



ECONOMICAL FACTORS AFFECTING RURAL DEVELOPMENT

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Abstract

The purpose of this study is to investigate the significant contribution that rural development makes to both the growth of the economy and the overall well-being of the populace. Despite the widespread belief that the agricultural sector and rural development are no longer essential for any economy because of rising labor productivity, these two regions seem to be playing a very important leadership role and producing many positive benefits. The premise of this thesis is that the importance of rural development and the agriculture sector is diminishing. This is because there are still a lot of positive outcomes coming from the domains of agriculture and rural development. The study's findings indicate that, in general, rural development contributes significantly to a country's total economic growth and has a significant impact on the composition of the gross domestic product. This sort of deduction is permissible based on the study's findings. Based on the study's findings, one may draw this conclusion. This is the most favorable result that may be obtained. As this is happening, it is becoming more and more clear that certain instruments and rewards must be put in place in order to increase its productivity and help it retain its position as a crucial component in the growth of the economy. It's obvious that as time goes on, this becomes increasingly apparent. The information gathered for this study will probably help decision-makers in the policy-making process when it comes to rural development projects. Over the investigation, these data were acquired. Furthermore, there's a chance that these findings will advance public knowledge of problems pertaining to agriculture and post-agriculture. It appears possible that non-agricultural businesses might generate positive net profits and that rural areas could emerge as the next hub for innovative business endeavors. This is because rural communities are equipped to accomplish both of these goals. This category encompasses a wide range of activities, such as small- and medium-sized industry, local handicrafts, tangible and intangible tourism, and much more. But these activities shouldn't be the only ones included in this category.

Keywords: *Rural area development and economic expansion are both important.*

INTRODUCTION

Since the beginning of time, policies intended to assist the agricultural sector have been attributed to the growth of rural areas. For as long as anybody can remember, this has been the acknowledged opinion. For a number of decades, investments in lending capital, human services, and physical infrastructure (including the internet) have been prioritised in public policy initiatives for rural development. This is the current situation. While they play a crucial role, they cannot replace monetary resources in terms of creating and bolstering influential local institutions and the associated leadership. This is the scenario, despite the fact that they are essential. While the federal government invests billions of dollars a year in essential rural transportation, broadband, water, healthcare, loan funds, tax incentives, education, and housing, very little of that money is designated to support local leaders and organisations that are in charge of making decisions about how best to use federal investment in terms of operations, planning, training, and technical assistance. Another strategy to make an impact is to increase support in rural regions for changes to federal or state policies that impact the strategies and outcomes of both rural and urban communities. This is an additional useful method to exert the aforementioned impact. This is an extra strategy to get the desired result. Increasing support in rural regions for modifications to state or federal policies that impact the strategies and results of both rural and urban communities is another way to achieve this goal. This might be the result of providing more aid in rural areas. Increasing the amount of aid provided to rural or regional communities is an additional strategy to accomplish this goal. Hubs and investors are attempting to improve the region's economy by managing investments or initiatives that will help the whole area today and set it on a better track for the future. Increasing the overall strength of the region's economy is the aim of these projects.

It is imperative to endeavour to devise and execute a growth plan that would use the dynamic synergies that exist between the agricultural and industrial domains. This is the state that holds true despite the fact that every issue raised thus far has been examined. Economically strong manufacturing and service sectors are essential to attaining the long-term goal of totally eradicating poverty, both in rural and urban areas. Reaching this objective is essential to maintaining economic growth and realising the ultimate objective of ending poverty. Agriculture has significantly less potential to be a long-term growth engine than industry, which can attain dynamic economies of scale, bring about technical innovation, and create external economies that can support agricultural expansion and the nation's continued development. The industry is capable of achieving all of these. The potential of agriculture to promote economic expansion is fundamentally limited. For a process of continuous economic growth, resources from other sectors must be transferred to industry just as much as resources from agriculture must be transferred to industry. There are additional requirements for the process as well. A growth plan that fosters a dynamic interaction between the two distinct industries is required to accomplish this aim.

