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## **Recent Economics Policies and Its Impact on Indian Economy**

**October 2019**

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## Emerging Trends in Rural Development

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### Introduction -

Rural is differentiated from the urban in terms of its geo-physical location, spatial distribution of households on kinship-family complex lines, close-knit interactional pattern between individuals and families, agriculture based occupational structure, informal clientele system formalized through established traditions and institutions, ascribed control and authority pattern and a belief system based on faith and conviction in religious ethics and themes. The growth and development of urban areas have by and large been at the expense of rural areas. With the emergence of city centers, the countryside started getting neglected. This holds more truth for the rural population in developing countries is concerned. When the umbrella of colonial regime was lifted from the Third World nations, most of the planners and administrators of these newly independent young nations were concerned with the development of various areas of their nation.

This concern was largely because a majority of the population of these countries had been living in rural areas under abject poverty, ignorance, malnutrition and unhygienic as well as unclean living conditions. Ignorance and poverty were two stumbling blocks in the way of socio-economic development of these countries and to do away with them, was the main objective of the newly independent nations. The commitment of the political leaders of these nations was to bring in economic prosperity and improve the quality of life of the rural people constituting a big resource for them as electorates during the elections. Invariably, this commitment becomes a prime passion with the political leaders at the time of elections and its tempo gets abated in due course of time. Some piecemeal programs or projects on rural development are brought to the people in rural area and these are in many case not consistent with their need structure. The adhocism in the planning of these programs and half-baked implementation strategies have raised the basic issue of what is required to be developed in these areas. This brings in the problem of conceptualizing rural development.

Rural development is defined as 'improving living standards of the mass of low-income population residing in rural areas and making the process of their development self-sustaining'. It embraces all those programmes that touch all levels of human living, e.g. agriculture and related matters, irrigation, communication, education, health, supplementary employment, housing, training and social welfare.

### 2 Rural Poverty

Poverty in general connotes deficiency or insufficiency of acceptable material needs of the people. It can cover a range from extreme want of necessities resulting in debility due to malnutrition to falling short of having comfortable means, which may conceptually be categorized as absolute and relative. Poverty also encompasses other vital component of life like, straits etc. As a matter of fact, poverty in India is treated as an absolute phenomenon. The needs have often been expressed in terms of a basket of food items satisfying certain desirable calorie requirements. The minimum income or consumption expenditure which enables one to attain this basket, is known as poverty line. This is just one of the method of measuring poverty. In fact, poverty of character exists among the rich and vice versa. But, in reality, great difference of opinion on finding either the energy norms or the monetary equivalent of it due to the regional and demographic variation in the population of India.



### 3 Who are the Poor?

Factors such as population density, ecological conditions and the availability of irrigation and transport account for some of these differences among India's states and even within them. Other conditions affecting the rural poor-gender, literacy, land ownership, employment status, and caste- create a more consistent pattern. Thus an illiterate rural woman, a member of a scheduled tribe or caste a person living in a landless household or dependent on wage earning, all face a significantly higher than average risk of poverty. According to the NCAER survey, the incidence of poverty was:

- 52 per cent for the landless as a whole,
- 68 per cent for landless wage-earners,
- 50 and 51 per cent for the roughly 206 million members of scheduled castes and tribes, respectively,
- 45 per cent for households in which all members were illiterates compared to 27 per cent for households where both male and female adult read and write.

Three types of literature have been suggested, which have given insight into the morphology of rural development programmers' projects and processes. These are (1) the urban-industrial impact hypothesis, (2) the theory of induced technical change, and (3) new models of institutional change, dealing with institution building and basic review of these classified approaches, it has been generalized that---

1. Rural development activities must be organized around activities and services that have relatively well defined technologies or methodologies and objectives;
2. Rural development activities must be organized to utilize the relatively unskilled human resources that are available in the rural areas;
3. Effective implementation of rural development programmers is largely dependent upon the development of the institutional capacity to mobilize the limited political and economic resources to the disadvantaged rural communities;
4. The problems of welfare in the rural areas of most developing countries continues to be more a problem of level of output per person than that of distribution ; and
5. The structural characteristics of most rural communities and of the societies of which they are a part will constrain them from securing access to many of the available development opportunities.

Further three implementation strategies have been specifically suggested for planned development efforts:

1. To inform and educate people and decision makers presuming that they are rational and will make correct decisions;
2. To involve individuals (more particularly the beneficiaries) as participants in a systematic effort to alter values and behavior patterns from less appropriate to more appropriate orientations; and
3. Application of power to change behavior without necessarily bothering to inform, educate or involve individuals in decision-making.

A group of scholars on the basis of case studies of historical development in the rural conditions of four countries visa, India, Bangladesh, Sri Lanka and China, suggests a strategy for rural development in terms of fundamental humanistic values rather than in narrower techno-economic nations of development. Development has been reconsidered in the context of enhancing the personality of an individual as well as that of collectively constituting the association of the individuals. Sensitizing the general masses through development consciousness of their potential role in economic growth and social progress, transforming society through mobilization of land reforms, collect vision, building infrastructure, self-reliance, liberation of women, remolding the elite and building institutions are some of the processes suggested as a part of the rural development strategy. This model has been suggested for the rural areas on the basis of its success in the development of rural China.



