

Economics Honours (Sixth Semester)
DSE604 (Rural Development and Entrepreneurial Economics)
Integrated Rural Development

Meaning of Rural Areas

A rural area can basically be defined as an area where two-third of the population is dependent upon the primary sector characterized by a low population density and limited social mobility with a slow pace of socio-economic transformation taking place in the local society.

Meaning of Development

Development is the process of targeted social, economic and infrastructural expansion of an area identified for the purpose, bringing about a significant qualitative transformation over a period of time and enhancement of life and livelihood of the population residing in this place.

Meaning of Integrated Rural Development

Integrated Rural Development is a planned, comprehensive, participatory and inclusive approach in sustainable rural development aimed at benefiting the rural society at large with special emphasis on the participation of the socially and economically marginalized section of the village, that, usually do not have access to the resources meant for productive purposes.

Abasiekong defines integrated rural development as, “A comprehensive and coordinated approach of all persons and agencies concerned, aimed at involving rural people in determining policies and planning and implementing programs that are designed to improve their economic, social and cultural conditions and enable them to make a positive contribution to national development” (as cited in Hussain et al, 2018, p.203).

Integrated Rural Development and Non-agrarian activities

According to United Nations Food and Agricultural organization (FAO), “Integrated rural development requires the rapid growth of non-farm economic activities and opportunities for employment, especially through rural industries, and expanded infrastructures for power supply, transport and communication, housing, water supply, marketing and storage facilities, with due regard to technology and scale so as to benefit the rural poor. These measures would reduce rural exodus and also slow the growth of urban slums”.

- <http://www.fao.org/3/u8719e/u8719e04.htm>

Non-farm economic activities

Non-farm economic activities mean non-agrarian activities, i.e., non-agricultural activities which may be *secondary or tertiary* in nature. Non-agrarian activities 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.

Box 1: Importance of Rural Non-Farm Sector

The non-farm sector, particularly in rural areas is being accorded wide recognition in recent years for the following reasons:

- Employment growth in the farm sector has not been in consonance with employment growth in general.
- A planned strategy of rural non-farm development may prevent many rural people from migrating to urban industrial and commercial centers.
- When the economic base of the rural economy extends beyond agriculture, rural-urban economic gaps are bound to get narrower along with salutary effects in many other aspects associated with the life and aspirations of the people.
- Rural industries are generally less capital-intensive and more labour absorbing.
- Rural industrialization has significant spin-offs for agricultural development as well.
- Rural income distribution is much less unequal in areas where a wide network of non-farm avenues of employment exists; the lower strata of rural societies participate much more intensely in non-farm activities, though their involvement is much less remunerative as compared with that of the upper strata.

Source: <https://nistads.res.in/all-html/Non-Farm%20Occupation%20in%20Rural%20India.html>

Need for Rural Development in India

Rural development is an instrumental factor in India's economic development. The reasons behind the need for rural development in a developing country like India can be stated as follows:

- India is basically more rural than urban in nature.
- The agrarian sector is a key contributor to India's GDP.
- Majority of the Indian population is dependent on the primary sector for their livelihood.

- Developing the agricultural sector and improving rural marketing facilities
- Overcoming the challenges of development of alternative occupations and employment opportunities other than agriculture.
- Investment in Human Capital in rural areas and empowerment of the rural women and the rural poor
- Poverty and inequitable distribution of wealth has become a social stigma. Eradication of poverty and bringing about an equitable distribution in wealth and income are two major goals in the process of rural development.
- There is scarcity of economic infrastructure in the rural sector. Thus creating social overhead capital and strengthening the economic infrastructure of rural areas becomes necessary.
- Availability of affordable credit is yet another problem which needs to be addressed
- Overcoming regional imbalances and disparities and bridging the rural-urban divide.
- Ensuring sustainable development of the rural areas.
- Overcoming social and cultural prejudices and striving for a better standard of living

Integrated Rural Development Programme in India

The failure of India's development strategy to solve the problems of poverty, inequality, unemployment and other socio-economic issues led to the adoption of Integrated Rural Development Programme in India in 1980.

Web Link for Integrated Rural Development Programme in India:

<https://www.bankbazaar.com/saving-schemes/integrated-rural-development-program.html>

Two important abbreviations associated with IRDP

- SFDA – Small farmers Development Agency
- MFAL – Marginal Farmers and Agricultural Labourers

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

References

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