



Rural Development in India: Issues and Challenges

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ABSTRACT

India is one of the largest populated countries. Indian economy is developing and stands 5th on the global rank. The contribution of the rural economy is prominent as a vast population is still an inhabitant of rural areas. The rural economy is governed by agricultural practice. Therefore, it contributes substantially to the Indian economy. As it is involved in revenue generation. However, the industrial revolution generated a nexus for other fundamental elements of the economy. Rural areas are generally an underdeveloped area. But looking at the current scenario of a pandemic, the Indian rural economy is being the backbone. As massive reverse migration is seen during the COVID situation, knowing that the village lifestyle is cheap and sustainable. The rural economy encompasses agricultural, forestry, fishing and aquaculture, handicrafts, dairy, tourism, mining, transport, trade, repair and construction, community and personal services. The challenges in rural areas are massive. Some general challenges are Illiteracy, unemployment, malnutrition, lack of infrastructure, transportation, medical facility, fundamental needs (electricity, drinking water, sanitation, communication), and geographical inaccessibility. While person-specific challenges are carelessness towards knowledge, equipment, storage facilities, limited access to advanced tools, logistics, financial constrain, migration for employment, traditionalism, and conservatism. In general, a rural area or countryside is a geographic area that is located outside towns and cities with less number of facilities like services and amenities. "All population, housing, and territory not included within an urban area. Whatever is not urban are considered rural." (U.S. H.H.S). Rural areas as those areas with a population of less than 49,000 (tier-3 to tier-6 cities) typical rural areas have a low population density and small settlements (RBI). Almost 70% of India's population living in rural areas contribute to a great chunk of the Indian economy. In

rural areas, a large number of populations are dependent on agriculture for their income. Though different countries have different definitions of rural for statistical and administrative purposes, all these rural areas are equally important for the sustainable development of the country and the rural system development should be considered as a part of the country's development. But due to a lack of concern for the development of the rural system, people in these areas are plagued with many problems and the rural system of the country is getting crippled day by day. To achieve the overall development of the nation there is a need to concentrate more on the rural areas to implement the policies and development measures. There are several barriers to the development of the rural areas, to alarm the decision-makers, policymakers, and planners regarding the challenges of the rural system it is necessary to study the problems. The major problems that have been identified by literature review in many rural areas are poverty, illiteracy, unemployment, homelessness, crime, social evils, lower living standards, lack of facilities, services, and health. From the past 20 years in India, there is rapid growth and development in cities and urban but not in rural areas, this is the main factor for out-migration from rural areas to urban areas. For India's economy to be strong the rural economy needs to grow (World Bank) but rural areas are plagued with numerous problems like illiteracy; unemployment, and lack of basic infrastructure like schools, colleges, hospitals, sanitation, etc., Many policies and programs are implemented by the government organizations with the major objective to promote the well-being of rural communities, but some of these problems directly or indirectly responsible for the mismanagement of policies, schemes, and programs. If these problems are not addressed properly, they further increase and completely affect the rural system and negatively

impact the complete balance of the country's development. This research paper mainly aims to discuss the problems of the rural areas in four main components they are problems related to people, agriculture, infrastructure, economy, leadership, and administration these problems guide to the conclusions why they must be concerned and the need to address them in planning and development of rural areas.

Keywords: rural, development, India, economy, services, organizations, government, leadership, schemes

INTRODUCTION

People in the rural areas definitely lead a simple life. But that does not mean that there are no problems in their lives. Rural areas have a range of problems related to their social and economic conditions as well as other infrastructural facilities, healthcare, education and a lot more. India having a huge population and a great extent of rural areas, managing and addressing these issues can be a really challenging task.[1]

Lack of Education Facilities

One of the key problems existent in the rural areas of India is a major lack of education facilities. A huge portion of the rural population of India continue to remain uneducated even in today's time. The educational infrastructure is seriously poor in India and a huge number of villages in India do not even have schools. Even if some villages have schools, a lack of infrastructure leads to these existing schools not having any or adequate teaching and non-teaching staff. A lot of educational facilities are not in working conditions as well. When talking about the key issues of rural areas of India, it must be mentioned that every factor is related to each other and also greatly affects another. For instance, the lack of education in these areas leads to poor economic growth. Not just that, it is also a reason that has contributed to the increase in traditionalism, and superstitious beliefs among the people living in rural areas. Due to a lack of formal education, rural people also have lesser chances to qualify for a job.

