

# SUSTAINABLE RURAL DEVELOPMENT: TOOLS FOR BANISHING RURAL POVERTY

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**Abstract:** Rural development is “A strategy to improve the economic and social life of a specific group of people, the rural poor including small and marginal farmers, tenants and the landless”. In Mahatma Gandhi’s view - ‘India is to be found not in its few cities but in its villages. Indeed India lives in its villages, and this paper describes the current state of rural development, factors responsible for the rural poverty, role of different stakeholders in banishing rural poverty, and rural development programs available to communities and individuals through the government.

This paper throws light on historical background of Rural India and evolution of rural development. It reflects upon how the new rural policies have created opportunities for rural areas. It showcases the various schemes and mechanisms that are playing a crucial role in uplifting the rural masses and creating job and sustainable livelihood opportunities. This paper also examines the relationship between rurality and poverty, and the role the involved stakeholders can play in rural development, poverty reduction, and overall development. In rural development intervention, direct provision of amenities has been used for improvement of living conditions or to enhance production but this intervention can provide an easy remedy within the highly vulnerable segment but the effects of such strategy are non- sustainable and short-lived.

The Government of India has adopted an umbrella development strategy that promotes economic growth and also addresses the needs of the poor by ensuring their basic rights. The Ministry of Rural Development has initiated rural development campaigns which targeted programs for providing direct employment, self-employment, social security, housing, building rural infrastructure and manage land resources to alleviate poverty.

**Index Terms – Rural Development, Self- Employment, Self Help Group, Corporate Social Responsibility**

## I. INTRODUCTION

It has been well said ‘to know present, know the past, to change the present, reflect the past on to the future’. Poverty related issues have always been a matter of greatest concern for the developing countries, especially in India where rural poverty has now become a serious concern. No doubt, vast majorities of the India’s poorest people live in villages and these villages are in a state of neglect and underdevelopment with impoverished people. The problems of hunger, ignorance, ill health, high mortality and illiteracy are most acute in rural areas. This is not only because of shortage of material resources but also because of defects in our planning process and investment pattern. India has the potential to meet these challenges in rural areas. The improvement of the village life and development of rural economy are the chief concern and bigger challenge before the nation.

The concept of rural development is at top agenda and remains the main concern in national politics of the developing countries, because about 69% population reside in rural areas and even in developed countries the rural areas cannot be ignored.

Logically urban area can neither develop without rural development. Soon after independence Government of India started its plan for planned growth with specific and clear objectives. The emphasis became more marked to achieve regional development, eradication of poverty and reducing disparities between urban and rural sector and within each sector itself. It has been experimented with number

of rural development programs with different goals, policy, logistics and approaches at different point of time. Various rural employment programs were undertaken in order to develop infrastructure as well as to provide employment in the villages.

It is being increasingly recognized that progress and welfare of a society is not only the responsibility of the Government alone, but many more stakeholders need to be involved to attain the development goal. The corporate sector has a pivotal role to play in ensuring private investment flows to those rural areas that have been left out of the development process so far and also to work for sustainable development of rural areas in general.

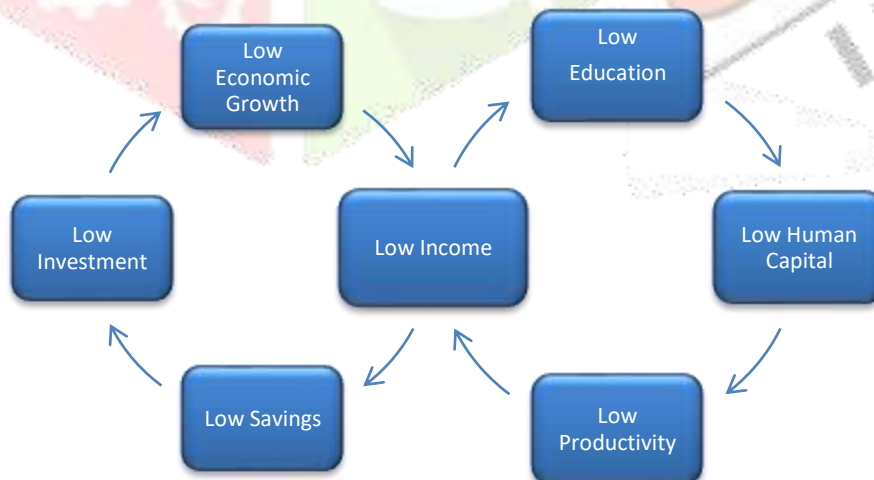
### Rural Poverty:

