

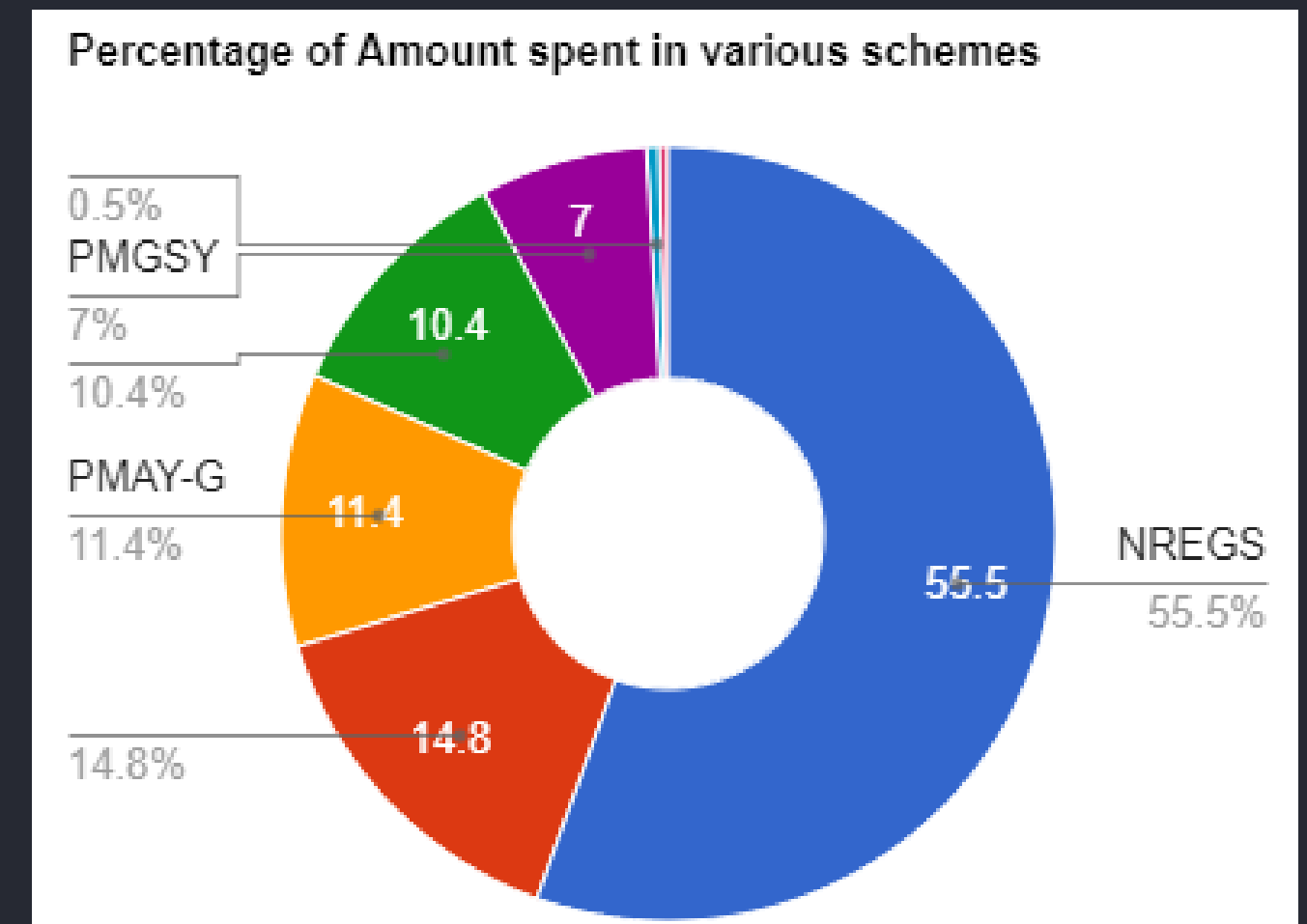
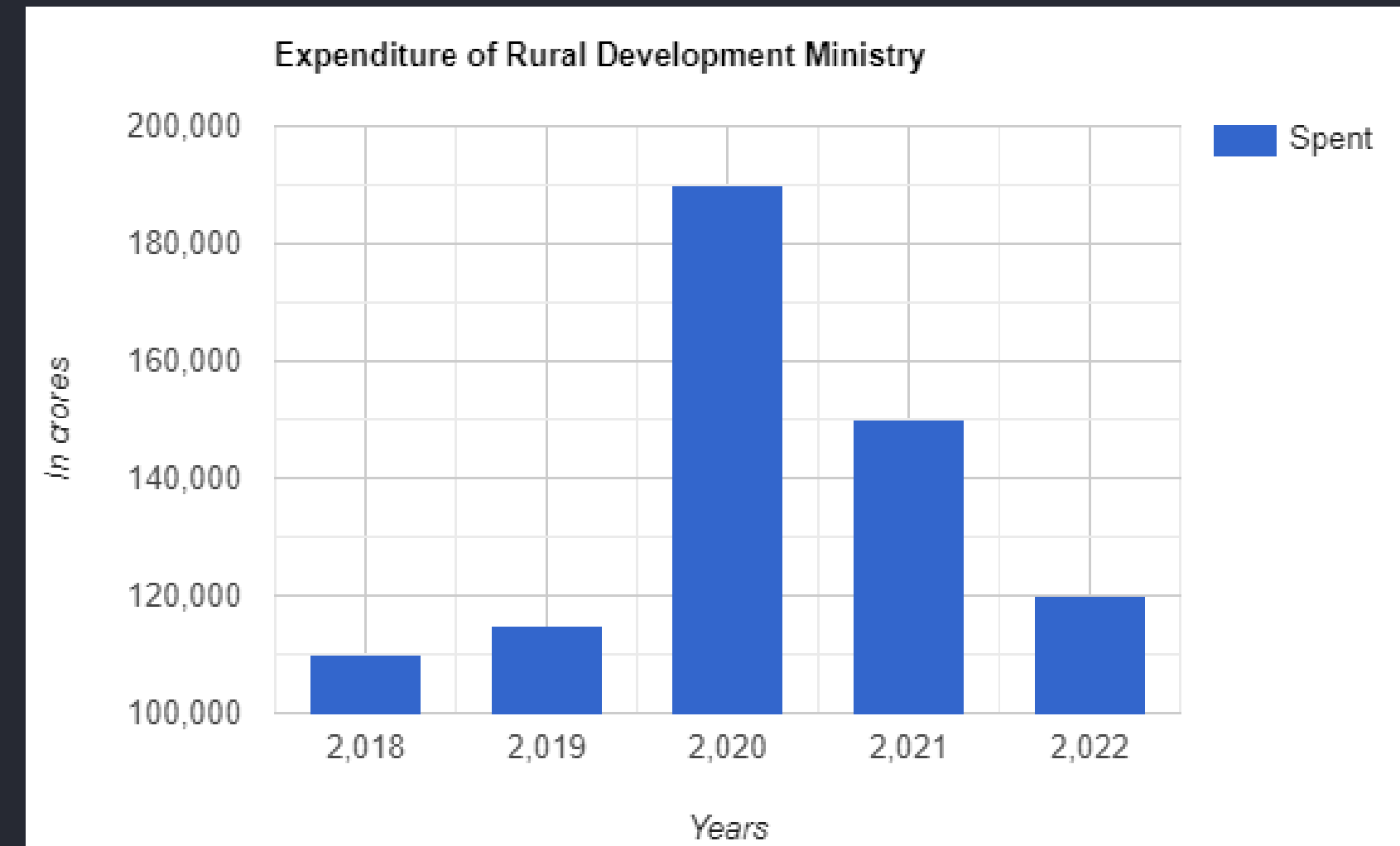


