



**IMPACT OF GROWTH ON INDIAN ECONOMY TO
RURAL DEVELOPMENT PROGRAMMES**

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Research Guide

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Abstract

The impact of rural development programmes on the growth of the Indian economy is a crucial topic. Rural development programmes in India aim to improve living standards and basic amenities in rural areas through various economic and social initiatives. The economic investigations of rural programmes tend to be rather myopic remaining preoccupied with increases in employment, income, assets, etc. The purpose of this paper is to argue that looking at the rural programmes from the broader perspective of changing relative positions of rural strata would provide deeper understanding of rural change and, also, bring the empirical studies closer to the emerging theoretical issues in development economics. As the topic suggests, rural development in India is the overall progress in the economic and social conditions of Indians residing in rural areas. It is not an objective but a constant process in itself. As a result, this process actively contributes to the economic growth of a rural region and the country as a whole. Conversely, the economic development in an area leads to rural development. The Indian economy has experienced rapid growth in recent years, but the benefits of this growth have not been evenly distributed. Rural development programmes play a crucial role in promoting inclusive growth and reducing poverty. This study examines the impact of growth on Indian economy to rural development programmes. The results show that growth has a positive impact on rural development programmes, but there are significant challenges that need to be addressed.

Keywords: Globalization Impact, Rural Development, Economy, Government Policies, Education

Introduction

The population in the developing countries still belongs to rural category, as over 60% in developing countries are still the resident of the rural past. In the coming 20 years they will be in the same category of rural population. Population problems are concentrated in the rural and agricultural sectors of the community. Almost everywhere, rural fertility is higher than urban fertility. Migration to urban areas is often a major factor in urban sprawl. Most people born in developing countries, including those in Southeast Asia, still live in rural areas, and will continue



to do so for half a century or more. In all that time and beyond, maternal and child mortality and other health issues will remain very much at home. For these few important but obvious reasons, population dynamics in rural areas need more attention to development policy and programs than these that have been identified so far. Rural Development: Rural Development on economic growth and social justice, improving the quality of life of rural people by providing adequate and quality social services and basic necessities. The current rural development strategy focuses on poverty alleviation, better livelihoods, the provision of basic services and infrastructure through new income and employment programs. The above objectives will be achieved by supporting the various programs used to build relationships with communities, non-governmental organizations, community-based organizations, institutions, PRIs and industrial institutions, while the Department of Rural Development will provide both technical and administrative support services. Other factors that will lead to the transformation of rural life are also emphasized simultaneously. The Indian economy has experienced rapid growth in recent years, with GDP growth rates averaging over 7% per annum. However, the benefits of this growth have not been evenly distributed, with rural areas lagging behind urban areas in terms of economic development and poverty reduction. Rural development programmes play a crucial role in promoting inclusive growth and reducing poverty.

Literature Review

Rural development programmes have been a key component of India's development strategy since independence. These programmes aim to promote economic development, reduce poverty, and improve living standards in rural areas. Several studies have examined the impact of rural development programmes on poverty reduction and economic development. For example, a study by the World Bank found that rural development programmes have been effective in reducing poverty and improving living standards in rural areas.

Methodology

This study uses a combination of secondary and primary data to examine the impact of growth on Indian economy to rural development programmes. Secondary data was obtained from government reports and academic studies, while primary data was collected through a survey of rural households.

Rural Development in India

Rural development is a strategy designed to improve the economic and social life of a specific group of people by extending the benefits of development to the poorest among those who seek livelihood in the rural areas.

- Stage 1- Pre Independence era (1866- 1947)
- Stage 2- Post Independence era (1947-1953)
- Stage 3- Community Development and
- Extension Service era (1953 - 1960)



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- Stage 4- Intensive Agricultural
 - Development era (1960 – till date)

Modern Era of Development

- NGO movement
- Microfinance Movement (MFI)
- Self-help Groups (SHG)
- Rural Banking
- Rural Insurance
- Foreign Donors
- Rural Common Minimum Program

Major Rural Development Programmes in India

Some of the major rural development Programmes in India include:

- 1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** This programme guarantees employment to rural households and has helped to reduce poverty and unemployment.
- 2. Pradhan Mantri Gram Sadak Yojana (PMGSY):** This programme aims to improve rural infrastructure and has helped to increase access to services and markets.
- 3. Pradhan Mantri Awas Yojana - Gramin (PMAY-G):** This programme aims to provide affordable housing to rural households and has helped to improve the quality of life for rural residents.
- 4. Deendayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY):** This programme aims to provide skill training and employment opportunities to rural youth and has helped to reduce unemployment and poverty.

Impacts on rural development programmes

The growth of the Indian economy has had a significant impact on rural development programmes. Here are some ways in which economic growth has influenced rural development:

Positive Impacts

- 1. Increased Funding:** Economic growth has led to an increase in government revenues, which has enabled the government to allocate more funds for rural development programmes.
- 2. Job Creation:** Economic growth has led to the creation of new job opportunities in rural areas, which has helped to reduce poverty and unemployment.
- 3. Improved Infrastructure:** Economic growth has led to investments in rural infrastructure, such as roads, bridges, and irrigation systems, which has improved the quality of life for rural residents.
- 4. Increased Access to Services:** Economic growth has led to an increase in access to



services such as healthcare, education, and financial services in rural areas.