It is not an exaggeration to say that the battle to achieve the global society's stated objectives on hunger and poverty reduction will be won or lost in the rural areas of the developing countries. The number of poor people in India, according to the country's Eleventh National Development Plan, amounts to more than 300 million. The country has been successful in reducing the proportion of poor people but almost one third of the country's population of more than 1.1 billion continues to live below the poverty line, and a large proportion of poor people live in rural areas. Poverty remains a chronic condition for almost 30 per cent of India's rural population. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration. Poverty is deepest among members of scheduled castes and tribes in the country's rural areas. These group account for 80% of poor rural people, although their share in the total rural population is much smaller. On the map of poverty in India, the poorest areas are in parts of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal.

Large numbers of India's poorest people live in the country's semi-arid tropical region. In this area shortages of water and recurrent droughts impede the transformation of agriculture that the Green Revolution has achieved elsewhere. There is also a high incidence of poverty in flood-prone areas such as those extending from eastern Uttar Pradesh to the Assam plains, and especially in northern Bihar. Poverty affects tribal people in forest areas, where loss of entitlement to resources has made them even poorer. In coastal fishing community's people's living conditions are deteriorating because of environmental degradation, stock depletion and vulnerability to natural disasters.

A major cause of poverty among India's rural people, both individuals and communities, is lack of access to productive assets and financial resources. High levels of illiteracy, inadequate health care and extremely limited access to social services are common among poor rural people. Microenterprise development, which could generate income and enable poor people to improve their living conditions, has only recently become a focus of the government.

### Vicious Circle of Poverty:



The poverty is a vicious circle and there are many factors that contribute to it. Few are:

- **Geographical factor**

In certain rural areas geographical factors create conditions which lead to poverty. One of the most prominent geographical factors in India is unpredictable monsoons and weather which impact the crop production and yield. Natural calamities like flood, drought, cyclones etc take their own toll and damage the crop, livestock and land.

- **Personal factors**

It is rightly said that “Poverty and sickness form a vicious partnership each helping the other to add to the miseries of most unfortunate of mankind.” Laziness and not willing to work is another major reason of poverty in India. People in good health are begging as they need easy money. Addiction to drinking, drugs and other social evils add to rural poverty.

- **Biological factors**

Rapid growth in population also leads to poverty in rural India. Big families and limited resources result in poverty.

- **Economic factors**

Rural India depends upon agriculture for everything. But most of the farmers still rely on primitive methods of agriculture. Agriculture sector in India is still underdeveloped to provide enough jobs.

Faulty supply chain and mismanagement cause the farmers to suffer the most. People at the top of the supply chain earn the maximum benefit of the farmer’s hard work.

Various rural development programs aimed at reducing the poverty in rural India have been launched by the Government of India from time to time. Few of these are:-

