rural India through its impact on social protection, livelihood security and democratic empowerment.

#### **7.4.4 Main features of MGNREGA:**

- Gives legal guarantee of wage employment to the adult members of rural households who are willing to do unskilled manual labour subject to a maximum of 100 days per household
- It is applicable to all villages in the District. Every rural household has the right to register under MGNREGA
- Job cards are issued to every household registered under MGNREGA within 15 days from the date of receipt of the application for the job card registration.
- The registered job cardholders can seek employment by giving a group / individual application. A minimum of 10 job seekers shall apply to sanction a new work under MGNREGA
- The work shall be provided within 5 km jurisdiction from the village
- If the work provided is beyond 5 Kms, the job seekers shall be given 10% of the minimum wages as the additional amount
- State Govt. to pay 25% of minimum wage for the 1st 30 days as compensatory daily unemployment allowance on failure to provide employment for the families demanding the works under MGNREG Act, and half of the wage for the remaining period of the year
- Wages are paid according to the State Minimum Wage rate notified under the Minimum Wages Act 1948. The current wage rate is Rs.117/- for all unskilled work and Rs. 120/- for skilled labour.
- Equal payment for men and women
- Wages to be paid within a fortnight
- 1/3 beneficiaries should be women
- Worksite facilities such as creche, drinking water and shade have to be provided



#### **7.4.5 Current status of MGNREGS:**

- The Government of India has allocated Rs. 73,000 crore at the Budget Estimate stage for the current financial year 2021-22 for MNREGS which is an increase of Rs. 11,500 crore as compared to Budget Estimate for the financial year 2020-21.
- In the current financial year 2021-22, 6.51 crore persons have been provided employment and more than 130.9 crore person-days have been generated under MGNREGS.
- An amount of Rs. 41,187.06 crore has been released in the current financial year 2021-22 (as of 20.07.2021) for the implementation of the programme.
- The Act also mandates expenditure of 60% for the creation of assets directly related to agriculture and allied activities through the development of land, water and trees. In the current FY 2021-22, so far, 73% of the expenditure is incurred on agriculture and allied works.

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### **7.5 DEENDAYAL ANTYODAYA YOJANA – NATIONAL RURAL LIVELIHOOD MISSION (DAY-NRLM)**

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#### **7.5.1 Introduction:**

Various schemes are run for rural development. National Rural Livelihood Mission is one such governmental initiative for the rural areas. Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) is a new name given to Aajeevika – NRLM in November 2015.

Aajeevika - National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011.

The DAY-NRLM is essentially a poverty relief programme of the Central government. It was launched as ‘Aajeevika – National Rural Livelihoods Mission (NRLM)’ by the Government of India’s Ministry of Rural Development in the year 2011. It was renamed as DAY-NRLM in 2015.

The scheme is an improved version of the earlier Swarnjayanti Gram Swarozgar Yojana (SGSY).

- The programme is supported partially by the World Bank.
- It aims at creating effective and efficient institutional platforms to enable the rural poor to increase their household income by means of sustainable livelihood enhancements and better access to financial services.
- Additionally, the poor would also be enabled to attain improved access to rights, public services, and other entitlements.

- The mission aims at harnessing the inherent capabilities of the poor and equipping them with capacities (such as knowledge, information, tools, finance, skills, and collectivization for them to take part in the economy.
- The scheme started with an agenda to cover 7 Crore rural poor households via Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in 8-10 years.
- In 2021, the Union Cabinet had approved a special package worth Rs. 520 crore in the Union Territories (UTs) of Jammu and Kashmir (J&K) and Ladakh for a period of five years (till the financial year 2023-24) under the Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM).
- The decision is in line with the government's aim to universalise all centrally sponsored beneficiary-oriented schemes in Jammu & Kashmir and Ladakh in a time-bound manner.

#### **7.5.2 NRLM Mission:**

“To reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots institutions for the poor.”

#### **7.5.3 Guiding Principles of NRLM**

1. The poor have a great desire to escape poverty, and they have inherent capabilities.
2. For unleashing the innate abilities of the poor, social mobilization and strong institutions are necessary.
3. To induce social mobilization and build strong institutions and empower, an external support structure is needed that is both dedicated and sensitive.
4. This upward mobility is supported by:
  - Enabling knowledge dissemination
  - Building skills
  - Credit access
  - Marketing access
  - Livelihood services access

#### **7.5.4 NRLM Values:**

- Including the poorest, and giving them a meaningful role in every process

- Accountability and transparency in all institutions & processes
- Community self-dependence and self-reliance
- The poor should have ownership and a key role in all their institutions – in planning, executing and monitoring