RURAL DEVELOPMENT: OVER THE YEARS

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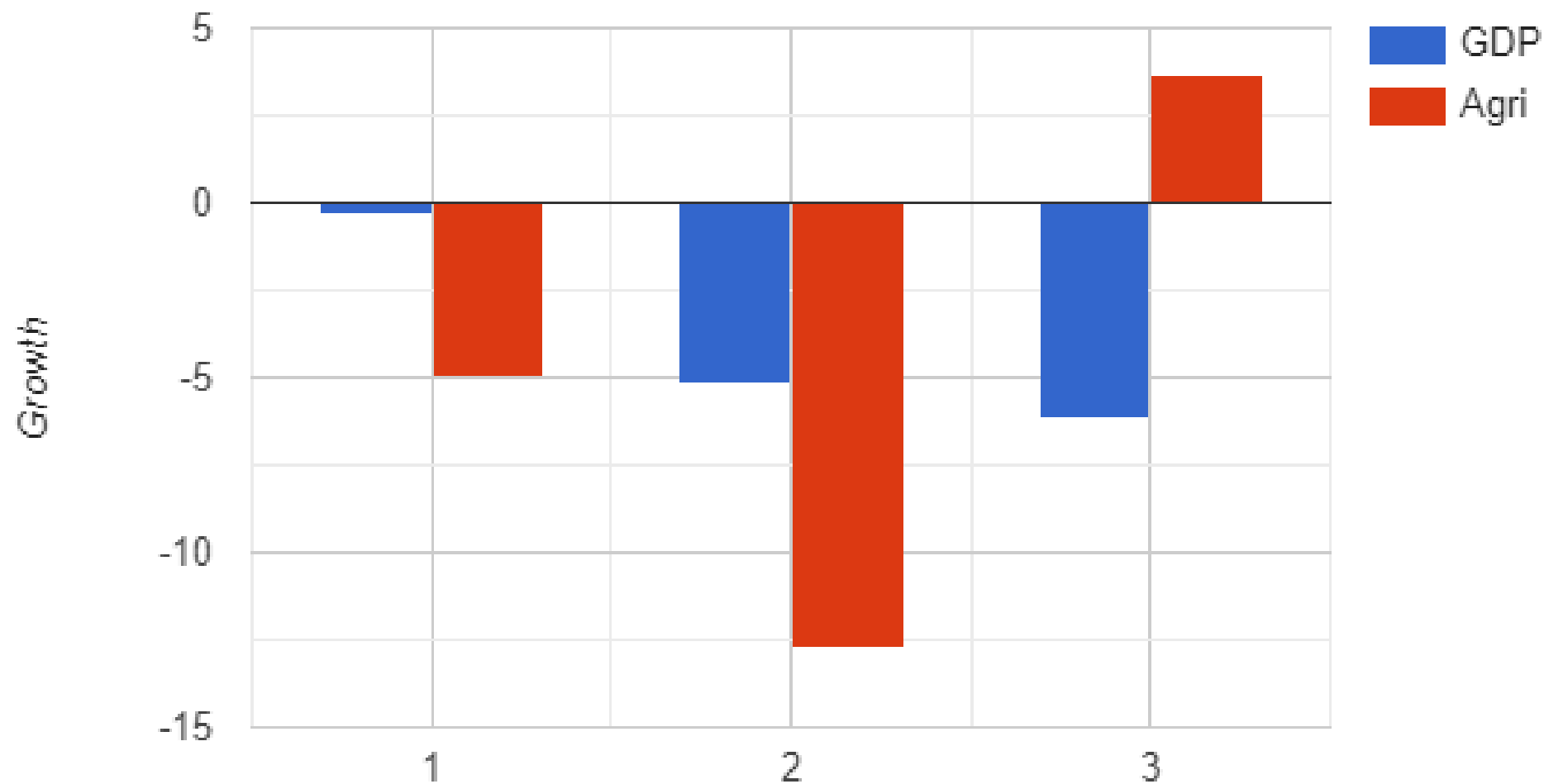
Background

- The majority of the Indian population lives in the rural areas of the country, but they contribute less than 45% to the Indian GDP
- As per a recent survey, 47% of the rural population relies directly on agriculture for their livelihood
- The unemployment rates, malnutrition rates are significantly higher compared to the urban areas
- Rural India suffers from severe Infrastructural gaps impeding its growth
- There is an increasing threat of low productivity rates in agriculture due to global warming