Not Enough Civic Amenities

India has huge extents of rural areas, as said earlier and it is pretty challenging to provide all such areas with adequate civic amenities. The basic most necessary civic amenities include medical facilities, transport facilities, medical facilities, as well as communication facilities like radio, TV, newspaper, telephone, etc. Most of these are not available in the

rural areas, or even if it is, it is not up to the expected quality that can satisfy the people. Sometimes it becomes difficult for the rural people to get the daily required necessities of life.

Economical Issues

Rural India has a pretty bad economic condition. This has been a result of years of colonial rule as well as a number of other factors. Amongst key factors are the huge increase in population in India as well as a lack of education. More than 40% people are living below the poverty line in India and a majority of them are from the rural parts of the country. Other factors that have caused an economic crisis in these areas include disintegration of joint families which leads to subdivision and fragmentation of land holding, huge load on land, as well as traditional methods of cultivation, unemployment and other factors.

Social Issues

Illiteracy and poverty have their own fallacies. These two things being very prevalent in rural areas has led to a lot of problems and social issues in rural India. It can be said that rural people have become victims of bad habits and practices. Poor societal structure and a range of other issues have led rural people to adopt a range of bad habits. Other issues like untouchability and caste discrimination has led to a huge issue in rural areas. These raging social issues are also a major issue in the way of rural development in India. Not just that, the traditionalism of rural people is also a big issue. It is a fact that the majority of the rural population in India are traditional and custom-bound. Not just that, education is not adequate, and most of them being superstitious gets in the way of development. Rural people are also skeptical regarding the development programmes of the government and do not easily accept changes.

Faulty Administration

The biggest problem in the way of successful rural development in India is a faulty administration system. While there's a lack of education and political awareness in these areas, a corrupt or faulty administration system leads to further grievances for the rural people. The inefficient functioning of the rural administrative bodies is a major hurdle that led to poor development of rural areas in India.

Not just that, the rural administrative bodies have also been criticised in the past as inefficient, defective, and corrupt. This is one of the major areas that need to be addressed to ensure proper rural development in India. With the above causes mentioned, there are different

issues and challenges that need to be addressed to ensure proper and successful rural development in India. Let us take a look at these aspects.

Unemployment

The first condition that needs to be rectified is unemployment in rural areas in India. Unemployment is a major issue in rural areas in India. Being unemployed, rural people are not able to generate a source of income and would naturally experience poverty. Lack of sufficient financial resources to meet the living requirements of a person's family, leads to a majority of issues. Authorities need to increase the involvement of rural people in minority jobs. While agriculture and farming practices are regarded as the primary occupations of rural people in India, they also need additional job opportunities for sustenance and all-round development.[2]

Education

The root to a majority of problems in rural areas is inadequate education. This is why, education is one of the key areas that needs to be looked into while aiming for the development of rural areas. With the growth of education facilities individuals can get the basic literacy skills of reading, writing and arithmetic. Not just that, with better literacy skills, they would also have better abilities to take up a job or achieve employment. Education will also lead to awareness and people can step up with better decisions for themselves and their sustenance. It will definitely make for better economical conditions in the longer run. That being said, when we say education, the key area that needs to be addressed is the schooling of young minds. Rural areas lack enough schools and proper schooling facilities. This is one of the key areas that needs to be looked into. Improvement in the schooling infrastructure in the rural areas of India will lead to sustainable growth and development of rural areas in the near future. With better education, the future generations will have access to better financial resources which will lead to a better life and living conditions.

