



**Mr. Annepu
Yakanna**

M.A- Economics Department Of Economics Osmania University Hyderabad

ABSTRACT

The Rural development generally refers to the process of improving the quality of life and economic welfare of people living in relatively isolated and sparsely populated areas. India is emerging as a major power economy and our cities and urban centers are beginning to display marks of affluence. Unfortunately our development is lopsided. The rural hinterlands are not able to march in tandem with urban India. About 69% of the country's total population continues to live in rural India There is no trickledown effect. The benefits of economic growth are not percolating to more than two-thirds of the people. The vital sectors such as agriculture, infrastructure development, and community and social services, and in rural development as a whole, our performance is not appreciable.

Economic development in any country to a greater extent depends on rural development and it assists the economy to grow and sustain. In the rural areas agriculture is the main source of livelihood to the people. There is a direct relationship between agriculture production, income and the demand for industrial goods. People living in the rural areas have to struggle to earn wages or are forced to migrate to urban areas. The migration pattern varies with the region, opportunities and socio-economic status of the families. The poorest families, particularly the landless and marginal holders owning poor quality land tend to migrate with the entire family. Many tribal families migrate to cities as construction workers and return at the onset of the rains. Such migrations severely affect the quality of life, due to poor health, lack of education and social pressures leading to erosion of moral values.

The objectives of the paper is to analyse the issues and challenges facing the rural areas and suggest ways to overcome these challenges and to create opportunities of gainful self-employment for the rural families, especially disadvantaged sections, ensuring sustainable livelihood, enriched environment, improved quality of life and good human values. This is being achieved through development research, effective use of local resources, extension of appropriate technologies and up gradation of skills and capabilities with community participation.

KEYWORDS : Issues and Challenges, Rural, Strategies and Sustainable Development.

INTRODUCTION:

Rural development is the backbone for any country's economic development and its helps the economy to grow and sustain .Rural development is the axis of the economy involving the labor ethics impacting the potential of business in big way. It is a popular belief that economic development takes place because of rapid industrialization. But the industrial development itself cannot take place without agriculture. Specifically, agriculture contributes to economic development by product contribution and market contribution. Agricultural sector is the long-term strategy for the economic development. The agriculture is volatile and fluctuating industry because it depends on the monsoon and the weather conditions. This sector of development of the economy is important to feed the nation and country though people have become modernized in the urban sector depending more on non-vegetarian food for their survival needs. The people in the rural sector are facing the problems of poverty and exploitation which is impacting the total productivity of the Indian agriculture.

The agriculture is the economic face of any country. It is important for the prosperity and growth of the country. The aim is to build the country with the development potential so to give the value of growth to the Indian economy. The demand for the industrial products will be generated if the industrial production is high Fluctuations in agricultural output play a key role in the state of the national economy. Rural consumption of industrial goods is nearly three times that of urban consumption. As a matter of fact, the current spurt in the rural consumption of durable goods has led to redefinition consumer demographics itself. Obviously, there is a direct relationship between agriculture production, income and the demand for industrial goods. Similarly, performance in agriculture also influences total demand via government savings and public investments. Agriculture is the main contributor to national income and it is the primary source of savings and capital formation which influences the economic growth of any economy.

The Indian rural faces the tough conditions of drought and famine which impact the life of people because are uneducated and they depend on agriculture. The rural people are facing the problems of undulation and poverty. The people are unemployed because they lack the skills to take up opportunities in life. If the rural sector is educated and advanced, it is easier to do business and the development is high. The economic development and the rural society have a kind of

relationship which is generally interlocked because the issues of the external environment impact the values of economic development. It is necessary for the government to move in the direction and rhythm with the society because their sustainability is dependent on the long term benefits derived from the economic, social and environmental issues connected to rural basics.

OBJECTIVE OF THE STUDY:

- To analyse the Issues and challenges of rural economy in India.
- Suggest possible ways to mitigate these problems.

RESEARCH METHODOLOGY:

The study is theoretical in nature and the required material for the study is collected through secondary sources like books, journals, reports.