### **7.5.5 Major Features of DAY-NRLM:**

The chief features of the scheme are as follows:

- Universal social mobilization: A minimum of one lady member of a rural poor household (with particular emphasis on the marginal sections) is to be brought in the network of an SHG.
- Participatory Identification of Poor
- Community Funds as Resources in Perpetuity: this is to strengthen the financial management capacity of the poor
- Financial inclusion
- Livelihoods: the mission focuses on promoting and stabilizing the existing livelihood structures of the poor through its three pillars:
- Vulnerability reduction & Livelihoods enhancement – through expanding existing livelihoods and tapping new livelihood opportunities in both the farm and non-farm sectors
- Employment – building skills
- Enterprises – promoting self-employment
- Another important feature of this scheme is that it places a high priority on convergence and partnerships with other government schemes of the Rural Development Ministry. It also seeks to have linkages with the Panchayati Raj institutions.

### **7.5.6 Sub-schemes under NRLM:**

#### **1) Aajeevika Grameen Express Yojana (AGEY):**

- This scheme was initiated in 2017.
- It aims at providing alternative sources of livelihood to members of SHGs under the parent scheme by enabling them to offer public transport services in backward rural areas.
- The scheme offers affordable, safe, and community-monitored rural transport services to connect villages in remote areas with key amenities & services (access to health, markets, and education) for the overall economic development of the region.

**2) Mahila Kisan Sashaktikaran Pariyojana (MKSP):**

- The main objective of this sub-scheme is to empower women in agriculture by making systematic investments to enhance their participation and productivity.
- The programme also seeks to create and sustain agriculture-based livelihoods concerning women in rural areas.
- Other aims are to ensure food and nutrition in the households, enable better access to services and inputs for women, improve the managerial capabilities of women, etc.

**3) Start-up Village Entrepreneurship Programme (SVEP):**

- The objective of this sub-scheme is to promote startups in rural areas.
- The scheme will address the three key hiccups concerning rural startups:
  - A missing knowledge ecosystem
  - A missing financial ecosystem
  - A missing incubation ecosystem
- SVEP envisions the generation of sustainable self-employment opportunities for rural poor youth, facilitating them to engage effectively with the market and help generate wealth locally.

**4) National Rural Livelihoods Project (NRLP):**

- The NRLP is designed to create 'proof of concept' and build capacities at the central and state levels, to have a facilitating environment for all states and UTs to transit to the NRLM.

Rural livelihood is an important topic from the UPSC CSE exam perspectives. Hence, it is important to cover different aspects of Rural Livelihood i.e. through definition, improvement, and government intervention to enhance it.

**7.5.7 NRLM Latest Updates:**

- As part of Azadi ka Amrit Mahotsav, a total of 152 Center for Financial Literacy & Service Delivery (SAKSHAM Centers) across 77 districts of 13 states were launched under Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) of the Ministry of Rural Development during October 4th and 8th, 2021.
- The objective of SAKSHAM Centers is to provide financial literacy & facilitate the delivery of financial services to SHG members and the rural poor.

- Center for Financial Literacy & Service Delivery (CFL & SD) would act as a one-stop solution/single window system for the basic financial needs of Self-Help Group (SHG) households in rural areas.
- These Centers will be managed by the SHG network, largely at the level of the Cluster Level Federations (CLFs), with the help of trained Community Resource Persons (CRPs)

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## 7.6 QUESTIONS

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- Q1. Explain different rural development programmes in india.
- Q2. State and explain Provisions of rural amenities in urban areas.
- Q3. What is Mahatma Gandhi National Rural Employment Guarantee Act?
- Q4. Explain Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) in detail.

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## **RURAL EMPOWERMENT PROGRAMMES - 2**

### **Unit Structure**

- 8.0 Objectives
- 8.1 National social Assistance Program
- 8.2 Microfinance
- 8.3 Self Help Group
- 8.4 Summary
- 8.5 Questions

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### **8.0 OBJECTIVES**

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After studying the unit, the students will be able to understand:

- National Social Assistance Program
- Microfinance
- Self Help Group

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### **8.1 NATIONAL SOCIAL ASSISTANCE PROGRAM**

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#### **8.1.1 Introduction:**

- NSAP stands for National Social Assistance Programme. NSAP was launched on 15th August, 1995.
- The National Social Assistance Programme (NSAP) represents a significant step towards the fulfillment of the Directive Principles in Article 41 and 42 of the Constitution recognizing the concurrent responsibility of the Central and the State Governments in the matter. In particular, Article 41 of the Constitution of India directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness and disablement and in other cases of undeserved want within the limit of its economic capacity and development.