For instance, the state had a significant role in the development of agricultural surpluses in India, as well as in their extraction and eventual transfer to industrial entities. This was the

scenario in India. It not only set the stage for an increase in agricultural output but also guaranteed that a significant portion of this advantage would be passed to the industrial sector. This was a notable achievement. The use of strategies like taxation and the bending of trade regulations to the advantage of business was successful in achieving this aim. In order to satisfy the needs of economic production in the future, it is imperative that we provide workers with possibilities for education and training. This is in addition to the favourable economic conditions and enough financial resources that support the development of new technologies. According to some experts, it is imperative that the current gap in educational opportunities between urban and rural communities be addressed. When it comes to the development of human capital, maximising its growth is essential. To guarantee that human capital may expand to its fullest potential, this imbalance needs to be addressed.

There are large rural populations in certain nations, like India, that need to be modernised. These include a number of other nations. This demographic is found in different nations, such as these ones. It was stated that enhancing human capital and, by extension, rural education systems, is essential for India's chances of experiencing future economic progress. This is a result of the possibility for future economic expansion in India. It was pointed out to everyone and they were all made aware of the need for them to act quickly. Rural communities and the people who live there have a lot of personal, social, and cultural capital in addition to their potential. This is because a sizable portion of the population lives in rural areas. They do, however, also face ongoing divestitures, inadequate infrastructure, a lack of funding, and a lack of reliable, long-term links to vital resources, power, and financial flows. They have to overcome every single one of these obstacles. One location doesn't have the future potential necessary to revitalise rural India and other rural places. Poverty, a lack of chances, and institutionalised discrimination are the causes of this. Moreover, similar conditions are being experienced by other rural communities.

Rural development and agriculture in developed and developing countries

Many emerging nations are concentrating their efforts more on growing the urban than the rural industrial sectors since it is commonly believed in economics that industrialization is the main driver of economic expansion. This is the outcome of the strong correlation between industrialization and economic growth. A plausible rationale for this might be because the majority of wealthy nations are involved in rural agriculture, an industry that is vital to the growth of developing countries. Considering that the industry is present in the great majority of industrialised nations, this is correct. Particularly responsible for the distortion of wealth and growth is this sector of the economy. In a nutshell, the structural change hypothesis says that an economy expands as its reliance on the agricultural sector gives way to a more sophisticated and competitive industrial sector that fuels wealth. This process leads to an expansion of the economy. Put another way, the industrial sector's rise from the agricultural sector aids in the expansion of the economy.

Since most developing nations still primarily rely on agriculture for their revenue, the industrial sector must expand more in order to raise the income of the poor and supply food

and raw materials for the industrial sector. Reaching the goals of the industrial sector requires doing this. To greatly enhance the position of the general populace, this has to be finished. Furthermore, it is projected that the public sector's engagement, the financial system's development, and the uneven distribution of available land would all play significant roles in the expansion of these two businesses. It is expected that these factors together would have a major effect. Since the majority of people live in rural regions and work in agriculture, the economy is still expanding. The findings of several studies suggest that this industry's rise is one of the factors driving economic expansion. The increased emphasis on the agriculture sector raises the income of the inhabitants in the lowest percentile. In parallel, other domestic sectors and, if feasible, the economies of other nations get food and other goods.

It is imperative that the agriculture sector's significance be not undervalued during the expansion process. Taking everything into account, this is really significant. These statistics concerning the agricultural sector are true, yet many governments in developing nations continue to believe that it is a good place to start when attempting to address the rising issue of teenage unemployment. Even though these things are true, this is nonetheless the case. However, both the percentage of the people living in rural areas (estimated at 5% of the total population) and employment in agriculture are progressively dropping on a worldwide scale (see Figure 1.1 below for a breakdown by region). It's the same everywhere in the world. This phenomenon is taking place everywhere on Earth.