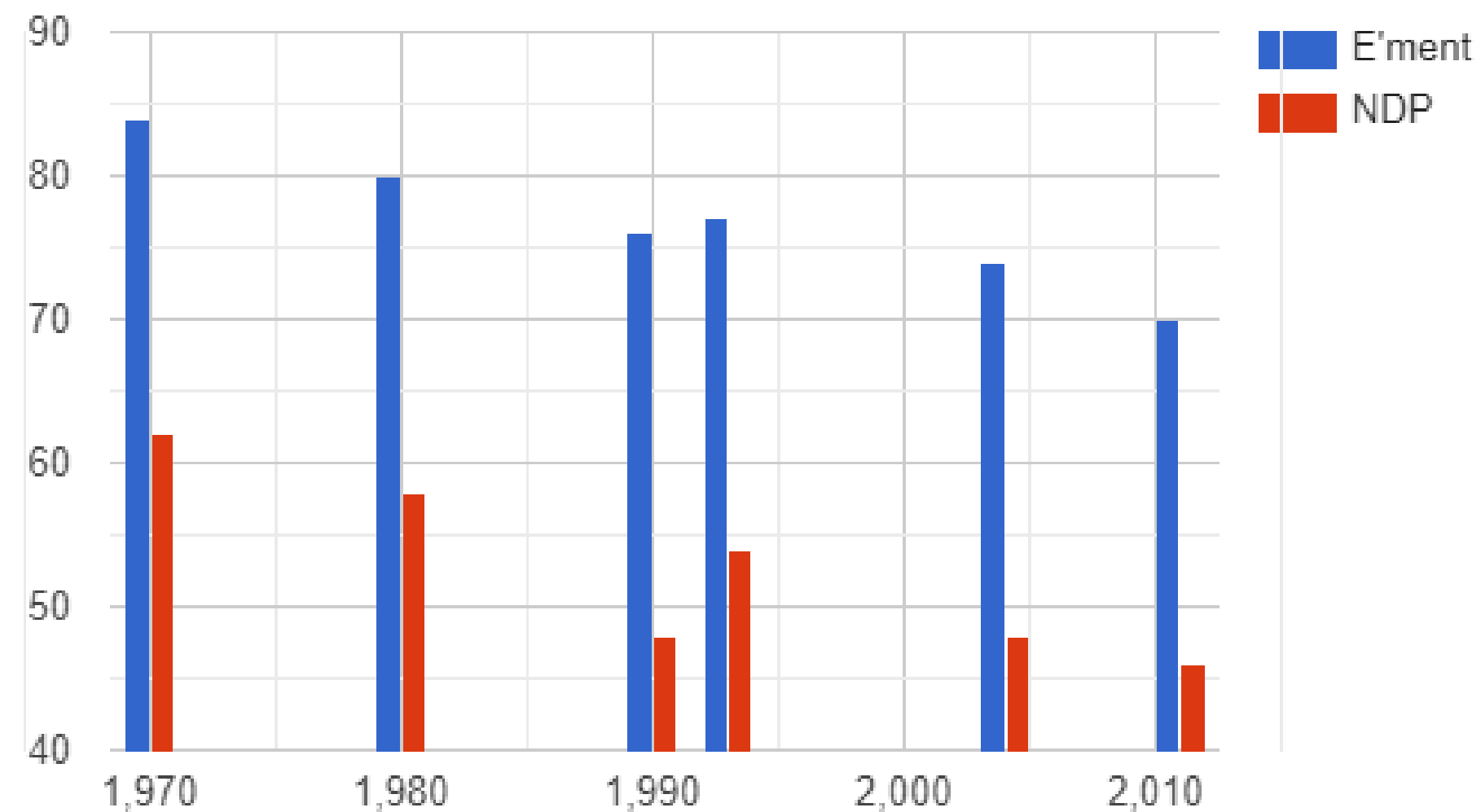


- The rural economy forms the backbone of the Indian agriculture sector and contributes around 16.40% of the country's GDP
- Rural consumption drives the demand for key goods and services
- Self-help groups, Cottage industries and other allied industries form a key part of the rural economy
- Essential raw materials for key urban industries are sourced from rural areas.

GDP v/s Farm Sector Growth



Rural Share in Nat'l Output & Employment



Ministry of Rural Development

It consists of 2 departments

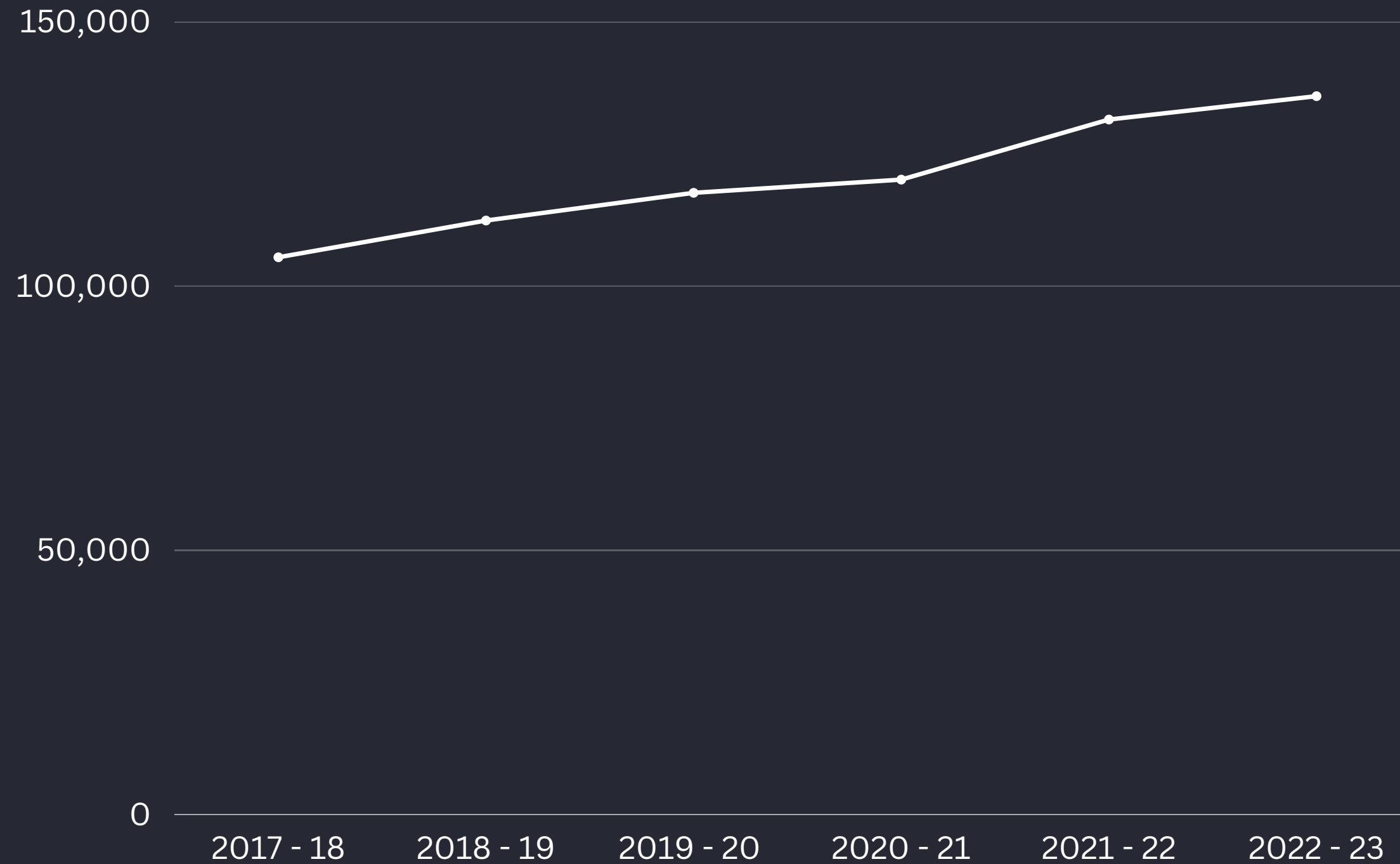
**Department of Rural
Development**

**Department of Land
resources**

Aims :