Health Care Facilities

It is unfortunate that rural people in India do not have access to proper and adequate health care facilities. It is one of the key areas that need to be addressed and looked into while aiming for the growth and development of rural areas. It is one of the basic responsibilities of the government and good health care facilities is something that is essential for rural development in India. Rural development in India is one of the key areas that need to be addressed in

modern times. India needs it and the government needs to take proactive measures to lead to the development of rural areas and the living conditions of rural people. Rural development in India is possible and can be done when the right initiatives are taken for the development of the social, economic and living conditions of the people living in the region.[3]

Discussion

Rural development usually refers to the method of enhancing the quality of life and financial well-being of individuals, specifically living in populated and remote areas.

Traditionally, rural development was centred on the misuse of land-intensive natural resources such as forestry and agriculture. However today, the increasing urbanisation and the change in global production networks have transformed the nature of rural areas.

Rural development still remains the core of the overall development of the country. More than two-third of the country's people are dependent on agriculture for their livelihood, and one-third of rural India is still below the poverty line. Therefore, it is important for the government to be productive and provide enough facilities to upgrade their standard of living.

Rural development is a term that concentrates on the actions taken for the development of rural areas to improve the economy. However, few areas that demand more focused attention and new initiatives are:

- Education
- Public health and Sanitation
- Women empowerment
- Infrastructure development (electricity, irrigation, etc.)
- Facilities for agriculture extension and research
- Availability of credit
- Employment opportunities

Rural development is important not only for the majority of the population residing in rural areas, but also for the overall economic expansion of the nation.

Rural development is considered to be of noticeable importance in the country today than in the olden days in the process of the evolution of the nation. It is a strategy that tries to obtain an improved and productivity, higher socio-economic equality and ambition, and stability in social and economic development.

The primary task is to decrease the famine that exists in roughly about 70 percent of the rural population, and to make sufficient and healthy food available.

The secondary task is to ensure the availability of clothing and footwear, a clean environment and house, medical attention, recreational provision, education, transport, and communication.

The objectives composed by the government in the sixth five-year plan for rural development are:

- To improve productivity and wages of rural people
- To guarantee increased and quick employment possibilities
- To demolish unemployment and bring a notable decline in underemployment
- To guarantee an increase in the standard of living of the underprivileged population
- To provide the basic needs: elementary education, healthcare, clean drinking water, rural roads, etc.

Rural development and its importance

(A) Meaning	<ol style="list-style-type: none"> 1. Rural development means an action plan for the economic and social upliftment of rural areas. 2. It aims at improving the quality of life of people living in rural areas. 3. It focuses on the action for the development of areas that are lagging behind in the overall development of the rural economy.
Rural development is important because of the following reasons:	
(i) A large proportion of population is living in rural areas	<ol style="list-style-type: none"> 1. Rural people account for about 3/4th (75%) of the total population. 2. In 2016, 68.84% of the population accounted for the rural population. 3. They have always lagged much behind the overall progress of the economy.
(ii) Agriculture: Major source of livelihood	<ol style="list-style-type: none"> 1. Agriculture is still a major source of livelihood in rural areas. 2. More than two-third of India’s population depends on it. 3. So, the development of agriculture will contribute to the betterment of rural areas and rural people.
(iii) Lack of basic necessities	<ol style="list-style-type: none"> 1. Majority of poor people live in rural areas. 2. They do not have access to basic necessities of life like food, health facilities, sanitation, etc.

The key issues in rural development are:

(1) Development of infrastructure	<ul style="list-style-type: none"> ● There is a lack of infrastructure in rural areas. ● Infrastructure development like electricity, irrigation, credit, marketing, transport facilities, etc., needs to be addressed.
(2) Reduction of poverty	<ul style="list-style-type: none"> ● The reduction of poverty is important because rural areas have the maximum poverty. ● Around 30% of the population is below the poverty line; this figure reduced to 21.92% in 2012. ● There is a serious need of taking steps for the alleviation of poverty.
(3) Development of health facilities	<ul style="list-style-type: none"> ● Rural areas lack proper health facilities. ● Better health facilities are necessary for physical growth of individuals.