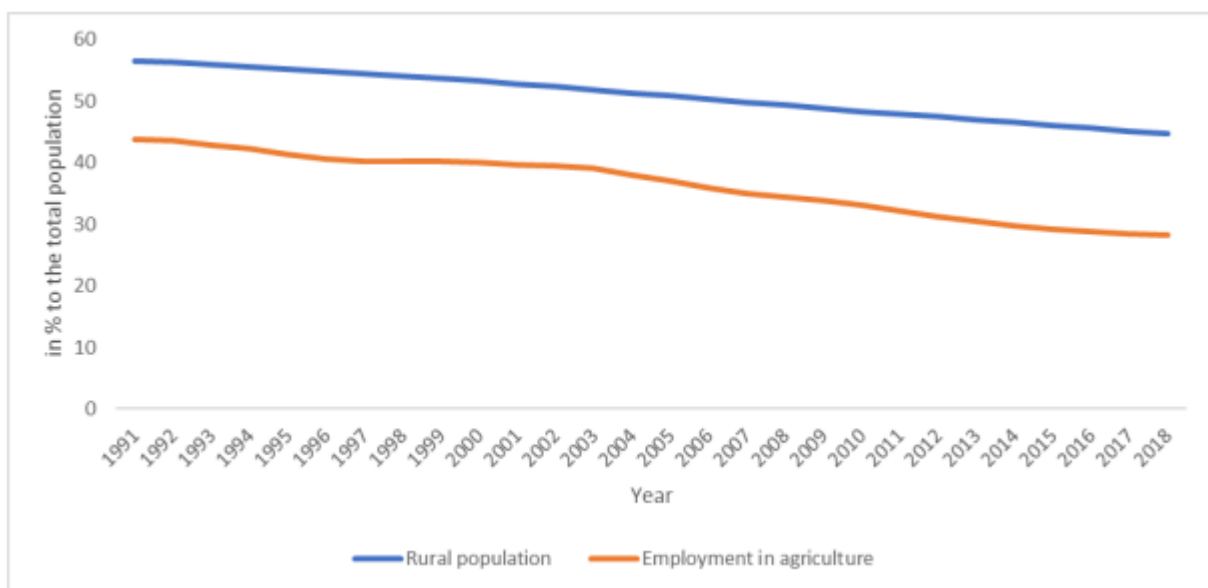


Figure. 1.1 Rural population and employment in agriculture in the world (1991-2018)

According to projections, value generated by the agricultural sector and people will expand at a rate twice as quickly as value created by the industrial sector. India's centre, east, and west regions are increasing at negative rates, although the manufacturing and agricultural sectors are expanding at positive rates. All three of India's regions are growing at the same time. The Middle East and India are seeing the greatest pace of population increase of any region in the globe. This is true in comparison to any other location. In addition, it is anticipated that

during the next 10 years, this region will contribute significantly to the expansion of the economy. Thus, it is anticipated that the region's growing agricultural output will not be sufficient to satisfy the growing demand. This is a prediction that has been made. Strong government support for domestically produced meat will also result in increased imports of feed grain and protein meal. This is especially true in nations where geographical constraints or agroclimatic conditions hinder the growth of agricultural production. This is particularly true in nations whose agricultural output is constrained by these types of circumstances. This is especially the case for countries whose agricultural output is growing, although very slowly. The agrarian revolution meant that the agriculture sector would now have a new influence on a nation's whole economy. This change was brought about by the revolution. Growth in agriculture has been demonstrated to have a major impact on the advancement of industrialization, as seen by the notable strides achieved in these processes by nations like the India States. This is demonstrated by the fact that several countries have made considerable progress in their industrialization processes. The agriculture sector is essential to promoting the economy in order to meet the goal of creating an economy that is a significant supplier of raw materials. There is a deep and significant bond between these two. The conditions under which requirements are sold on the worldwide market continue to worsen, meaning that prospects for increasing revenue from exports are becoming fewer and further between. This is also happening at the same time. This indicates that increased agricultural productivity, particularly in rural regions, improves societal wellbeing. This is how it turned out.