- **Providing livelihood opportunities to those in need including women and other vulnerable sections with focus on Below Poverty Line (BPL) households.**
- **Providing for the enhancement of livelihood security of households in rural areas by providing at least 100 days of guaranteed wage employment in every financial year to every household demanding it.**
- **Providing social assistance to the elderly, widow and disabled persons.**
- **Providing urban amenities in rural areas for improvement of quality of rural life.**
- **Capacity development and training of rural development functionaries.**

Ministry of Rural Development



Budget allocation to the ministry from 2017 - 23

Major interventions by the Central government

1) For Livelihood and Skill development:

- The Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM): was launched in June 2011.
- Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS): was launched in 2006.

2) Housing:

- Pradhan Mantri Awaas Yojana –Gramin (PMAY-G): was launched in 2016.

3) Water and Sanitation:

- Jal Jeevan Mission: launched in 2019.

How rural development caters to economic growth?

Rural income leads to rural demand



Ripple effects on Fast Moving Consumer Goods, Automobiles, Housing and other retail aspects.



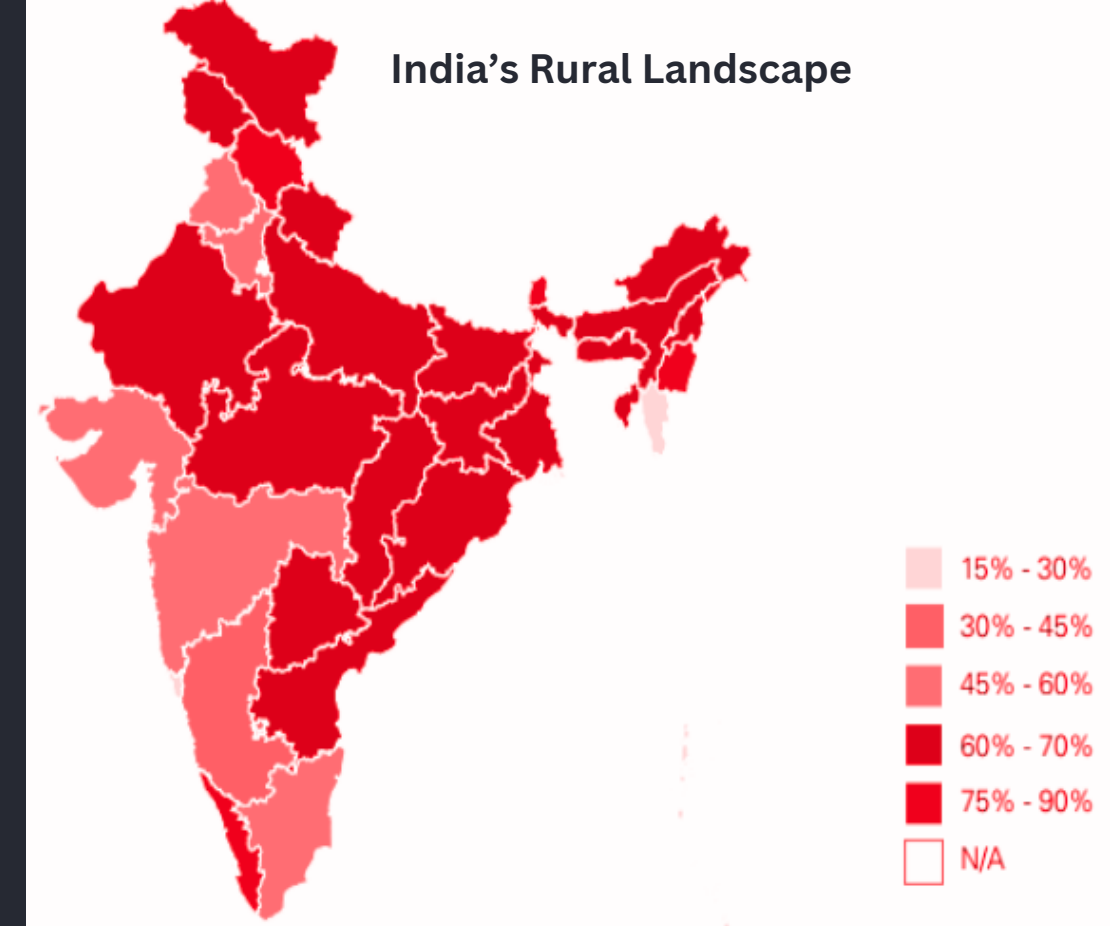
Increased consumer spending



Fuels rural demand

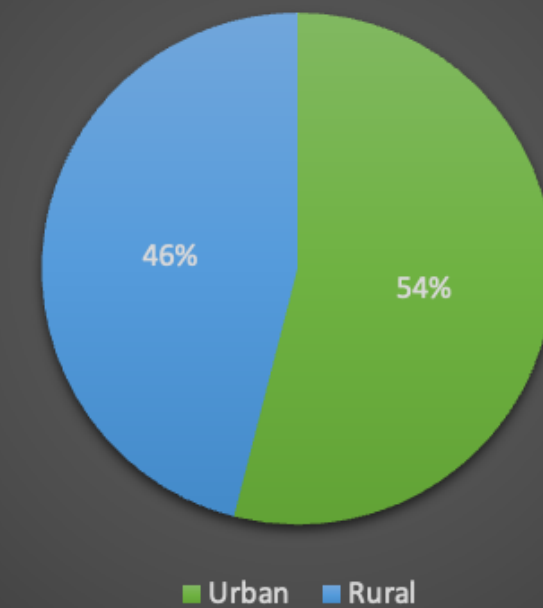


- As per NFHS 2019-20, there has been a significant improvement in the rural sector, from the scenario in 2015-16.
- There has been an improvement in the quality of rural lives, ranging from electricity to sanitation facilities.
- Thrust on rural development has also led to rural women's empowerment through SHGs.