REVIEW OF LITERATURE:

- Rural economics is the study of rural economies, including:
- Farm and non-farm industry. (Gustav Ranis and Frances Stewart , 1993).
- Economic growth, development, and change (Thomas P. Tomich, Peter Kilby, and Bruce F. Johnston 1995).
- size and spatial distribution of production and household units and interregional trade (France Ivory 1994)
- land use ,housing and non-housing as to supply and demand migration and population (David Mc-Granahan ,1999).
- Finance (Karla Hoff and Joseph E. Stieglitz (1993).
- Government policies as to development, investment, regulation, and transportation (Karla Hoff, Avishay Braverman, and Joseph E. Stiglitz, ed. 1993).
- General-equilibrium and welfare analysis, for example, system interdependencies and rural urban income disparities.

Objectives of Rural Development:

- Following are the primary objectives of rural development:
- To improve the living standards by providing food, shelter, clothing, employment and education.
- To Increase productivity in rural areas and reduce poverty.
- To involve people in planning and development through their participation in decision making and through centralization of administration.
- To ensure distributive Justice and equalization of opportunities in the society.

The Issues of the Indian rural economic Environment:

The basic issues of the rural economy are related to the economic environment and the noneconomic environment. The economies are impacted by the national and the international environment. The non-economic environment consists of the socio- cultural environment, natural demographic physical and the political environment. The economic elements of the rural environment directly put an impact on the Indian business market. The business has to understand the needs of the rural environment and change according to the rural markets so enhance the value to the society. The rural economic environment is a complicated process because it encompasses the rural values, ethics and culture. The adaptation of government's values into the rural environment includes the following elements:

- Rural environment as a complex and dynamic strategy.
- It involves rural people's satisfaction and loyalty.
- Changing attitude of the rural society.
- Focusing on continuous people service.
- Maintain a constant updating technological changes.
- High technological purgation and modernization.
- Implement of the people friendly policies.
- Assimilation of rural growth and development.

Challenges of the Rural Environment:

The business is facing massive challenges in today's highly competitive market and to acquire the maximum possible market share in an overcrowded market. The following are the threats that force the business to design and implement better solutions and services to the customers

- The nature of competition has become global.
- The rate of change is accelerating out of control.
- The rural people have been impacted by the changes through the media
- The rural economy is expanding.
- The internet is transforming the business landscape.
- Industry barriers are collapsing enabling major brands to enter new markets of rural sector through market penetration strategies.

The Perspectives of the Rural Economic Development:

The Indian rural economic development is an important part of the Indian economy where the government has to foster growth by providing employment and business opportunities to the people. The government is in pressure to provide high quality services in the global environment of high competition. The service providers on the part of government can design the package to form the value chain which generally governs the economies of the scale. The basic objectives of the rural economic development are as follows:

Human Perspective:

The economic development of the rural sector has to look after the individual needs of the farmers because if he is given attention he will give better products and enhance the productivity and efficiency of the rural economy.

- **Social Perspective:** For every sector of development, the social issues are important because we are existing in this society which is the web of human emotions and feelings. The rural people have to be respected, their social and cultural values are important and the government development policies have to incorporate the values of the rural society.
- **Economic Perspective:** The society or any economy can only be successful if the design, implementation and feedback are according to the specific needs of a particular section of the society. Every policy related to the economic development requires a unique profit oriented strategy for growth and sustainability.
- **National Perspective-** The government has the national objective for enhancing the gross domestic product of the country so as to increase the national income of the country through the rural and urban development.
- **Global Perspective:** The government policy has to focus on the global issues because now we are connected to the world through the technological up gradation happening in the world. The economy is liberalized where global influence cannot be ignored.

The proposed strategy to develop the rural economy:

The aim of economic development is to produce high business

potential in the rural environment. The development can touch all the dimensions of human growth to generate employment, better opportunities and high potentials for connectivity. The rural people have to be connected to their resources related to the land through agricultural development. The sub drivers of economic environment development are clean and comfortable conditions and healthy perceptions of work ethics

Profits & Growth:

The government has to design policies to simply sell the benefits and growth to the people in terms of generating options for small scale industrial development.

Availability of revenues and resources:

The economic development can be through the connectivity of the business needs and resources to the processes in term of man, material and money.

Financial resources:

The government policy has to generate money and investment for the better growth of the organization. Money is the fluid which pumps the blood of development to the society to create a better tomorrow.

