India’s rural development Progress

Mains: *GS II - Issues Relating to Development and Management of Social Sector/Services relating to Health, Education, Human Resources*

Why in News?

Recently, Data shows that India has been witnessing a decline in budget allocation for essential social sectors.

What are the Issues?

- **Cap on MNREGA spending** – The government’s decision to cap the spending under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) at 60% for the FY 2025-26.
- But the ministry of Rural Development sought an increased outlay of Rs 5.23 lakh crore for the MGNREGS till 2029-30.
    - *For instance, the budget allocations for different programmes under the National Food Security Act (NFSA) have seen a steady decline since before 2019.*
- **Decline in MNREGA household workers** – The number of families working under the scheme has come down from 7.25 crore in 2021-22 to 5.79 crore in 2024-25.
- **Increase in rural distress** – Around 65% of the country’s population living in rural areas, alongside the ongoing rural distress.
- Such declining welfare allocations have serious implications for rural development.
- **Dilemma in development analysis** – Measuring rural development has two different approaches
    - As a package of policies for socio-economic development in rural areas.
    - In terms of social indicators like access to electricity, drinking water, health, and education.

What is rural development?

- **Definition –** It is a package of policies that aim to foster socio-economic development in rural areas.
- **Genesis** – Rural development as a concept gained traction in the 1970s with renewed emphasis on rural policies and programmes.
- **Background** – This stemmed from the failure of state-led modernisation projects and industrialisation policies that fell short of expectations.
- With growth concentrated in certain areas and widespread rural poverty persisting in the 1970s, it was recognised that the dispersion of basic services is central to equitable distribution of resources and poverty alleviation.

- **Crucial component** – Notably, agriculture is crucial to both rural growth and development.
- According to economic theories on development, agricultural development is a pre-requisite for rural industrial growth.
- These theories further suggest that as agriculture grows, the relative size of farms declines.
- Hence, a high growth agricultural sector along with a declining farm size are seen as markers of agricultural development.
- **Structural transformation** – It is shaped by the movement of both output and labour away from agriculture to the modern industrial sector.
    - In the Indian context, it is often noted that the nature of the structural transformation has been slow and has been linked to premature service-led growth.
    - **Employment in manufacturing** – The employment share of the manufacturing sector has failed to increase.
    - **Growth of employment service sector** – According to the Periodic Labour Force Survey (PLFS) data, this is primarily because of the rapid growth of the service sector, which has restrained the growth of the secondary sector.
    - Another interesting observation about the Indian economy is that most of the service sector is led by self-employment rather than wage employment.

What are the Policies on rural development?

- **The Integrated Rural Development Programme (IRDP)** – It was launched in 1978-79 and implemented from 1980.
- Later it was merged with five other rural development programmes in 1999.
- The core objective of the IRDP was to enable identified rural poor families *to increase their incomes and cross the poverty line through the acquisition of credit-based productive assets.*
- IRDP was *focused on self-employment.*
- **Mahatma Gandhi national rural employment guarantee scheme** – The National Rural Employment Programme later became MGNREGS.
- It provides a one-off wage payment to the workers for developing infrastructure such as roads and irrigation works that can generate long-term benefits for the propertied classes.
- MGNREGS *emerged as a guarantor of 100 days of wage employment* to rural individuals.
- **The Pradhan Mantri Employment Generation Programme (PMEGP)** – It offers subsidies to establish micro-enterprises.
- **The Pradhan Mantri Mudra Yojana (PMMY)** – It facilitates self-employment through loans to micro and small businesses.
- Rural Self-Employment and Training Institutes (RSETIs)
- **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)** – The focus is on skill development and entrepreneurship training, etc.
- **State's schemes** – States like Assam have also launched schemes like the Chief Minister's Atmanirbhar Asom Abhijan (CMAAA) to promote self-employment among youth through grants.

Self-employment *is perceived as dynamic and capable of generating further employment in the context of such rural policies.*

What are the impacts of the rural development schemes?