(4) Development of productive resources	<ul style="list-style-type: none"> ● Productive resources of each locality need to be developed to enhance employment opportunities. ● It will help in diversification of production activities with a view of finding an alternative means other than crop cultivation to sustain life.
(5) Development of human resources	<ul style="list-style-type: none"> ● There is a need to improve the quality of human resources in rural areas. ● It can be done by improving the literacy rate (especially female literacy), skill development, industrial training, etc.

Results

Rural development has a significant impact on the economic growth of the country. The rural economy comprises 71% of the total population of India. Agriculture and allied activities are the main sources of income and this primary sector which contributes almost 25% of India's GDP. India is at that stage of its development where bold policy decisions have the potential to accelerate its economy and thus lead hundreds of millions out of poverty and into prosperity. After a long time rural development has assumed global attention especially among the developing nations. A country like India where verily 70% of the people live in rural areas has great significance. Rural development as an integrated concept of growth and development has been of paramount concern in India. The role the government has to play ahead for rural development is to ameliorate the standard of living of the rural people. This present paper attempts to review critically the current rural conditions of India, and study the problems and prospects of the villages with a special reference to the vast rural population. Despite diversification, agriculture remains an essential source of income, directly and indirectly. Measures for rural development cannot be effective without significant capacity building and institutional support.[4]

The National Rural Livelihood Mission (NRLM) is a poverty alleviation programme of the Ministry of Rural Development that aims to bring at least one woman from each poor, rural household into the self-help group (SHG) network, and enable them to access gainful self-employment and wage employment opportunities by providing them with microfinance. An important component of NRLM is bank linkage of women SHGs to ensure access to hassle-free loans and other banking products and services for livelihood activities, which they lack individually because of their poor economic status. However, the emphasis is merely on achieving the annual targets² of the number of SHGs provided with cash credit by each bank branch in the district, and not on the effective usage of

these loans. What is often ignored is the difference between 'forced lending' and 'demand-based lending'. Due to a lack of micro planning, the loan money is often used for unproductive purposes rather than for undertaking a remunerative semi-skilled/skilled activity. The focus on achieving the annual target in the last quarter of the financial year further contributes to the 'forced' nature of the credit linkage.

As a result many SHGs fail to make timely repayments. This is a lose-lose situation as on the one hand, it leads to an increase in Non-Performing Assets (NPA) of the banks, which in turn makes them reluctant to further lend to this segment; on the other hand, the SHGs become debt-ridden due to unwise use of loans.

Skill training under NRLM: End in itself?

To fulfil the livelihood training objective of NRLM, many trainings for skill development are organised by the district administration to enable SHGs to undertake skilled and high-income activities such as tailoring, incense stick making, gardening, running canteens etc. With a sound business proposal it becomes easier for them to 'cajole' bank managers to approve their loan proposals.

However it is a sad fact that instead of being a means to enhanced income and improve livelihood, the trainings merely become an end in themselves with neither side taking the learnings forward to ensure that the trainings result in successful livelihood projects.

MNREGA: Guidelines vs. practice

Huge gaps exist in the implementation of programmes vis-à-vis their guidelines. For instance, the Intensive Participatory Planning Exercise (IPPE) guidelines for preparing labour budgets³ under MNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) mandate that the block planning teams responsible for conducting household surveys should have a female member who would be the representative of upa

sangha (women SHGs representative body at the gram sansad⁴ level) to ensure convergence between MNREGA and IPPE. However, the actual composition of planning teams is not uniform across blocks and in many cases female representatives are missing. This leads to the question of how participatory, in reality, the IPPE has been?

Lack of wider community participation in preparing social and resource maps⁵ as a part of the IPPE exercise, as mandated by the guidelines, again lead to the exclusion of demands of the most vulnerable.

Human resource crisis: Cliché or reality?