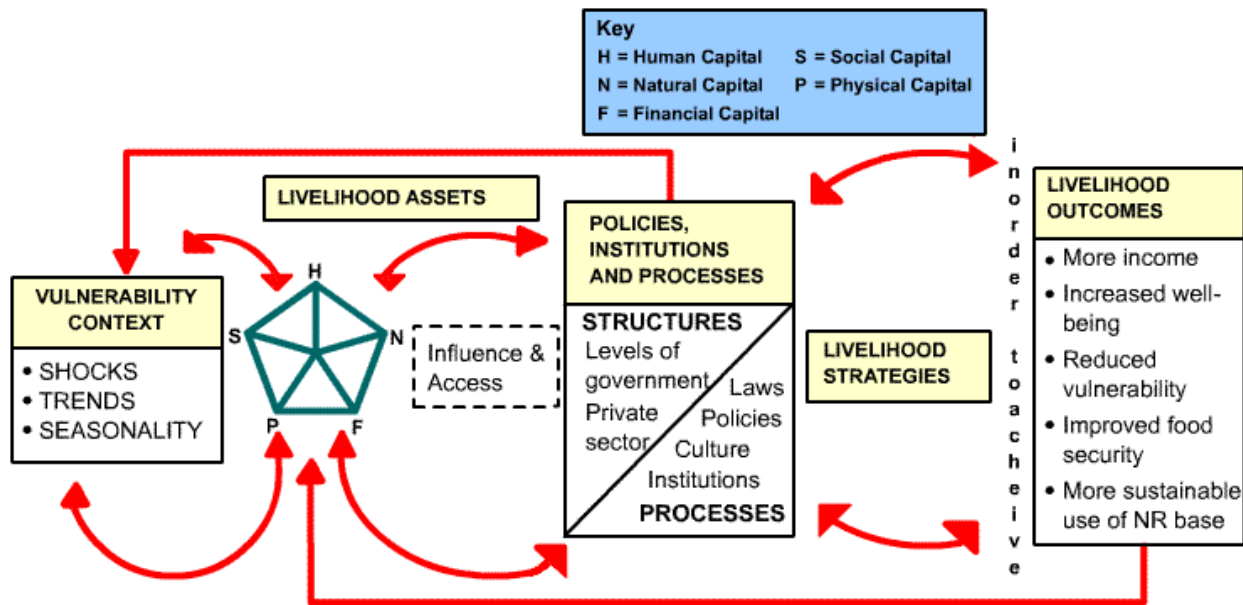
- **Integrated Rural Development Programme/Swarnajayanti Gram Swarozgar Yojna** was started in 1980 with an objective of all round development of rural poor. Self employment was emphasized through IRDP.
- **Sampoorna Gramin Rozgar Yojana (SGRY)** was started in 2001 with an objective of providing employment for the rural poor.
- **Pradhanmantri Gramodaya Yojana (PMGY)** was started in 2000 and its main focus was village level development especially in five areas including primary health, primary education, housing, rural roads and drinking water and nutrition.
- **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)** initiated in 2006 for providing legal guarantee for 100 days of wage employment. Providing employment and creating asset were the main objective of this scheme.
- **Antidaya Anna Yojana** initiated in 2000 with an objective of providing food securities to poor families.
- **National Housing Bank Voluntary Deposit Scheme** started in 1991 to make use of black money for constructing low cost housing for the poor.
- **Development of Women and Children in Rural Areas (DWCRA)** started in 1982 for providing appropriate opportunities of self-employment to the rural women living below the poverty line.
- **Jan Shree Bima Yojana** initiated in 2000 for providing insurance security to people living below poverty line.
- **Shiksha Sahyog Yojana** started in 2001 for providing education to children living below poverty line.

### **Sustainable Rural Livelihood: An integrated approach to eradicate rural poverty**

#### **What is sustainable livelihood?**

The concept of livelihood was put forward in the report of an advisory panel of the World Commission on Economic and Development.

Capabilities, equity, and sustainability combine together in the concept of livelihoods. A livelihood in its basic meaning refers to ways of earning a living. Capabilities are both an end and means to livelihood, Livelihood provides support for enhancement and exercise of capabilities, and capabilities enable a livelihood to be gained.

**Sustainable Livelihoods Framework:**

The vulnerability context in livelihood framework refers to the external environment in which people live. This includes trends, shocks, and seasonality. The vulnerability context is important because the three factors have a direct impact on the possibilities that poor people have to earn a living now and in the future. Wider economic conditions can create more or fewer opportunities; an illness in the family can deprive a family of an important source of income and can force them to sell important assets that they have built up. Seasonal shifts in prices, production and employment opportunities are one of the most enduring sources of hardship for poor people all over the world.

The 'transforming structures and processes' refers to the institutions and policies that affect poor peoples' lives, from public and private entities to national policies and local culture. All of these can change both the vulnerability context and the assets to which poor people have access.

The idea of **assets** is central to the sustainable livelihoods approach. Rather than understanding poverty as simply a lack of income, the sustainable livelihoods approach considers the assets that poor people need in order to sustain an adequate income to live.

Based on those assets, and shaped by the vulnerability context and the transforming structures and processes, poor people are able to undertake a range of livelihood strategies - activities and choices - that ultimately determine their livelihood outcomes. The outcomes that they may achieve, all being well, could include more income, increased well-being, reduced vulnerability and greater food security.

Five types of assets, or capital as they are described in the literature, have been identified that we all, not just poor people, need in order to make a living.