Capacity Building	Financial Inclusion	Farm Livelihoods	Non-Farm Livelihoods
			
Mobilised 10.05 crore **rural poor** Households into 90.90 lakh SHGs, 5.96 lakh VOs and 32,439 CLFs **in 7,143 blocks of 745 districts**	• **1.37 lakh SHG women** members positioned as Banking Correspondent Sakhi. • **₹49,284 crore** capitalisation support provided to SHGs. • **₹ 9.85 lakh crore** of bank credit accessed by SHG.	• More than **2.64 crore households** have agri-nutri gardens • Around **36,205 Custom Hiring Centres** established to help small and marginal farmers hire farm tools and services at a nominal cost. • **4.30 crore** Mahila Kisan covered	• Start-Up Village Entrepreneurship Programme (SVEP): nearly **3.13 lakh enterprises** in 280 blocks of 31 States/UTs. • Aajeevika Grameen Express Yojana: **2297 vehicles** operational in 26 states connecting remote villages.

Roads	Pradhan Mantri Gram Sadak Yojana (PMGSY) (as of 9 January 2025)[171] • 8,34,695 km of road length sanctioned. • 7,70,983 km of road length completed. • 99.6 per cent of the targeted habitations provided connectivity.
Housing	**2.69 crore houses** completed since 2016 under **Pradhan Mantri Awaas Yojana-Gramin (PMAY-G).**[172]
Water bodies	**68,843 *Amrit Sarovars*** (ponds) constructed under Mission Amrit Sarovar.[173]
Health Infrastructure National Health Mission[174] (Figures in '000s.)	165.6 Sub-centres (SCs) 25.4 Primary Health Centres (PHCs) 5.5 Community Health Centres (CHCs) 32.9 Doctors at PHCs 4.4 Total Specialists at CHCs 79.3 Nursing Staff at PHCs & CHCs 27.7 Pharmacists at PHCs & CHCs 23.2 Lab Technicians at PHCs & CHCs
Drinking Water	**12.2 crore households** provided with tap water connections under Jal Jeevan Mission (as of 27 January 2025).[175]
Sanitation	**11.8 crore toilets** and **2.51 lakh community sanitary** complexes were constructed under Swachh Bharat Mission (Gramin) (As of 27 January 2025).[176]
Comprehensive transformation	Saansad Adarsh Gram Yojana (SAGY) (as of 10 January 2025)[177] • 3,361 Gram Panchayats (GPs) adopted by MPs. • 3,120 GPs uploaded Village Development Plans. • 2,30,206 projects completed.

What are the Socio-economic indicators say about rural development?

- **Indicators** – Rural development can also be understood in terms of social indicators like *access to electricity, drinking water, health, and education.*
- **Health care access** – National Family Health Survey 2019-21 suggests *improvement in these indicators* compared to 2015-16, a deeper analysis shows a different picture.
    - ***For instance**, rural health care is often marked by informal private doctors or providers, which national-level data sets often fail to capture.*
- While numbers suggest that people in rural areas do visit doctors and seek medical care, the quality of this healthcare needs to be discussed.
- **Stunting in children** – Comparative analysis of indicators for rural and urban India shows a higher prevalence of stunting among children *(37.3%) in rural areas as compared to urban areas (30.1%).*
- Children from Scheduled Tribes and Scheduled Castes are more likely to be seen as disproportionately affected in these indicators.

- **Educational challenges** – The findings of the Annual Status of Education Report (ASER) 2023 reflect *serious structural and quality issues in rural education.*
- The report shows that many students in rural India are more likely to have progressed through the education system *without acquiring foundational learning skills.*
- Huge *shortage of teachers and human resources* further exacerbates the problems.
- **Lack of meaningful employment** – PLFS data suggests that despite the focus on skill-building and training programmes in rural India, meaningful rural employment generation has yet to materialise.
- **Dependence on self-employment** – India's persistent reliance on self-employment as a sign of distress, not very different from wage-employment, and an alternative in the absence of wage or other gainful employment.

What lies ahead?

- Adequate investment in social sectors such as health, education, and nutrition could deliver full benefits.
- Livelihood generation needs to be aligned with a deeper understanding of the rural economy's structure.
- Sustainable rural policy must integrate welfare and employment generation by strengthening budgetary support for social infrastructure.
- Investments in rural infrastructure could expand economic opportunities, support human development, and promote more inclusive and equitable growth.

Reference

The Indian Express| The status of Rural Development

SHANKAR IAS PARLIAMENT
Information is Empowering