Innovations in rural development

In order to achieve sustainable development, all countries in the world—especially those whose economies are still expanding—must include it while analyzing and formulating their agricultural policies. One problem that has to be addressed by all nations is the lack of a comprehensive national policy framework for sustainable agricultural and rural development, or SARD. There is a widespread issue with this. Every country has to do a thorough analysis of the impact that a plan of this kind would have on the food and agriculture sectors' performance, as well as on rural welfare, food security, and trade connections with other countries. We need to take action in this area. This is necessary to determine which countermeasures, if put into action, have the best likelihood of succeeding.

It is necessary to design a plan that considers sustainability in terms of the environment, economics, society, and technology if agricultural innovation is to be implemented to rural peasants and stay sustainable over time. To ascertain if agricultural innovation can be maintained over time, this is required. Furthermore, the long-term viability of the technology must be considered in this approach. One method to achieve this is by using indicators to support small farmers and local advisers in making resilient, ecologically conscious decisions that take into consideration the unique needs of the community. Numerous techniques can be used to make indicators.

Though they are rarely used, sustainable land management (SLM) techniques and practices offer the potential to stop land deterioration and improve rural populations' quality of life.

Even if they have the skills to assist, this is still true. It is crucial to ascertain the fundamental reasoning for these enhancements and look at the factors that make SLM developments difficult to put into practice. Generally speaking, not enough research has been done on these topics. The maintenance of extension support, financing, market access, land use rights protection, and finance are a few of these restrictions. Enhancing agricultural output is also necessary to stop more outlying development and the disruption of fragile ecosystems. One way to do this would be to halt additional expansion. This is a crucial step in order to efficiently fulfill the projected demand for natural resources in the coming years. Specialized industrial and agricultural systems are becoming increasingly reliant on outside resources, making them more vulnerable to external shocks and fluctuations in the market. The susceptibility resulting from this circumstance is amplified when considering both of these factors. Increasing agricultural intensity through diverse production techniques is crucial to maximize local resource utilization while concurrently reducing risks to the environment and economy. This cannot be completed in any other manner. Agricultural systems are entering a new era marked by the acceptance of scientific innovation, which we are seeing firsthand. Further research on crops and grasses' root crops yields new insights on managing rhizobes, speeding up plant growth, and halting the spread of diseases and pests. The main objective of all these tactics is to stop the spread of diseases and pests. Modern technology that tracks the movements of specific molecules within watersheds have made it possible to dispose of agricultural waste more accurately. This can happen because of the configuration of these systems.

As part of this research, publications that concentrate on the rural areas of the Czech Republic will be analyzed. Finding the elements and measures used in the assessment of the Czech Republic's growth is the study's main goal. Furthermore, identifying the elements and indicators utilized in the process is the primary objective of the research.

Many other elements and metrics, such as those related to the economics, society, culture, and environment, may be used to finish this analysis of rural development. The environmental elements and indicators are included in this list. This may make it difficult to choose the ones that best capture the expansion of rural regions across the nation. There is ongoing disagreement regarding the best way to evaluate rural development, despite decades of research by several authors, scientists, and organizations. Despite having been discussed, this is the situation. Furthermore, this phenomenon is frequently misunderstood by the general population. This also happens with a similar regularity. Regardless of the GDP per capita or regional GDP per capita, progress is frequently seen favorably. Economic growth is gauged by these two indicators. This is especially true for rural areas and the media business. But this approach is inappropriate for several reasons, chief among them being that it provides a very narrow perspective on how to assess a region's growth relative to other approaches. The GDP of the region, which primarily measures economic growth, doesn't provide any information on the living standards of its citizens or about the social, cultural, or environmental advancements that are occurring there. This is accurate as economic growth is the main goal of the gross domestic product. This is so because economic growth is only taken into account by the GDP. Over the past few decades, scholars from a wide range of

nations have criticized the use of GDP per capita as a gauge of growth. It should not be surprising that obtaining the data required to quantify rural development objectively is the main goal of a sizable number of specializations.