Source: Census 2011

% of GDP Contribution(2019-2020)



Source: Ministry of Statistics and Programme Implementation.

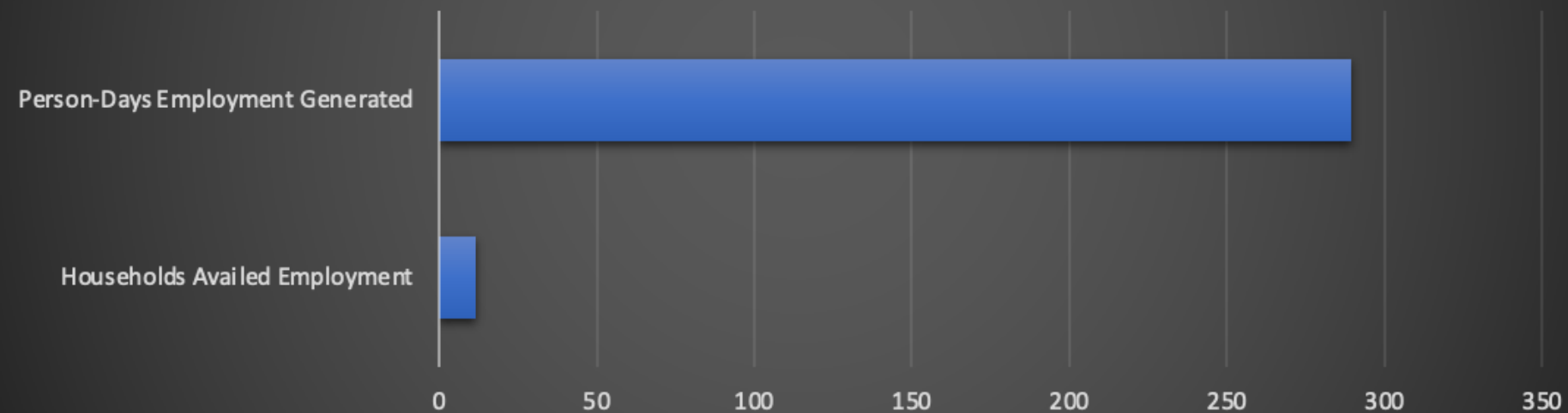
Rural Development and Economic Growth

Schemes that are drivers of economic growth:

- **DAY-NRLM**(Deendayal Antyodaya Yojana - National Rural Livelihoods Mission)
- **MGNREGA**(Mahatma Gandhi National Rural Employment Guarantee Act)
- **PMAY**(Pradhan Mantri Awas Yojana)
- **NSAP**(National Social Assistance Programme)
- **PMGSY**(Pradhan Mantri Gram Sadak Yojana)

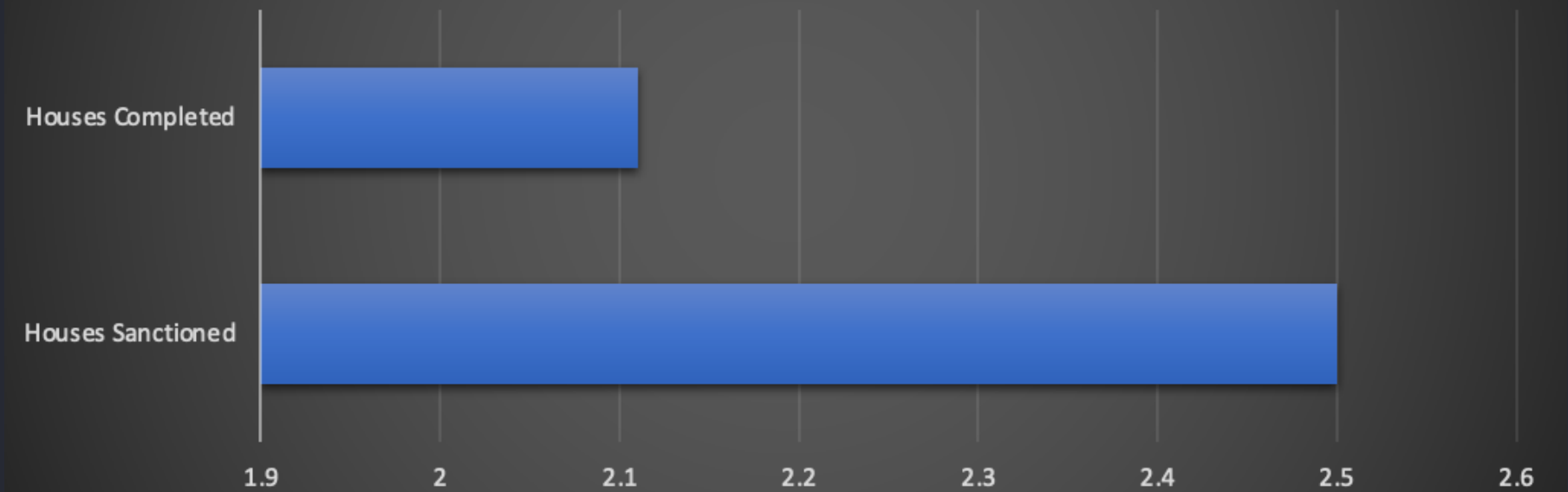
Source: NITI Aayog (<https://www.niti.gov.in/verticals/rural-development>)

MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act)
*In Crores



Source: Year-End Review -2022: Ministry of Rural Development
<https://rural.nic.in/en/press-release/year-end-review-2022-ministry-rural-development>

PMAY-G (Pradhan Mantri Awas Yojana-Gramin)
*In Crores



Source: Year-End Review -2022: Ministry of Rural Development
<https://rural.nic.in/en/press-release/year-end-review-2022-ministry-rural-development>