- **Natural capital** – The natural resource stocks (soil, water, air, genetic resources etc.) and environmental services (hydrological cycle, pollution sinks etc) from which resource flows and services useful for livelihoods are derived.
- **Financial capital** – The capital base (cash, credit/debt, savings, and other economic assets, including basic infrastructure and production equipment and technologies) which are essential for the pursuit of any livelihood strategy.
- **Human capital** – The skills, knowledge, ability to labour and good health and physical capability important for the successful pursuit of different livelihood strategies.
- **Social capital** – The social resources (networks, social claims, social relations, affiliations, associations) upon which people draw when pursuing different livelihood strategies requiring coordinated actions.
- **Physical capital**- The basic infrastructure that people need to make a living, as well as the tools and equipment that they use. For example, transport and communication systems, shelter, water and sanitation systems, and energy.

## Self Help Groups and Corporate Social Responsibility: Tools for Banishing Poverty

**Self Help Groups:** - These are voluntarily formed informal groups. A SHG consists of 10-20 members. The members are encouraged to save on regular basis. They use the pooled resources to meet the credit needs of the group members. The groups are democratic in nature and collectively make decisions. Since the members are neighbors and have common interest, the group is a homogenous one and cohesiveness is one of the characteristic features of the group. Regular savings, periodic meetings, compulsory attendance, proper repayment and systematic training are the salient features of the SHG. Evidences from various developing countries throughout the world have shown that the poor can be helped by organizing themselves into Self Help Groups.

The SHG movement in India took shape in the 1980s as several NGOs experimented with social mobilization and organization of the rural poor into groups for self-help. But, the biggest thrust to the SHG movement in India was provided by National Bank for Agriculture and Rural Development (NABARD) SHG-Bank Linkage Programme (SBLP) under the aegis of Swarnajayanti Gram Swarajgar Yojana (SGSY) - a centrally Sponsored Programme in 1990s .