The findings drawn on this topic need to take into account two important difficulties, as the state of research in the Czech Republic is still in extremely poor condition. To begin with, it is not quite clear what criteria and measures should be used to assess the degree of success reached by the Czech Republic's efforts to improve its rural areas. This is due to the fact that various region levels have various attributes. The next research objectives represent an effort to rectify the identified deficiencies and provide solutions for the issues raised.

While the Indian government's development agenda has rural development as one of its main goals, there is currently no universally accepted framework for defining and assessing rural development. To begin with, there are substitute synonyms for "development," which further blurs the meaning of the term. This increases the meaning's ethereality and complexity. These categories apply to phrases other than rural, regional, distant, local, and peripheral. There is controversy regarding the definition of a rural area and whether it should be established at a regional or local level (usually municipal). This represents the second issue that requires attention. Regarding economic, social, cultural, and environmental concerns, the member states of the Indian differ greatly from one another. This is the origin of the entire situation. Thirdly, there is disagreement on which of the above-described criteria should be used to define rural development. There is a great deal of disagreement around the use of weights to distinguish between the relative importance of the traits. There is disagreement on these two things.

For example, Spellerberg et al. (2007) defined all districts as rural if their population density is less than 140 individuals per square kilometer and if at least 40% of the population lives in small villages using the methods of the German Federal Office for Building and Regional Planning. This holds true for every district. Every location is dealing with the same scenario. India has a different stance on the idea of rural regions than other countries. For a plot of land to be considered rural, it must be separated from any community that has more than 10,000 persons. This is necessary for classifying rural landscape. Based on the kind of rural area they belong to; rural areas are categorized into one of six groups when the preceding part of the procedure is finished. We believe that this approach accurately depicts the scenario, despite the fact that it may appear too complicated at first. Most seem to believe that the main reason for the continuous debate over the definition is the existence of many classifications for rural areas.

Although there are several definitions of rural areas, the definition provided by the Indian Commission is the most commonly used. This is due to the fact that definition is the most often applied. These definitions are based on techniques from the OECD and Eurostat. A kilometer-square grid cell is used in this regional method of identifying rural areas. If 50% or more of the people living in a region live in rural grid cells, the area is considered mostly rural. This is the definition of a primarily rural region, to put it simply. A maximum

population density of 300 persons per square kilometer and a maximum population of 5,000 people in contiguous cells below the density threshold are two additional requirements that these sites must meet. These locations must fulfill both of these requirements in order to be accepted.

OBJECTIVES

1. Firstly, to do study on the numerous economic factors.
2. In order to explore the elements that have an effect on the development of more rural areas.

METHODOLOGY

The purpose of this article is to identify the causes that contribute to the stress that women experience, to explain the role that women's stress plays in the instability of rural areas, and to also determine the specific distribution pattern that is utilised in the rural areas that are being addressed. All of these objectives will be accomplished by analysing the data presented in this article. Iran's Township Sirvan-Village Ilam province is the focus of the case study that the researcher is doing based on the findings of the investigation. In the course of this examination, both descriptive-analytic methodologies and correlational research approaches were utilised.

The procedure of collecting data entails the preparation of questionnaires that are targeted towards evaluating the amount of psychological discomfort experienced by rural women in the region under examination. A number of characteristics, including "population rate in the rural, natural conditions of rural communities, and also its distance from the city," were utilised in the process of determining the sample size. A total of 240 women were chosen to participate in the research project from each of the six rural districts. The current research investigates two factors that are referred to as "rural women's stress" (Bentley et al., 1999; Boyd et al., 2002; Bullock et al., 2001; Oberoi et al., 2006) and rural stability indicator (Farmer et al., 2003; Marsden et al., 2004). The purpose of this research is to evaluate the significance of these factors and the impact that they have on one another. In order to measure the aspects that were described, a number of indicators were established, and table 1.1 has a presentation of these indicators.