The role of government in upgrading the rural environment:

The rural economic development involves the integration of cross functional areas and this delivers critical policies for the change to give sustainable development to the rural sector. The practice of using better and upgraded policies helps in better performance so to enhance the overall productivity integrating the various variable of the rural economic environment. The total economic system is impacted by the forces of operation in the markets because they connect the people and business. The government has to understand the needs of the people and provide them the employment opportunities through project based growth. The government needs to invest in education so as enhance the empowerment and ability of people.

ROLE OF NGOs AND SHGs:

Voluntary social services have been an integral part of the socio-cultural and religious ethos of our society from ancient times. The objective has been to increase human capacities by promoting non-economic factors such as education, health and nutrition, which in turn would speed up the process of economic development. The role of NGOs is both co-operative and complementary to the state. The existence of NGOs assumes importance in the context of rural settings, as living conditions have deteriorated. State-NGO partnership alone cannot resolve all the socio-economic problems; hence it has to be in co-ordination with all agents of social change, i.e., the state, local self-governments, the corporate sector, academics and civil society groups.

- **NGOs** can play a significant role in strengthening local self-government by facilitating interaction and co-operation with state departments and also acting as catalysts to effectively implement various departmental schemes. The role of voluntary agencies in the development of rural areas can be to supplement efforts of government for the upliftment of the poor and needy disseminate information about development schemes and programmes of the government to rural people; make people aware of the consequences of female feticides and imbalance in sex ratio; mobilize financial resources from the community; help in upgradation of skills of rural youths for self-employment opportunities; facilitate the formation of self-help groups and micro-finance; ensure protection of women and children's rights and abolish ills of child labour; and, make available technologies in a simpler form to the rural poor.
- **SHGs:** When individuals, on their own initiative, act in a conglomeration to meet their individual and common needs with the primary focus on self-reliance, it can be called a Self Help Group (SHG). The benefits of self-help groups are based on cooperation rather than competition. They provide benefits of economies of scale, cost effective alternatives for different financial services, collective learning, democratic and participatory culture and a firm base and platform for dialogue and co-operation. SHGs develop from a common binding force, common need, interest and concern, especially for the rural poor. It is this common binding force, which makes SHGs function more efficiently. The effectiveness of SHGs would be considerably enhanced if a symbiosis could be worked out between them and

Panchayati Raj Institutions (PRIs). The key to this is the integration of SHGs with the democratically elected and empowered panchayats. There is urgent need to work out a mechanism that will allow the SHGs and the PRIs to work in coordination and establish a system of supporting each other's work.

CONCLUSION:

The government has realized that they need to put their resources in front to support a strategic changes happening in the economic environment. The economic business development is a comprehensive approach which provides seamless integration of every area of rural society. The economic development touches the life of people and integrates the people, process and technology, taking advantage of the revolutionary impact of the internet. The government is facing massive challenges in today's highly competitive market and strives to acquire the maximum possible development. The economic development can be successful if the design and implementation of the government's processes are according to the changes happening in the environment. The economic development of the rural environment can be by the government through the establishment, development, maintenance and optimization of long term mutually valuable relationships between the business and macroeconomic environmental variables.

REFERENCES:

1. Atal Yogesh 1981, 'The Call for Indigenization, *International Social Science Journal* Vol. XXXIII, No. 1, pp 189-197.
2. *India: Human Development Report*, National Council for Applied Economic Research, Oxford University Press, New Delhi, 1999.
3. *India Panchayati Raj Report-2001 Volume I & II*, National Institute of Rural Development, Hyderabad, January 2002.
4. Johl, S.S. and Ray, S.K. 2002, *Future of Agriculture in Punjab*, Centre for Research in Rural and Industrial Development, Chandigarh.
5. *Local Initiative Program in RCH (Final Report)*, Centre for Research in Rural and Industrial Development, Chandigarh- July 2002.
6. Malhotra Rashpal: *Impact of 73rd Constitutional Amendment on Rural Industrialization in India: Issues and Policies*, paper presented at expert group seminar on Rural industrialization – Issues and Policies, organized by South Asia Multi-Disciplinary Advisory Team (SAAT) ILO at Gurgaon (25-26 August 2000).
7. "Manpower Profile", *India Year Book 2001*, Institute of Applied Manpower Research, New Delhi.
8. *National Family Health Survey, India 1998-99, Punjab Series*, International Institute for Population Sciences, Mumbai, India.