

Economics Honours (Sixth Semester)
DSE604 (Rural Development and Entrepreneurial Economics)
Introduction to Rural Development

SECTION I: MEANING AND OBJECTIVES OF RURAL DEVELOPMENT

Meaning and Definition of Rural Development

The phrase 'rural development' does not have a single connotation. Viewed from the perspective of an individual rural community, the term conveys different meanings depending on the specific requirement of that community; say agricultural development or addressing the economic and social needs of the marginalized and the poor and so on. Broadly speaking, rural development may be defined as the overall improvement in the quality of life of the rural people and ensuring a better standard of living through people's participation, especially the beneficiaries, in the process of development and utilization of the different types of resources available to the rural society at a given point of time.

Fundamental Objectives of Rural Development

- To expand the range of economic and social choices available to the individual and the nation
- To provide certain social goods and services in terms of social and economic infrastructure
- To raise the level of living through the provision of more jobs and better education with greater attention to cultural and humanistic values.
- To sustain the process of economic growth and yet safeguard and protect the environment.

SECTION II: DECENTRALIZED PLANNING

Meaning of Decentralized Planning

Decentralized planning, as opposed to imposition of a policy decision taken by a central authority from the top down to the regional level, involves formulation of a regional needs specific policy framework and implementation of the micro level planning by the regional decision makers at the grass root level. Thus decentralized method of planning involves a bottom-up approach to planning.

Necessity of Decentralized Planning

A decision adopted and implemented through the centralized planning process may not always address the specific needs of a rural area. Like a policy decision may be centrally adopted to increase the literacy rate in the rural areas of the country. However, it may be found that in a particular village the literacy rate is 98 percent and their main problem is scarcity of drinking water and not literacy. On

the other hand, it is felt unequivocally that decentralized planning is capable of addressing the local needs of the people residing in rural areas. Hence decentralized planning plays a crucial role in the developmental process of rural areas.

Panchayati Raj System in India

In India, the Panchayati Raj System is the machinery for adoption of decentralized planning in the rural areas. The Panchayati Raj System is a three-tier system of local self-government consisting of Gram panchayats at the village level, Panchayati Samiti at the block level and the Zila Parishad at the district level. The gram panchayats are the basic planning units. It operates through the process of micro-level planning involving the adoption of developmental programme like poverty alleviation programme for BPL families, developmental activities based on agriculture and natural resources, developing infrastructure and social overhead capital, providing basic social amenities and services, promoting social justice etc.

Characteristics of Decentralized Planning

- Local elected bodies formulate, adopt, implement and supervise the plan without the interference of any central authority
- The economic resources for the different developmental projects are managed by the local self-government
- Works towards achieving the goals of sustainable development in the villages.
- Participation of different beneficiaries of the local rural community who are also known as stakeholders in the decision making and planning process. This is known as participatory planning or bottom-up planning.

SECTION III: THE PARTICIPATORY APPROACH

Meaning of Participation in Rural Development

Participation in the process of rural development signifies the involvement of end beneficiaries of a rural developmental programme, belonging to different strata of the rural community, at each and every stage of development of the rural programme starting from formulation right up to adoption and implementation of the same.

Basic Idea behind Participatory Approach

The Participatory Approach to rural development is based on the idea of inclusive method of stakeholders' participation in the decision making process of the rural community in a democratic manner to ensure smooth implementation and functioning of various rural developmental programme aimed at achieving the goals of sustainable rural development.

Steps in Participatory Approach

- Exposure to the project idea
- Understanding the objectives and purpose of the project
- Motivating the stakeholders and creating awareness about the rural project
- Consultation among the stakeholders
- Initiatives taken to plan the project
- Cooperation and participation in adoption and implementation of the project
- Monitoring the functioning of the project
- Project Appraisal with regard to successful completion of the project

SECTION IV: ECONOMIC ACTIVITIES IN RURAL AREAS

There are broadly two types of economic activities prevalent in rural areas – *agrarian activities* and *non-agrarian activities*. *Agrarian activities* or agricultural activities are basically categorized under the *primary sector* of the economy. These include farm activities like cultivation, animal husbandry, poultry farming, fisheries, forestry, sericulture and other allied agricultural activities. In fact **agriculture** forms the backbone of any rural economy.

On the other hand, *non-agrarian activities* mean non-agricultural activities which may be *secondary or tertiary* in nature. *Non-agrarian activities* are also termed as non-farm activities and include activities like spinning and weaving, pottery, iron smelting, carpentry, cottage and handicrafts industries, mining and quarrying, construction and repairing, transportation and communication, banking and insurance, marketing etc.

SECTION V: KEY ISSUES IN RURAL DEVELOPMENT

- Absence of sustainable development in agriculture
- Inadequate provisions for marketing and storage of agricultural product
- Inadequate provisions of rural credit commensurate with the affordability and credit worthiness of the rural population.
- Overdependence on the agricultural sector
- Lack of industries in rural areas
- Lack of alternative opportunities for employment besides agriculture
- Problems of disguised unemployment in developing countries
- Low per capita income and migration of the rural population to urban areas in search of better employment opportunities

- Poor infrastructure facilities like electricity, educational institutions, drinking water facilities, health, roads for communication etc.
- Existence of illiteracy and poverty

*N.B. For explanations and all theoretical dispositions we have referred to the following sources:

References

HUSSAIN, T. T., Tahir, M., & Tahir, R. (2018). *Fundamentals of rural development*.

William, A. T., & Christopher, A. J. (2011). *Rural development: Concept and recent approaches*.