Often human resource shortage is cited as the reason behind poor development in remote and conflict-affected areas. While it is true to an extent that the district administration in difficult areas is constrained by the lack of manpower, what is of concern is how efficiently the existing human resources are utilised.

In this context, the ambitious fellowship programme of the Ministry of Rural Development called Prime Minister's Rural Development Fellowship (PMRDF). The PMRDFs are highly qualified and self-motivated young professionals appointed for a period of 2-3 years to work as development catalysts with district administrations in the most backward districts in the country. The fellows are completely at the disposal of the district magistrate who can involve them in any works related to rural development.

With manpower crunch, it is expected that the PMRDFs would be 'utilised' well by the district magistrates in planning, execution and monitoring of various works in the district. However in reality, there is a huge disparity in the way the PMRDFs are being treated by the district administration and how they function. While in some districts that are led by motivated and proactive district magistrates, the PMRDFs have made significant contributions to the district administration, in many other districts, they are not being utilised as per their calibre and have ended up as glorified clerks preparing note sheets.

Another area of concern in this context is the quality of training imparted to the cadre of workers appointed to work at the grassroots level. For example, in Purulia district of West Bengal, there has been a lot of recruitment of ground staff under NRLM in the past year. These include community service providers (CSP), sangha coordinators⁶ (SC) and district-level trainers (DLT), who are the key players in ensuring the success of the programme. However due to lack of effective training programmes for the staff and no

objective performance appraisal format, they are hardly able to make significant value addition. Also, many a times even the efficient and motivated personnel are removed due to personal vendetta or political considerations leading to failure of the programme. For example, a pilot project of the West Bengal government called Muktidhara, which aimed at improving livelihoods, suffered badly in Purulia district when the employment contract of the district project manager was not renewed despite the existing manpower crunch - leaving the project leaderless.

Another aspect is the lack of awareness of the district administration of the presence of a cadre of motivated community personnel who have been well-trained in best practices by non-governmental organisations (NGOs). In Purulia district, there exist a large number of Mahila kisans (MKs)⁷ who have been trained by the NGO Lok Kalyan Parishad (LKP) under the Mahila Kisan Sashaktikaran Pariyojana (MKSP)⁸ in modern agricultural practices and organic farming. There is also a cadre of female farmers trained in dryland agricultural practices by NGO PRADAN. However, the presence of both of these is limited to the areas where NGOs are working in partnership with the district administration and no efforts have been made to replicate their success in other areas by conducting trainings with the already trained MKs as master trainers.

Therefore, ensuring more efficient utilisation of the talent available with the district administrations would contribute immensely to better implementation of development projects.

Way forward

From 'punishment' posting to prized posting

A common thread in the issues outlined above is the lack of an efficient leader. With most government officers considering posting in backward areas as punishment postings, the attitude is that there is nothing more to lose by not performing. So ironically, while we should be having the best and highly motivated officers to accelerate the process of development in hitherto underdeveloped areas, what we actually have is a cadre of uninterested officers waiting for their punishment postings to get over. Thus, what is needed is to transform these so called punishment postings to prized postings, which attract the best of talent to such areas. This can be done by offering additional perks like hardship allowances or by assuring more sought after postings after the officers have served well in such areas for a minimum period.

Unburden the district magistrate

The office of the district magistrate in most of the backward districts combines within itself the functions of revenue, development and law and order, which overburdens the district magistrate, leaving little time for development administration. Thus, the district magistrate tends to only focus on developmental issues that he/she considers more important and the whole direction of development is steered as per his/her priorities. It is high time that the principle of division of work is adhered to and the district magistrate unburdened by appointing a separate district-level officer as the executive head of the Panchayati Raj body for overseeing development administration in the district.