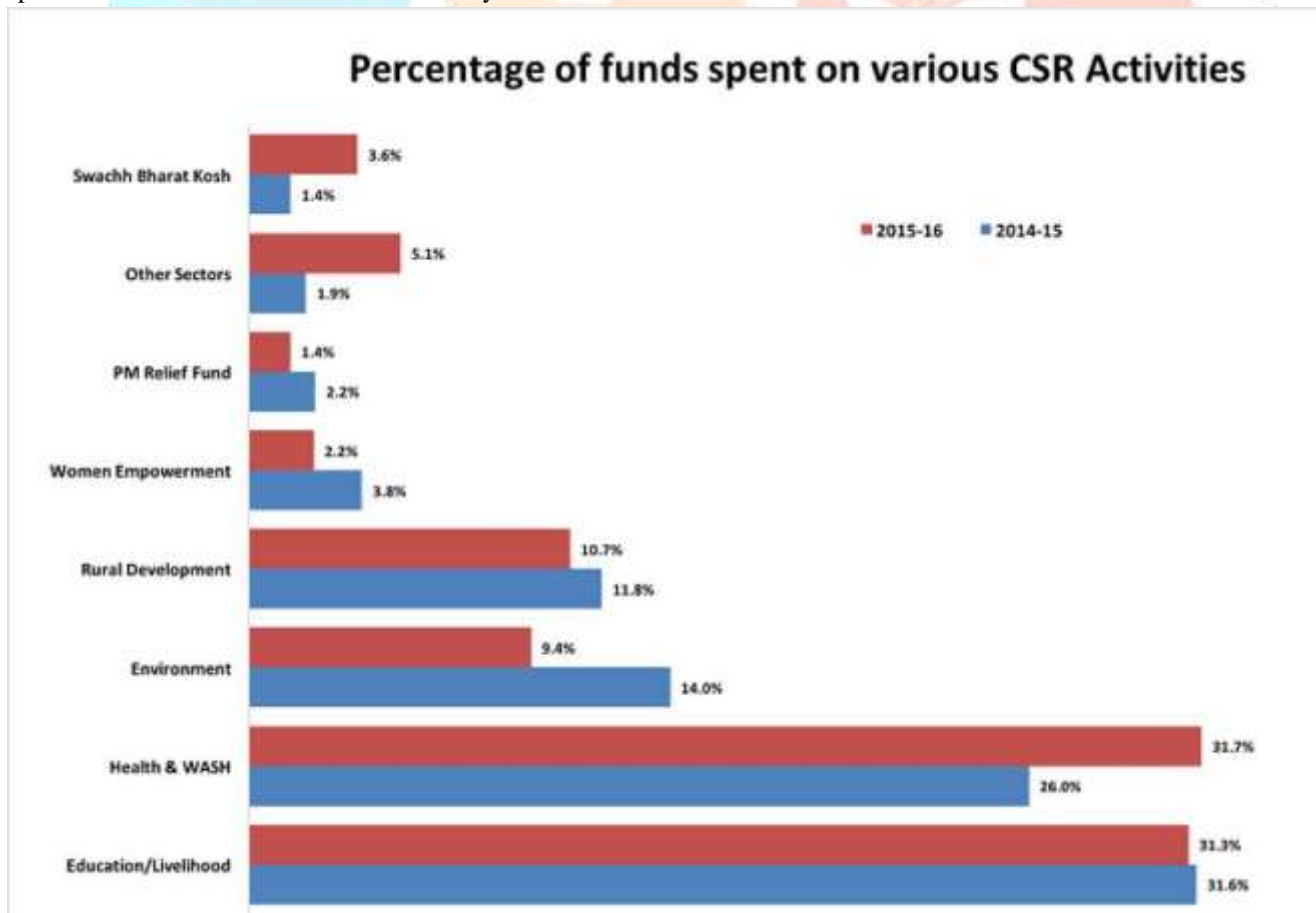


SHGs are playing significant role in the self-employment by raising the level of income and standard of living rural people. In this framework, one of the most vital aspects of rural self employment is the formation of SHGs which is a valuable investment in human capital through training and capacity building measures. From dairy to mechanised farming, weaving, poultry, food processing units, mushroom cultivation; Rural India has been busy setting up micro-enterprises by forming SHGs. The group members use collective wisdom and peer pressure to ensure appropriate use of fund and its timely repayment. These are informal groups in nature where members come together towards collective action for common cause. The common need is meeting their emergent economic needs without depending on external help. SHG movement is supposed to build economic self reliance of rural poor, overcome misuse and create confidence predominantly among women who are mostly unseen in the social structure.

Impact of SHG's:-

-  Self Employment
-  Increased Income
-  Women Empowerment
-  Poverty Alleviation

**Corporate Social Responsibility:** The government's efforts to reduce illiteracy, poverty and environmental damage have received a shot in the arm with companies focusing their corporate social responsibility (CSR) spending on similar activities. The CSR rules, 2014, under the Companies Act, 2013, mandated that firms spend an average of 2% of their previous three years' profit on 13 activities listed by the government in Schedule VII of the Act. The companies are not only following the mandate but are genuinely working towards rural development, Child education, poverty alleviation, and other causes mentioned in the sustainable development goals. Provided below is a graphical representation of funds spent on various activities under CSR in the year 2014-15-16.



Recommendations for Banishing Poverty from Rural India:

- **Population Control:**  
Population in India has been increasing rapidly. Growth rate of population is 1.8%. For removal of poverty the growth rate of population should be lowered.
- **Increase in Employment:**  
Special measures should be taken to solve the problems of unemployment and disguised unemployment. Agriculture should be developed. Small scale and cottage industries should be developed in rural areas to generate employment.
- **Equal distribution of Income:**  
Mere increase in production and control on population growth will not remove poverty in India. It is necessary that inequality in the distribution of income should be reduced.
- **Regional poverty:**  
In States like Orissa, Nagaland, U.P and Bihar etc. the percentage of the poor to the total population is high. Govt. should give special concession for investment in these regions. More PSU's should be established in these states.
- **Problem of Distribution:**  
The public distribution system (PDS) should be strengthened to remove poverty. Poor section should get food grains at subsidized rates and in ample quantity.
- **Fulfillment of minimum needs of the Poor:**  
Govt. should take suitable steps to meet minimum needs of the poor e.g., supply of drinking water and provision of primary health centres and primary education.
- **Development of Agriculture:**  
The agriculture should be developed to remove poverty. Rapid rate of growth of agriculture production will help to remove urban as well as rural poverty. Agriculture should be mechanized and modernized. Marginal farmers should be given financial assistance.

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