#### **8.1.2 Objective of NSAP:**

- National Social Assistance Programme is a social security and welfare programme to provide support to aged persons, widows, disabled persons and bereaved families on death of primary breadwinner, belonging to below poverty line households.

### **8.1.3 Components of NSAP:**

The NSAP at its inception in 1995 had three components namely

- National Old Age Pension Scheme (NOAPS),
- National Family Benefit Scheme (NFBS) and
- National Maternity Benefit Scheme (NMBS). The National Maternity Benefit Scheme (NMBS) was subsequently transferred on 1st April, 2001 from the Ministry of Rural development to the Ministry of Health and Family Welfare.

On 1st April, 2000 a new Scheme known as Annapurna Scheme was launched. This scheme aimed at providing food security to meet the requirement of those senior citizens who, though eligible, have remained uncovered under the NOAPS.

In February 2009, two new Schemes known as Indira Gandhi National Widow Pension Scheme (IGNWPS) and Indira Gandhi National Disability Pension Scheme (IGNDPS) were introduced.

### **8.1.4 Presently NSAP comprises of five schemes, namely:**

- Indira Gandhi National Old Age Pension Scheme (IGNOAPS),
- Indira Gandhi National Widow Pension Scheme (IGNWPS),
- Indira Gandhi National Disability Pension Scheme (IGNDPS),
- National Family Benefit Scheme NFBS) and
- Annapurna.

### **8.1.5 Eligibility and scale of assistance:**

For getting benefits under NSAP the applicant must belong to a Below Poverty Line (BPL) family according to the criteria prescribed by the Govt. of India. The other eligibility criteria and the scale of central assistance under the sub - schemes of NSAP are as follows. Besides the central assistance, states / UT contribute an equal amount as their share:

- Indira Gandhi National Old Age Pension Scheme (IGNOAPS) : The eligible age for IGNOAPS is 60 years. The pension is Rs.200 p.m. for persons between 60 years and 79 years. For persons who are 80 years and above the pension is Rs.500/- per month.
- Indira Gandhi National Widow Pension Scheme (IGNWPS) : The eligible age is 40 years and the pension is Rs.300 per month. After attaining the age of 80 years, the beneficiary will get Rs.500/- per month.

- Indira Gandhi National Disability Pension Scheme (IGNDPS) : The eligible age for the pensioner is 18 years and above and the disability level has to be 80%. The amount is Rs.300 per month and after attaining the age of 80 years, the beneficiary will get Rs 500/- per month. Dwarfs will also be an eligible category for this pension.

#### **8.1.6 National Family Benefit Scheme (NFBS):**

Rs. 20000/- will be given as a lump sum assistance to the bereaved household in the event of death of the bread - winner. It is clarified that any event of death (natural or otherwise) would make the family eligible for assistance. A woman in the family, who is a homemaker, is also considered as a 'bread - winner' for this purpose. The family benefit will be paid to such surviving members of the household of the deceased poor, who after local inquiry, is found to be the head of the household. For the purpose of the scheme, the term "household" would include spouse, minor children, unmarried daughters and dependent parents. In case of death of an unmarried adult, the term household would include minor brothers/sisters and dependent parents. The death of such a bread - winner should have occurred whilst he/ she is more than 18 years of age and less than 60 years of age. The assistance would be given to every case of death of the breadwinner in a family.

#### **8.1.7 Annapurna Scheme:**

10 kgs of food grains (wheat or rice) is given per month per beneficiary. The scheme aims at providing food security to meet the requirements of those eligible old aged persons who have remained uncovered under the IGNOAPS

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### **8.2 MICROFINANCE**

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#### **8.2.1 Meaning:**

Microfinance is a way in which loans, credit, insurance, access to savings accounts, and money transfers are provided to small business owners and entrepreneurs in the underdeveloped parts of India.

Microfinance refers to the financial services provided to low-income individuals or groups who are typically excluded from traditional banking. Most microfinance institutions focus on offering credit in the form of small working capital loans, sometimes called microloans or microcredit.

#### **8.2.2 Definition:**

Microfinance can be defined as a banking service dispensed to low-income individuals or groups as well as unemployed people who generally do not have access to financial services.

#### **8.2.3 Purpose of microfinance:**

Microfinance is a banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to



financial services. Microfinance allows people to take on reasonable small business loans safely, and in a manner that is consistent with ethical lending practices.