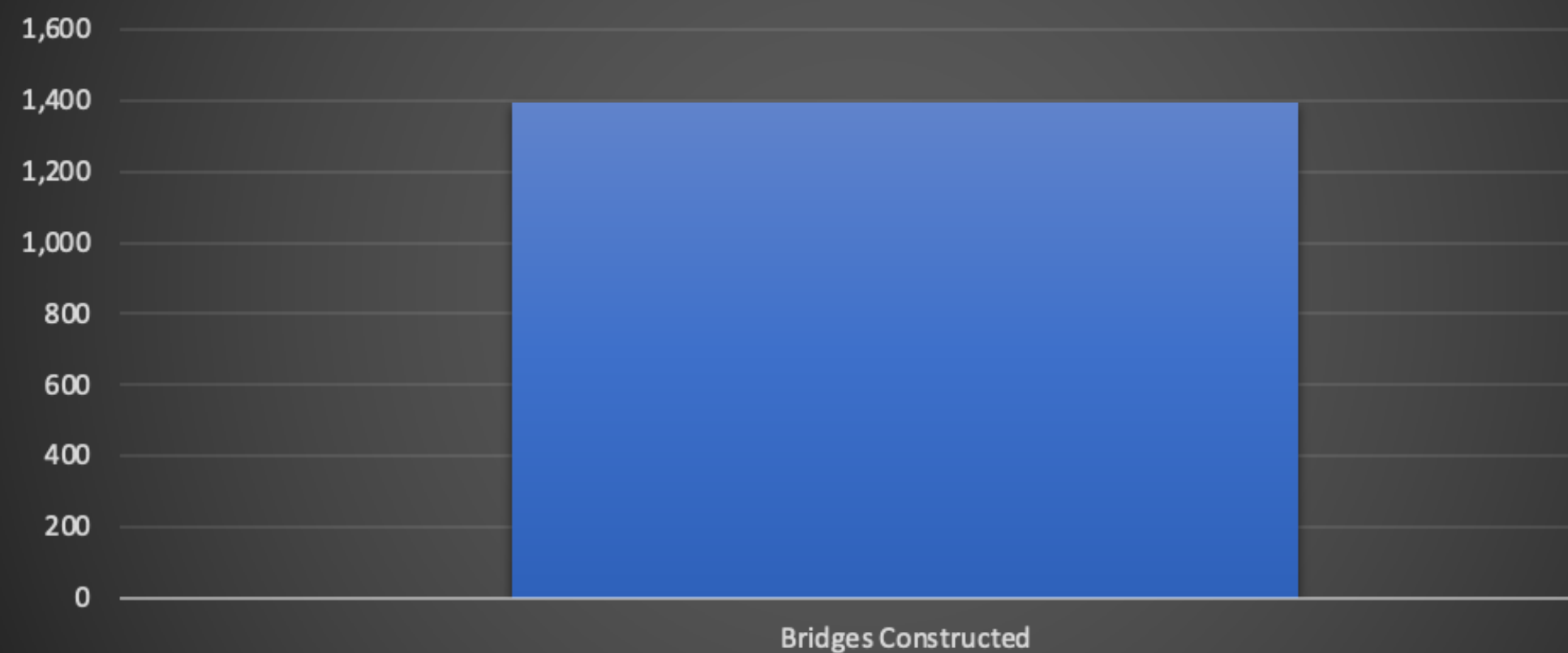
2022 Data-points

DAY-NRLM (Deendayal Antyodaya Yojana - National Rural Livelihoods Mission) *In Crores



Source: Year-End Review -2022: Ministry of Rural Development
<https://rural.nic.in/en/press-release/year-end-review-2022-ministry-rural-development>

PMGSY (Pradhan Mantri Gram Sadak Yojana)



Source: Year-End Review -2022: Ministry of Rural Development
<https://rural.nic.in/en/press-release/year-end-review-2022-ministry-rural-development>

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

**Data as of
Nov 2021**

- Mission has its footprints in 6769 blocks of 706 districts in 30 states and 6 UTs.
- Mobilised a total of 8.01 Crore women from poor and vulnerable communities.
- Grouped them into 73.19 lakhs SHGs and formed 4,24,189 Village organisation and 32,406 CLFs.

**2023
Key Points**

- 248 blocks have been covered with the mobilization of 41.02 lakh households into 3.81 lakh SHGs.
- Rs. 2241.90 Crore have been provided as Revolving Fund and Community Investment Fund.
- A total of 1,78,328 small enterprises have been facilitated for SHG members or their family members under the Start-up Village Entrepreneurship Programme (SVEP), a sub-scheme of DAY-NRLM. 22783 enterprises were formed in the current year.

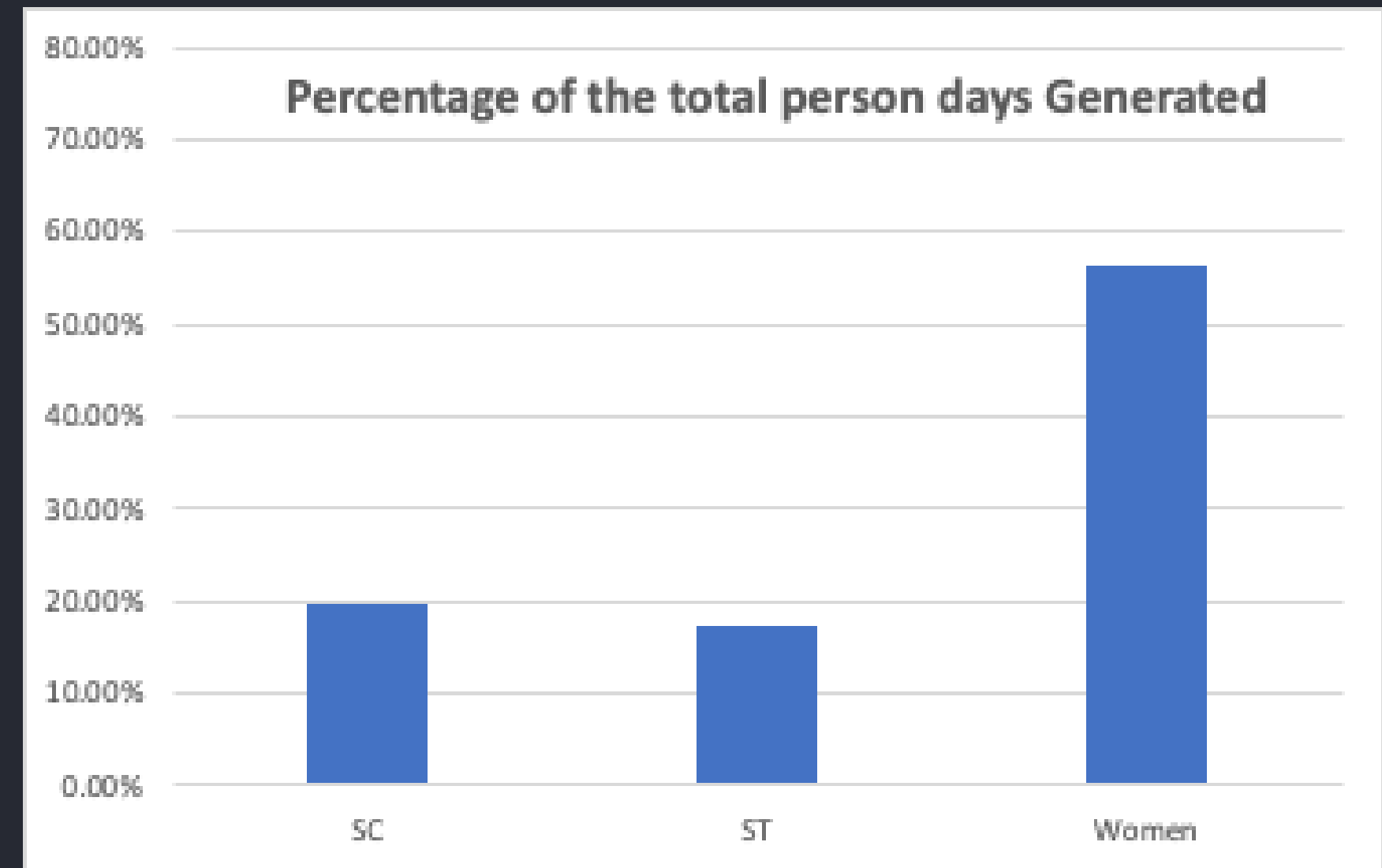
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