Strengthen feedback mechanism

The officers at the district level often feel that their only role with respect to the policies of the central government is implementing them as per the guidelines. While there are huge lacunas even in putting theory into practice, a crucial link that is missing in policy formulation is the feedback on existing policies which should come from the officers in charge at the lowest tier of development administration, that is, either the block development officer or a district-level officer in charge of development administration. An efficient institutionalised feedback channel should be established so that the challenges faced are brainstormed by those involved in policy formulation and implementation, and the learnings can be incorporated in the policies to make them more effective. The absence of institutionalised feedback mechanism will only lead to ineffective policies getting implemented in an inefficient manner.

These are some easy steps that can ensure better outputs and outcomes of rural development programmes in the times to come.

1. The analysis is based on the National Rural Livelihood Mission (NRLM), Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), and Prime Minister's Rural Development Fellowship (PMRDF), with focus on NRLM.
2. The targets are recommended by the district administration and are finalised by the State Level Bankers Committee (SLBC), which has representatives from both the State Rural Livelihood Mission and banks. Lending to SHGs is covered under Priority Sector Lending (PSL) requirements for banks.

3. This is to be formulated annually and contains the details of works to be undertaken under MNREGA in the next financial year, number of man days required to complete a particular work, and finances required for the same.
4. Due to large area under the Gram Panchayats in West Bengal, the three-tier Panchayati Raj structure extends to a fourth and informal tier of local governance - Gram Sansad. This is a small area under the Gram Panchayat. A number of Gram Sansads make one Gram Panchayat.
5. These maps show the layout of residential houses, institutions, and amenities in an area. They provide information about the existing assets (drains, hand pumps, schools, etc.) based on which the communities can determine what other assets are required and could be built under MNREGA, subject to what is permissible.
6. Sangha is a Gram Panchayat-level body, which consists of representatives of all women SHGs in that Gram Panchayat area.
7. Mahila kisan is Hindi for female farmer.
8. MKSP is a sub-component of NRLM which aims to improve the capabilities of women in agriculture by organising them into SHGs.

Conclusions

Today's socio-economic scenario is highly volatile and risky. To sustain the growth and development is a big challenge for various national economic entities. After liberalization, privatization and globalization, most of these entities including national and multinational firms targeted the urban population for growth. It has been more than twenty-five years, and these urban markets are showing signs of maturation and saturation. This resulted in agencies and organizations looking for new avenues in order to sustain themselves. In such a scenario, India's rural markets have emerged as a new hope for them. The hinterlands in India consist of more than 650,000 villages, which represent approximately 850 million consumers. This number is roughly equal to 70% of the total population. These rural consumers contribute to approximately half of the country's Gross Domestic Product (GDP). Since 2000, India's rural sector showed a tremendous growth in its per-capita Gross Domestic Product (GDP) as compared to its urban counterpart (6.2% CAGR versus 4.7%). By the end of 2018, rural GDP is estimated to reach US\$ 20 billion and touch US\$ 100 billion by 2025. According to McKinsey Global Institute, the annual real income

per household in rural India would rise to 3.6% by 2025 from the 2.8% over the last 20 years.[5]

Normally, it is assumed that urban consumers have more disposable income and their spending pattern is different from that of rural consumers. But the last decade has witnessed a change in this trend, with rural consumers exhibiting similar consumption patterns to that of their urban counterparts. This change is the result of various government initiatives such as the Mahatma Gandhi National Rural Employment Act (MGNRA), Swarnjayanti Gram Swarozgar Yojna and the National Social Assistance Program that have increased the purchasing power of rural India. This has led to higher spending by rural consumers (US \$69 billion between 2009 and 2012), and this is significantly more than the US \$55 billion spent by urban consumers. Owing to a favorable changing consumption trend as well as the potential size of the market, rural India provides a large and attractive opportunity for companies.

The rural market is highly vibrant in nature, and the business organizations are performing both as the

carrier and bearer of the results of this change, which is happening at an accelerating pace. In the initial years, rural consumers were on the receiving end, and now they are gradually getting into position to dictate the terms. A significant rural market share can be achieved by focusing on execution excellence by implementing novel strategies to serve rural consumers, and it must be drawn on a deep understanding of consumers' cultures and needs.[5]

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