#### **8.2.4 Key Features of Microfinance:**

Some of the significant features of microfinance are as follows:

- The borrowers are generally from low income backgrounds
- Loans availed under microfinance are usually of small amount, i.e., micro loans
- The loan tenure is short
- Microfinance loans do not require any collateral
- These loans are usually repaid at higher frequencies
- The purpose of most microfinance loans is income generation

#### **8.2.5 Importance of Microfinance:**

Almost half of the population of our country does not have a basic savings account. However, this segment requires financial services so that their aspirations such as building of assets and protection against risk can be fulfilled.

Microfinance provides access to capital for individuals who are financially underserved. If microfinance institutions were not offering loans to this segment of the society, these groups would have resorted to borrowing money from friends or family members. The probability of them opting for fast cash loans or payday advances (that bear huge interest rates) are also high.

Microfinance helps these groups invest wisely in their businesses, and hence, is in alignment with the government's vision of financial inclusion in the country.

#### **8.2.6 Different types of microfinance institutions in India:**

- Joint Liability Group (JLG) ...
- Self Help Group (SHG) ...
- The Grameen Bank Model. ...
- Rural Cooperatives.

#### **8.2.7 Documents Required for a Microfinance Loan:**

Although the documentation required for getting a microfinance loan varies between lenders, the following are the documents that are usually needed:

- Updated application form
- PAN card, copy of Passport, ration card
- Proof of office address
- Passport-size photos of the applicants and co-applicants
- Certified copies of AOA/MOA/Partnership deed
- Track record of repayment
- Audited financials of the previous 2 years
- ITR of partners/directors for the previous 2 years
- Bank account statements for the past 6 months
- Proforma invoice to the equipment that is to be financed
- For lawyers, CAs, architects, and doctors - Professional qualification certificates

### **8.2.8 Criticism of Microfinance:**

Microfinance has been lauded by many, as it is a clear passage to end the cycle of poverty, aid the marginalized sections, decrease unemployment, and improve their earning power. However, it has also received criticism from certain corners, as it was argued that microfinance actually makes poverty worse. The fact that some borrowers of microfinance use these loans to pay off their existing debts or fund their basic necessities reinforce these arguments.

The situation is more adverse in countries like South Africa where the majority of microfinance loans are consumed by the borrower for basic necessities. When borrowers do not generate new income from the initial loan, they are forced to take out more loans to repay the former. This simply snowballs into a bigger debt trap.

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## **8.3 SELF HELP GROUP**

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### **8.3.1 Meaning:**

The major form of microfinance in India is that based on women's Self Help Groups (SHGs), which are small groups of 10-20 members. These groups collect savings from their members and provide loans to them.

Self Help Groups (SHGs) are a homogenous group of 10-20 individuals who come together to save and internally help each other in times of need.

### **8.3.2 Origin and development of SHGs in India:**

- The origin of SHGs in India can be traced back to the establishment of the Self-Employed Women's Association (SEWA) in 1972.

- Even before, there were small efforts at self-organising. For example, in 1954, the Textile Labour Association (TLA) of Ahmedabad formed its women's wing in order to train the women belonging to families of mill workers in skills such as sewing, knitting, etc.
- Ela Bhatt, who formed SEWA, organised poor and self-employed women workers such as weavers, potters, hawkers, and others in the unorganised sector, with the objective of enhancing their incomes.
- NABARD, in 1992, formed the SHG Bank Linkage Project, which is today the world's largest microfinance project.
- From 1993 onwards, NABARD, along with the Reserve Bank of India, allowed SHGs to open savings bank accounts in banks.
- The Swarn Jayanti Gram Swarozgar Yojana was introduced in 1999 by GOI with the intention of promoting self-employment in rural areas through formation and skilling of such groups. This evolved into the National Rural Livelihoods Mission (NRLM) in 2011.

### **8.3.3 Functions of Self Help Groups:**

- They try to build the functional capacity of poor and marginalised sections of society in the domain of employment and income-generating activities.
- They offer collateral-free loans to sections of people that generally find it hard to get loans from banks.
- They also resolve conflicts via mutual discussions and collective leadership.
- They are an important source of microfinance services to the poor.
- They act as a go-through for formal banking services to reach the poor, especially in rural areas.
- They also encourage the habit of saving among the poor.

### **8.3.4 Need for Self Help Groups:**

- One of the chief reasons for rural poverty is the lack of access or limited access to credit and financial services.
- The Rangarajan Committee Report highlighted four major reasons for lack of financial inclusion in India. They are:
  - Inability to give collateral security
  - Weak credit absorption capacity
  - The insufficient reach of institutions
  - Weak community network

- It is being recognised that one of the most important elements of credit linkage in rural areas is the prevalence of sound community networks in Indian villages.
- SHGs play a vital role in giving credit access to the poor and this is extremely crucial in poverty alleviation.
- They also play a great role in empowering women because SHGs help women from economically weaker sections build social capital.
- Financial independence through self-employment opportunities also helps improve other development factors such as literacy levels, improved healthcare and better family planning.