RESULT

As shown in table 1.1, the findings of the research reveal that, according to the Friedman test, there is a significant difference in the average rates of economic, social, and environmental stress. This is because the meaningfulness threshold is less than 0.05 Alfa. If one were to calculate the ranking average of the various types of stress, one would come to the conclusion that the levels of stress that are deemed to be the highest to the lowest among the sample women are social stress, environmental stress, and economic stress. The average rates for these three types of stress are 2.82, 2.12, and 1.05 respectively.

Table 1.1: Friedman's Test Interpretation of the Significance of Stress Variations Among Rural Women

	Samples	Standard Deviation	Numeral Mean	Ranking Mean
Economical	240	0.83	0.91	1.05
Social	240	0.83	2.20	2.82
Environmental	240	0.93	1.77	2.12
Chi- Square	377.655			
Df	2			
Sig	0.000			

According to the results of the Tukey test, the community that was investigated in terms of the different types of stress may be classified into three distinct groups.

Table 1.2. According to the Tukey test, some of the many types of stress experienced by women are categorised

Kind of Stress	Samples	Sig		Categories for 0.05 α	
			Social Stress	Environmental Stress Economical Stress	
Economical	240	1.000	2.19	1.77	0.91
Social	240	1.000			
Environmental	240	1.000			

Sarab, with an average rate of 170.70, and Choobderaz, with an average rate of 63.34, are the most and the least stressed rural people, respectively, according to the results of the cluster categories of the sample rural population concerned stress levels. There is one high stressed rural population, two mid stressed rural communities, and three low stressed rural communities. There are four mountainous regions and two valleys among the six researched rural areas, according to the surveying investigations. Two valleys, Sarab and Cheshmerashed, both of which are located in rural areas, are among the low stress distributed ones.

Table 1.3: Rural Areas Divided Into Stress Types

	Rural	Stress Mean
Low Stressed Rural	Chesman	71.12
	Choobderaz	63.34
	Cheshmekazane	64
Mid Stressed Rural	Ghanatabad	149.21
	Cheshmerashed	165.21
High Stressed Rural	Sarab	170.70

The results of the cluster categories of sample rural communities concerning stability, which include high stability, mid stability, and less stability, show that Sarab is the only one with high stability, two rural areas such as Cheshmerashed and Cheshmekazane are considered to be of mid stability, and Cheshmepahn, Choobderaz, Ghanatabad, and Cheshmekazane are considered to be of less stability.

CONCLUSION

The study's findings indicate that, while undertaking an analysis of rural development, this is because rural places have unique characteristics that set them apart. Furthermore, it is vital to employ both factual and subjective data to have a deeper comprehension of the rural areas that are being studied. This is demonstrated by the fact that the two forms of data originate from various sources. But at the moment, there is not enough subjective data from rural areas, thus this strategy cannot be implemented. It is advised, in light of this finding, to carefully gather subjective data from local participants in order to learn about the opportunities, problems, and general changes in the rural development of the region. Getting information from local actors is one way that this data may be obtained. Acquiring this data is also required in order to organize it into a database containing this sort of information. By utilizing this database, one may assess the direction of growth in a particular subject and ascertain the long-term possibilities for the current study topic. But when this bottom-up approach is implemented, vital information is obtained from local players (mayors of the town, heads of Local Action Groups, etc.). These people are usually thought to have made the biggest contributions to the process of rural development. They have worked in rural regions for a large amount of their lives, thus they are aware of the opportunities for the area's improvement. Because of this, it is crucial that these specific stakeholders participate in the process of creating a plan for the development of rural areas.

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