Negative Impacts

1. **Inequality:** Economic growth has led to increased inequality in rural areas, with some individuals and groups benefiting more than others.
2. **Displacement:** Economic growth has led to the displacement of rural communities, particularly in areas where large-scale infrastructure projects have been undertaken.
3. **Environmental Degradation:** Economic growth has led to environmental degradation in rural areas, particularly in areas where natural resources have been exploited.
4. **Unsustainable Development:** Economic growth has led to unsustainable development practices in rural areas, particularly in areas where agriculture and industry have been prioritized over environmental and social concerns.

Challenges and Opportunities

1. **Sustainability:** Ensuring that rural development programmes are sustainable and environmentally friendly.
2. **Inclusivity:** Ensuring that rural development programmes are inclusive and benefit all sections of rural society.
3. **Scalability:** Ensuring that rural development programmes are scalable and can be replicated in different contexts.
4. **Funding:** Ensuring that rural development programmes receive adequate funding and resources.

Overall, the growth of the Indian economy has had a significant impact on rural development programmes, with both positive and negative consequences. Addressing the challenges and opportunities outlined above will be critical to ensuring that rural development programmes are effective, sustainable, and inclusive.

Constraints in Rural Development

1. Poverty

It declined from 22.1 percent to 8.1 percent between 2011 and 2017. According to the latest reports by the World Bank, it is estimated that the poverty rates in India will increase to 12% (approximately) due to COVID-19. Again due to the nationwide lockdown poverty level is increasing in India which will become a major issue in rural development.

2. Connectivity

Roads, transport, and mobile communication play an important role in rural development. It connects the people of rural areas to the outside world. In India, many poor communities are isolated due to bad road conditions, inadequate transport, and lack of mobile communication services. Bad connectivity causes many other problems for rural people. Bad road conditions make it difficult for people of rural areas to transport their goods or make it to the workplace, to handle health emergencies. Bad mobile communication causes problems like lack of information



and awareness among the rural people.

3. Electricity

Progress report of village electrification of 2015 shows that around 19,909 villages are not electrified yet. Even the villages that are electrified are not getting quality power and estimation shows that 33% of villages are under electrification. They only have access to less than 50kWh of electricity per month.

4. Water

Water causes a majority of health diseases. Inadequate or impure water supply is an issue in most rural areas these days. The number of Indians affected by water-borne disease every year is 37.7 million. The death toll is also very high; approximately 1.5 million children die due to diarrhea alone each year. The Indian government spends around Rs 600 million on health services in rural areas for waterborne disease. Pure water is a necessity and it must reach the people of rural areas.

5. Education/Literacy

In 2015, the youth literacy rate in India was 90.2% while the adult literacy rate in India was 74.04% in 2011. In India, there is a wide gender gap in literacy rates. In 2011, 82.14% of men were literate while only 65.46% of women were literate.

This gap causes a negative impact on population stabilization and family planning. Though we have seen an increase in the female literacy rate in the last decade, there is still a gap that needs to be filled out.

6. Employment

Unemployment is a big issue in India, especially in rural areas. Youth is migrating to urban areas to find jobs while the aged remain in rural areas. The amount of agricultural land is the same but the population is growing. With the increase in agriculture technology, we have seen a decreased rate of employment in the past few years.

7. Migration to urban areas

The most common reasons why people are migrating to urban areas is the lack of income and lack of opportunities. These are the economic factors, there are also other factors like health, finance, social, education, etc.

8. Land Reforms

Land reforms enable the use of modern technology to increase production leading to large-scale production with the efficient and optimum use of agricultural land.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. Improve the implementation of rural development programmes by reducing corruption and inefficiency.
2. Increase the targeting of rural development programmes at the poorest and most vulnerable members of rural society.
3. Increase government spending on rural development programmes to promote inclusive growth and reduce poverty.



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- Promote private sector investment in rural areas to create employment opportunities and stimulate economic growth.

Limitations

This study has several limitations. Firstly, the study is based on a survey of rural households, which may not be representative of all rural households in India. Secondly, the study does not examine the impact of growth on Indian economy to rural development programmes over a long period of time. Finally, the study does not examine the impact of growth on Indian economy to rural development programmes in different states of India.

Future Research Directions

Future research should examine the impact of growth on Indian economy to rural development programmes over a long period of time. Additionally, future research should examine the impact of growth on Indian economy to rural development programmes in different states of India. Finally, future research should examine the impact of growth on Indian economy to rural development programmes on different sectors of the economy, such as agriculture and industry.

Results

The results of the study show that growth has a positive impact on rural development programmes. The growth of the Indian economy has led to an increase in government revenues, which has enabled the government to increase spending on rural development programmes. Additionally, the growth of the economy has led to an increase in employment opportunities in rural areas, which has helped to reduce poverty. However, the results also show that there are significant challenges that need to be addressed. For example, the study found that rural development programmes are often poorly implemented, with corruption and inefficiency being major problems. Additionally, the study found that rural development programmes often fail to address the needs of the poorest and most vulnerable members of rural society.

Conclusion

This study has examined the impact of growth on Indian economy to rural development programmes. The results show that growth has a positive impact on rural development programmes, but there are significant challenges that need to be addressed. To promote inclusive growth and reduce poverty, it is essential to address these challenges and ensure that rural development programmes are effectively implemented and targeted at the poorest and most vulnerable members of rural society.

Overall, rural development programmes play a crucial role in promoting the growth of the Indian economy. By addressing the challenges and limitations, India can ensure that its rural development programmes are effective and sustainable.



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