### **8.3.5 Advantages of Self Help Groups:**

- Financial Inclusion – SHGs incentivise banks to lend to poor and marginalised sections of society because of the assurance of returns.
- Voice to marginalised – SHGs have given a voice to the otherwise underrepresented and voiceless sections of society.
- Social Integrity – SHGs help eradicate many social ills such as dowry, alcoholism, early marriage, etc.
- Gender Equality – By empowering women SHGs help steer the nation towards true gender equality.
- Pressure Groups – SHGs act as pressure groups through which pressure can be mounted on the government to act on important issues.
- Enhancing the efficiency of government schemes – SHGs help implement and improve the efficiency of government schemes. They also help reduce corruption through social audits.
- Alternate source of livelihood/employment – SHGs help people earn their livelihood by providing vocational training, and also help improve their existing source of livelihood by offering tools, etc. They also help ease the dependency on agriculture.
- Impact on healthcare and housing – Financial inclusion due to SHGs has led to better family planning, reduced rates of child mortality, enhanced maternal health and also helped people fight diseases better by way of better nutrition, healthcare facilities and housing.
- Banking literacy – SHGs encourage people to save and promote banking literacy among the rural segment.

### **8.3.6 Problems of Self Help Groups (SHGs):**

- Need for extending this idea into the poorest families, which is not necessarily the case at present.

- Patriarchal mindset prevailing which prevents many women from coming forward.
- There are about 1.2 lakh branches of banks in rural areas as opposed to 6 lakh villages in the country. There is a need to expand banking amenities further.
- Sustainability and the quality of operations of such groups have been questionable.
- There is a need for monitoring cells to be established for SHGs across the country.
- The SHGs work on mutual trust. The deposits are not safe or secure.

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## 8.4 SUMMARY

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The term “rural development” is the overall development of rural areas to improve the quality of life of rural people. Rural development is the process of improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. According to Census 2011, out of a total population of 121 crores, around 70% i.e. 83.3 crores live in rural areas. The restructured PURA scheme has been approved by the Government for implementation on a pilot basis during the 11th five year plan.

In pursuance to the announcement of Prime Minister on Independence Day, 2003, the Planning Commission submitted a proposal for approval of the Government to implement PURA scheme. The scheme was approved by the Government „in-principle“ in January 2004.

National Rural Employment Guarantee Act 2005, is an Indian labour law and social security measure that aims to guarantee the ‘right to work’. There are various sub-schemes under MNREGA such as Aajeevika Grameen Express Yojana (AGEY), Mahila Kisan Sashaktikaran Pariyojana (MKSP), Start-up Village Entrepreneurship Programme (SVEP), National Rural Livelihoods Project (NRLP) etc.

Microfinance is a way in which loans, credit, insurance, access to savings accounts, and money transfers are provided to small business owners and entrepreneurs in the underdeveloped parts of India.

Self Help Groups (SHGs) are a homogenous group of 10-20 individuals who come together to save and internally help each other in times of need. SHGs are important to face the challenge of rural poverty where there is a lack of access or limited access to credit and financial services.

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## 8.5 QUESTIONS

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Q1. Elaborate National Social Assistance Program.

Q2. Discuss the role of Microfinance.

Q.3 State and explain advantages of Self Help Group.

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**Question Paper Pattern (For IDOL Students Only)**  
**TYBA SEM VI (Economics) – for all Six papers**

**Time: Three Hours**

**Total Marks: 100 Marks**

**Please Check whether you have got the right question paper.**

**N.B.** 1) All questions are compulsory. Attempt Sub question (A) or (B) of Question no. 5

2) Figures to the right indicate marks.

3) Draw neat diagrams wherever necessary.

**Q1. Answer any TWO questions of the following. 20 Marks**

a.

b.

c.

**Q2. Answer any TWO questions of the following. 20 Marks**

a.

b.

c.

**Q3. Answer any TWO questions of the following. 20 Marks**

a.

b.

c.

**Q4. Answer any TWO questions of the following. 20 Marks**

a.

b.

c.

**Q5. (A) Write short notes on any TWO of the following. 20 Marks**

a.

b.

c.

d.

**OR**

**(B) Multiple choice questions, select an appropriate option  
(20 MCQs) 20 Marks**

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