Major Achievements of MGNREGS:

1. GIS based Planning of Gram Panchayats (GPs)
2. Yuktdhara Portal
3. National Electronic Fund Management System (NeFMS)/ DBT
4. SECURE
5. Implementation of Geo-MGNREGA
6. Emphasis on Social Audit
7. Skill Development
8. Cluster Facilitation Project (CFP)

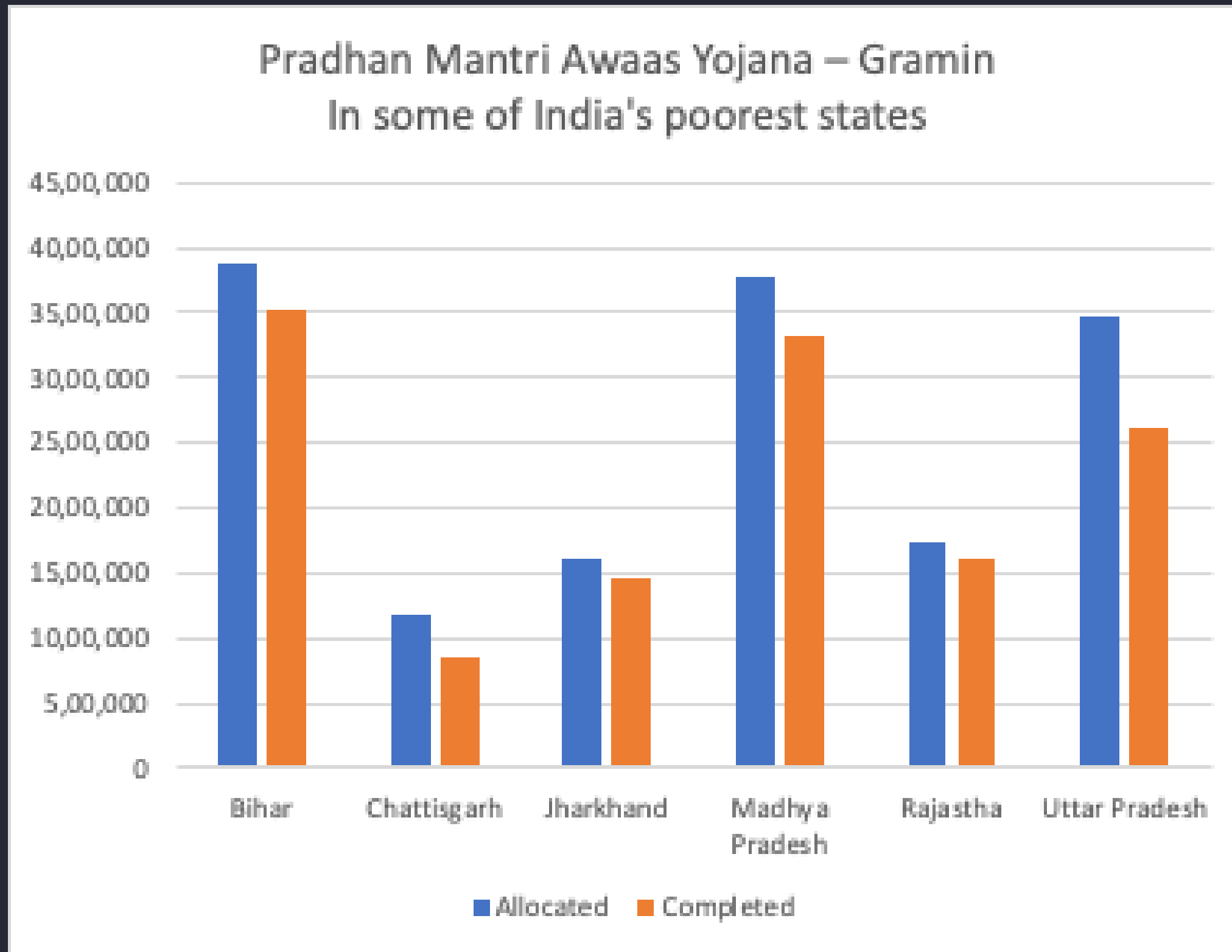
New Initiatives:

1. Amrit Sarovar: Called for the construction/renovation of at least 75 Amrit Sarovars (ponds) in each district of the country.
2. Jaldoot App: for measuring the water level in a Gram Panchayat through 2-3 selected open wells twice a year.
3. Ombudsperson: for the purpose for smooth reporting and categorization of grievances. A total of 505 Ombudsperson have been appointed.



- Under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) a total of 11.37 Crore households availed employment and a total of 289.24 crore person-days employment has been generated (till 15th December, 2022).
- A total of 289.24 crore person-days employment has been generated between January 2022 and December 2022.
- 5.38 crore households availed employment between April and December of 2022.

