



Fostering Rural Growth

This article is based on [“Fostering rural India’s growth”](#) which was published in Hindustan Times on 09/11/2022. It talks about issues related to Rural India and major developmental roadblocks.

For Prelims: 73rd Constitutional Amendment Act, Eleventh Schedule, National Statistical Office (NSO), Consumer price inflation (CPI), Feminisation of Agriculture, Pradhan Mantri Kaushal Vikas Yojana, Pradhan Mantri Matru Vandana Yojana, Mahatma Gandhi National Rural Employment Guarantee Act, Provision of Urban Amenities to Rural Areas (PURA).

For Mains: Constitutional Provisions Related to Rural Development in India, Major Issues Related to Rural Spheres in India, Recent Government Initiatives Related to Rural Empowerment.

India is predominantly a **rural country** with **two third population** and **70% workforce residing in rural areas**. [Rural economy](#) constitutes **46% of national income**. Thus growth and development of rural economy and population are a key to overall growth and inclusive development of the country.

Contrary to the common perception about **predominance of agriculture in the rural economy**, about **two third of rural income is now generated in non agricultural activities**.

However, the impressive growth of the non-agricultural sector in rural India has not brought significant **employment gains** or reduction in disparity in worker productivity. This underlines the **need for a new approach** to direct the transition of the rural economy.

What are the Constitutional Provisions Related to Rural Development in India?

- **Directive Principle of State Policy: Article 40** of the Constitution which enshrines one of the [Directive Principles of State Policy](#) lays down that the **State shall take steps to organise village panchayats** and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.
- **73rd Constitutional Amendment Act:** Panchayati Raj Institutions was constitutionalized through the [73rd Constitutional Amendment Act, 1992](#) to build **democracy at the grass roots level** and was entrusted with the **task of rural development in the country**.
- **Eleventh Schedule of the Constitution:** It places as many as **29 functions** within the purview of the Panchayati Raj bodies including **agricultural extension, land improvement, implementation of land reforms etc.**
 - Panchayats are empowered to **prepare plans for economic development and social justice** in respect of subjects as devolved by law to the various levels of Panchayats **including the subjects as illustrated in [Eleventh Schedule](#)**.

What are the Major Issues Related to Rural Spheres in India?

- **Lack of Educational Enlightenment:** The school education in rural India is mostly dependent on **Government and Government aided schools**. For rural India, the journey of education is not easy.
 - Students from rural schools either have **no access or lack of access to advanced learning tools** such as [digital learning](#), **computer education**, and **non-academic books**.
 - Also, families from rural areas are always in **financial burden** due to various reasons. For them **education for their children becomes the second priority**, that's why they are **forced to participate in income generation** activity for their survival.
- **Lack of Effective Administration:** The biggest problem in the way of successful rural development in India is a **lack of transparency in the administration system**.
 - In these areas, corruption thrives due to a lack of political awareness. The **accountability mismatch** between **special purpose agencies** and [panchayats](#) also contributes to this problem.
- **Rural-Urban Water Conflict:** Cities are rapidly expanding as a result of rapid urbanisation, and a large influx of migrants from rural areas has increased the **per capita use of water in cities**, which is causing **water to be transferred from rural reservoirs** to urban areas to meet the deficit and posing a risk to rural areas in meeting their water needs.
- **Rural Inflation:** The inflationary pressure in the economy is **impacting rural India more than its urban counterpart**.
 - Data from the [National Statistical Office \(NSO\)](#) reveals that [consumer price inflation \(CPI\)](#) **has grown at a higher rate in the rural areas** compared with the urban areas.
 - For instance, the **inflation rate for cereals** in rural areas increased to **10.08%** during August 2022, compared to **8.65%** for urban areas.
- **Unplanned Migration: Unplanned rural to urban migration**, particularly in search of better economic opportunities, is putting severe pressure on urban amenities and forcing a large number of low wage migrants from rural areas to live in unhygienic and deprived conditions.
 - It is also leading to [feminisation of agriculture](#) in India.
- **Lack of Fiscal Autonomy:** Panchayats have very little fiscal autonomy. **Grama Panchayats have only limited powers with regard to setting tax rates** and revenue base since broad parameters for such exercises are fixed by the state government.
 - Resultantly, the **extent of vertical gap and volume of conditional grants are much higher**.
 - It reduces the [fiscal autonomy](#) of the Grama Panchayats and allows only feeble scope for freedom of borrowing and development.

What are the Recent Government Initiatives Related to Rural Empowerment?

- [Deen Dayal Upadhyay Grameen Kaushalya Yojana](#)
- [Pradhan Mantri Kaushal Vikas Yojana](#)
- [Pradhan Mantri Matru Vandana Yojana](#)
- [Mahatma Gandhi National Rural Employment Guarantee Act](#)
- [National Rural Livelihood Mission](#)
- [Pradhan Mantri Awas Yojana](#)

What Should be the Way Forward?

- **Empowered Women- Empowered Nation:** Rural women are **torchbearers for social, economic and environment transformation for the 'New India'**.
 - Empowering and mainstreaming rural women workforce in agriculture can bring a paradigm shift towards rural economic growth.
 - It will enhance [food and nutrition security](#) and also a win-win strategy for achieving [Sustainable Development Goals by 2030](#).
- **Farm-Factory Approach:** Incentives must be provided to [food processing industries to set up in rural areas](#), and processing must be linked to transportation through efficient value chains.
 - In addition, **contract farming and direct farm-factory connections** offer considerable

potential for **rural income security**.

- **Digitised Rural Space:** Digitalisation in rural space and [Local e-governance](#) will be critical to making **650,000 villages and 800 million citizens self-sufficient**.
 - Through active collaboration between the public and private sectors, a rural knowledge platform can be built that will bring **cutting-edge technology deeper into villages and create jobs**.
 - [Artificial Intelligence](#) can be used to facilitate smart and precise agriculture.
- **Towards Fiscal Prudence:** Panchayats should have more **fiscal autonomy to manage their finances and developmental affairs**. Also, to finance the rural development models, **'Atmanirbhar Village bonds'** could be issued to **raise resources**.
- **Embracing Kalam's Vision:** Former President **APJ Abdul Kalam** had proposed the concept of [Provision of Urban Amenities to Rural Areas \(PURA\)](#) whose objective goes beyond the mere creation of economic infrastructure and employment opportunities in rural areas.
 - To further this paradigm, **access to good housing, including housing amenities, should become a priority**.

Drishti Mains Question

Explain how the inflationary pressure is impacting rural India more than its urban counterpart. Also, suggest solutions to major challenges related to rural development in India.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q1. Which of the following grants/grant direct credit assistance to rural households? (2013)

1. Regional Rural Banks
2. National Bank for Agriculture and Rural Development
3. Land Development Banks

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (c)

Q2. How does the National Rural Livelihood Mission seek to improve livelihood options of rural poor? (2012)

1. By setting up a large number of new manufacturing industries and agribusiness centres in rural areas
2. By strengthening 'self-help groups' and providing skill development
3. By supplying seeds, fertilisers, diesel pump-sets and micro-irrigation equipment free of cost to farmers

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

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