A more comprehensive concept and method of rural development has been suggested by the World Bank. Rural development has been defined as a strategy to improve the economic and social life of a specific group of people that is the rural poor including small and marginal

farmers, tenants and the landless. The report of the bank says, "A national programme of rural development should include a mix of activities including projects to raise agricultural output, create new employment, improve health and education, expand communications and housing..... The nature and content of any development program or project will reflect the political, social and economic circumstances of the particular country or region.....". Central leadership and coordination for planning purposes, decentralization and participation at the local level for implementation purposes, research on farm systems and appropriate techniques suitable to small farmers and on the dynamics of traditional rural societies for the "take off" stage; training or developing skills of manpower resources to meet the needs of local level institutions, establishment of effective group organizations such as farmers' associations and cooperatives, are some of the desirable characteristics suggested of a framework within which to design and implement the rural development programmers.

An overview of the concepts and methods of rural development provided above suggests that it has been viewed from different perspectives by various scholars and institutions. Of course, the common denominator appear to be people in the rural environment who have been subjected to various method or approaches for their as well as for the development of their environments. The rural man in his habitat is close to nature and there is a need to release the potential of man through creating skills and appropriate knowledge so that he could exploit his environment to his advantage, that is he has a better control of his environment and can expand his resources for a better quality of his and the life of his community through improvement in his family kinship life-style. This necessarily brings the focus of development on man and his environment. The second important conceptual focus has to be on the ecological setting since rural is in contrast to urban and its development should have a proportionate or balanced approach to the urban development. In this context, the urban-industrial impact hypothesis for rural development has relevance in as much as development processes in the contemporary rural community in a developing society but cannot be isolated from development processes in the larger society.

Man's subsistence in rural areas has been on land and the exploitation of land to its maximum capacity will depend upon the technical know-how of its operation in terms of its production of different types of crops, water management resources, quality of seeds, application of right type of manure or fertilizers suitable to the soil conditions and other means like technology and labor force to irrigate and cultivate the land. In other words, means of production and appropriate technology to gain access to efficient sources of economic growth should constitute the third component of rural development. In the context of the third World countries which have vast poor rural population, economic growth cannot be sustained unless institutional innovations to improve both productivity and quality of life of people in rural areas is brought in especially in the field of health and education and also institutional infrastructure necessary for mobilizing both economic and political resources. This institution building at the village level and the organization and management of men, money any material resources should be the fourth component of rural development. Rural development cannot be treated in isolation and it is to be considered as an integral part of the total social and economic development of the country. In other words, rural development will be influenced by the economic resources of the country as well as by the political commitment of the national leadership. These two aspects are again influenced or shaped largely by the unilateral and bilateral aid received from the developed nations and are dependent upon the developed nations or on international organizations and again villagers are dependent upon their national governments which are relatively new and have meager resources of their own, and have inadequate institutional infrastructure, lack of political will due to political instability and lack of technical knowhow or inadequate technological advancement. The fifth important component of rural development is "self-



reliance" which needs to be brought in through local initiative, participation and mobilization of existing resources. The last though not least dimension of rural development should have focus on the distributive justice in so far as the poor segments of the rural population are concerned.

## 4.5 Aims of Rural Development

Rural development aims at ensuring that the fruits of economic development reach the villages, and the common man. Broadly the aims are :

Bridging the rural-urban divide : To ensure rapid and time bound development, budgetary support for implementing the various rural development schemes has increased manifold in recent years.

Guaranteeing wage employment and ensuring food security : This is sought to be achieved through the National Rural Employment Guarantee Act.

Making rural people the arbiters of their own destiny and to provide for their economic uplift by self-employment : For the development to be in consonance with the people's wishes and aspirations, emphasis is put on participation of people as also social mobilization of rural poor through Self-Help Groups and Panchyati Raj Institutions.

Creating rural infrastructure for better economic opportunities and growth : Connectivity is provided to all unconnected habitations through Pradhan Mantri Gram Sadak Yojana (PMGSY) Village level infrastructure is also created through works undertaken under wage employment schemes.

Ensuring dignified living : The Ministry provides shelter, water and clean environment through schemes for rural housing, drinking water and sanitation.

## 4.6 Importance of Rural Development

Rural development is necessary not only because an overwhelming majority of the population lives in villages but also because the development of the country. Rural development has assumed greater importance in India today than in the earlier period in the process of development of the country. There is much evidence to show that public interest in rural development is growing rapidly. Reaching the benefits of development to India's 5,75,000

villages and improving the living standards of the rural people, particularly of those living below the poverty line, have been the avowed goals of India's Five Year Plans and the 20 Point Programme. More and more effort has been directed in the successive plans to improve the rural economy. The government has initiated a number of programmes to solve the chronic problem of villages in India even then, the percentage of people living below the poverty line in rural areas has been steadily increasing from year to year.

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