Pradhan Mantri Awaas Yojana –Gramin (PMAY-G)



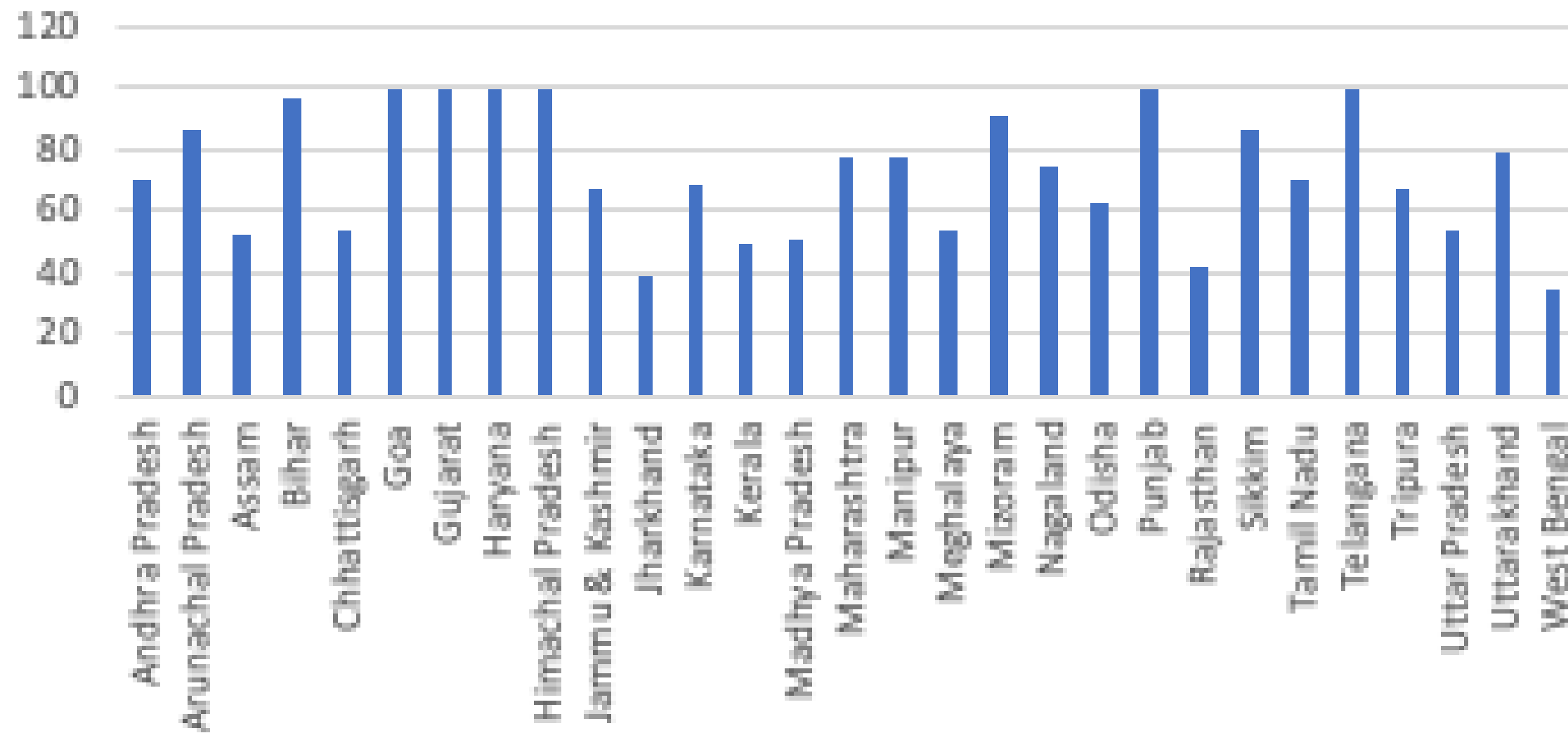
Against the mandated target of construction of 2.95 crore houses under PMAY-G, the Ministry has allocated a target of 2.94 crore houses to the States/UTs. Of these, the States/UTs have sanctioned 2.85 crore houses to the beneficiaries and 2.22 crore houses have already been completed till 24.03.2023.

As can be noticed from the graph, the PMAY-G has been on track in terms of progress since the the gap between the houses allocated and the houses completed is very close.

Data used: Up until April 2023

Jal Jeevan Mission

Percentage of Total Household Connections Reported in July 2023



At the time of announcement of Jal Jeevan Mission in August 2019, 3.23 Crore (17%) rural households were reported to have tap water connections. Since then, tap water connections have been provided to additional 9.41 Crore rural households. Thus, as on 24.07.2023, out of 19.46 Crore rural households in the country, provision of tap water supply has been made to 12.64 Crore (64.95%) households.

Factors affecting rural development

- **Rising literacy level** : A higher literacy rate in rural areas leads to more employment opportunities. According to NSS reports, the literacy rate in rural India increased from 68% for males and 43% for females in 2000 to 72.3% for males and 56.8% for females in 2014. In the year 2021 it was 81% for male and 65% for female.
- **Infrastructural activities** : Rural development requires a strong infrastructure, including roads, communication channels, electricity, drinking water, irrigation, drainage, and adequate housing. In recent decades, India has seen significant growth in rural infrastructure and public service projects.
- **New employment opportunities** : Multi-pronged strategies are being taken by the Government to address issues relating to employment opportunity through Centrally Sponsored Schemes viz. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM), Deendayal Upadhyay-Gramin Kaushalya Yojana (DDU-GKY), Pradhan Mantri Gram Sadak Yojana (PMGSY), etc.

Factors affecting rural development

- **Rising mass media** : The rise of mass media, such as television, social media, and radio, has increased awareness among rural people. With mobile phones and the internet, they can now search for jobs, learn new skills, and connect with people outside of their village. This has also made them more aware of different government schemes that can help them with farming and other activities.
- **Agricultural research** : The Indian Council of Agricultural Research (ICAR) is responsible for agricultural research in India. ICAR research helps us to understand how crop yields are affected by different atmospheric and soil conditions, and how fertilizers can be used to increase production leading to overall development of rural india. Since 2014 ICAR has seen significant progress.

Conclusion

The future of the rural economy of India remains highly positive since rural demand has been driving the growth of national consumption. There have been positive and encouraging trends of poverty reduction and growth of the non-farm sector.

However the infrastructure and the education space need more attention and investment which can result in uneven growth in rural areas

The MGNREGS, PM-Jhan Dhan Yojana & PM-Awaas Yojana have brought tangible difference to the rural economy and in contributing to its growth rates

One hopes that the rural economy contributes similar amount of growth rates when compared to the urban areas



For any inputs, suggestions or clarifications, please contact us at cnesinfosphere@gmail.com



Thank you!