

INFRASTRUCTURE FOR RURAL PROSPERITY

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The primary hindrance to growth in rural productivity and subsequent economic growth, is the lack of basic infrastructure such as electricity, clean water and sanitation. Farmers and casual wage workers account for roughly 90% of the working population in rural areas and a healthy growth rate of income will certainly help in achieving faster economic growth for the country.

India's economic journey from an impoverished nation to one of fastest global economy has inspired many other developing nations and this rapid economic development has been possible with contribution from every sector of Indian economy.

With huge population still living in Rural India, Rural Development plays an important factor for the growth of the Indian economy and Rural India is yet to play big role in India's economic voyage and there is dire need for future investments in the rural areas of India to decrease urbanization and increase employment in small towns and villages.

The economic prosperity in rural India can only be achieved if the critical issues of physical connectivity, electronic connectivity and knowledge connectivity are addressed effectively.

While urban India has seen big progress in recent years, the small towns of India continue to lag behind. There are many challenges that these places face including poor road connectivity, primary healthcare system, educational infrastructure and affordable housing. Rise in Indian exports, Industrial development and adoption of modern technologies have mostly helped in generating additional employment in urban areas and rural India has been left out.

India joined the club of trillion-dollar economies many years back and it will undoubtedly double its size to 2 trillion dollars because of economic reforms and globalization but without push from rural India this faster growth may not be possible.

Despite growth of services and other sectors, Indian economy is dependent on agrobased activities. Agriculture, with its allied various sectors, is undeniably the largest livelihood provider in India.

67 per cent of the Indian population is employed in the agricultural sector, and even than it adds up to only 37 per cent to the GDP. A majority of these families spend over 90 per cent of their earnings on basic needs such as food, fuel and health care.

In order to increase the growth of agriculture, Central Government has launched several programs for Rural Development in India. The Ministry of Rural Development in India is the apex body for formulating policies, regulations and acts pertaining to the development of the rural sector and thrust area is Agriculture, handicrafts, fisheries, poultry, and diary which are the primary contributors to the rural business and economy.

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In the Union Budget 2016-17, many provisions have been made for reforming agriculture. These revolve around investments, incentives and institutions. The allocation for agriculture and farmers' welfare this year is Rs.35,984 crore, the highest ever.

The government has placed great emphasis on agriculture and farmers' welfare, rural and social sectors. Several attempts have been made to generate more employment and revive the rural demand, which will spur farmers' welfare. The Ministry of Agriculture was renamed as Ministry of Agriculture & Farmer Welfare, which symbolizes this renewed focus.

These initiatives of development of rural infrastructure will bring prosperity and economic growth in rural areas.

Connectivity for Poverty Upliftment

There is a positive relationship between connectivity and development in villages in India. With better roads and highways, there will be a better flow of business, trade and communication that will eventually enhance growth for all the stakeholders and over all for country. A large part of India especially Mountainous areas and remote villages are cut off from the network of roads, which need to be connected. The government has allocated thousands of crores for building a strong transport network that can link different cities and small towns with regional hubs. However, several projects across the country have seen slow progress over the years severely impacting the economic progress of the small towns.

Pradhan Mantri Gram Sadak Yojana has connected remote hamlets to the national highways, from where it's a smoother ride ahead. The Pradhan Mantri Gram Sadak Yojana (PMGSY) for providing all-weather road connectivity to every rural habitation with a minimum population of 500 in the plains and 250-plus in hill states, tribal districts and desert areas.

The fully centrally-sponsored scheme covered a total of 1,78,184 habitations as per the criteria laid down. The fact that 1,14,540 or 64 per cent of these eligible habitations actually have roads today — with projects being cleared for another 30,501 — can be considered a reasonable achievement. Since its inception, PMGSY has provided connectivity of over 4,66,044 km — including upgradation of 1,67,977 km of existing roads — at an aggregate cost of Rs 1,41,822 crore as on January 2016. Government wants to connect 65,000 rural habitations through the PM Gram Sadak Yojana.

The Rural Development Ministry is now tasked with constructing 2.23 lakh km of roads by 2019. The allocation for the PM Gram Sadak Yojana has been increased from Rs 14,200 crore in 2014-15 to Rs 18,291 crore in 2015-16 and Rs 19,000 crore for the current financial year. Between 2014 and 2016, 18,488 habitations were connected after construction of 72,835 km of rural roads.

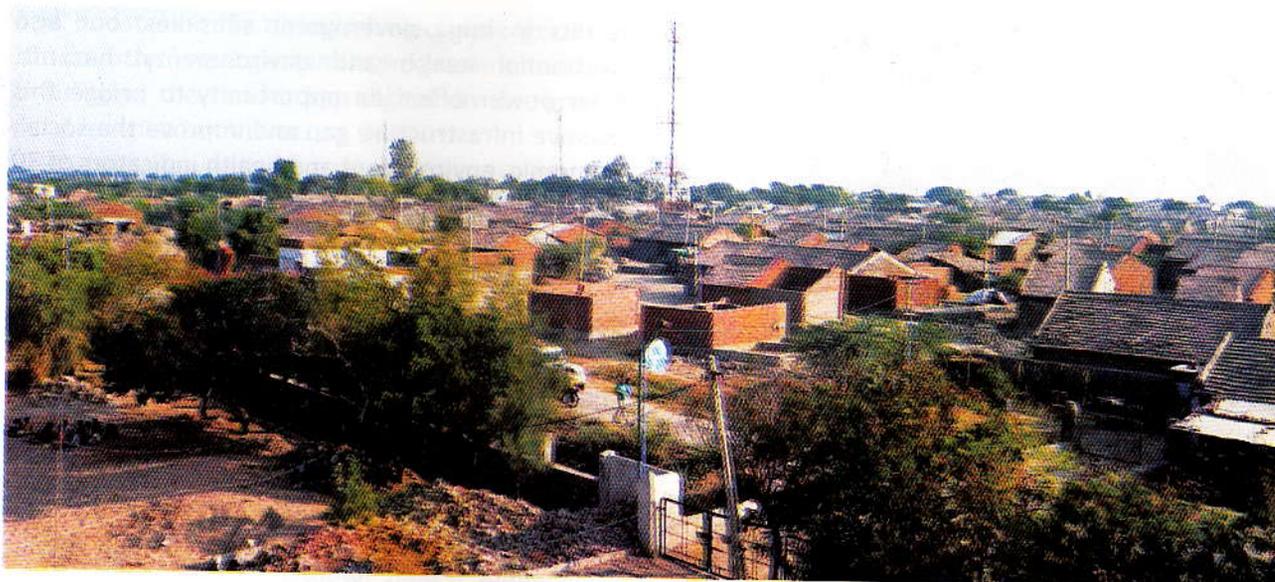
Due to these roads, now it has been made it possible for producers of perishable produce such as milk, fish and vegetables to sell these to a wider base of consumers in nearby towns. Equally, it has enabled companies to distribute their products through rural retail stores. These stores were earlier unviable both for their owners and the companies wanting to replenish stocks. But with motorable roads today, you have more efficient supply chains and lower inventory costs.

Pradhan Mantri Awaas Yojana (Gramin)

The Central Government took a major towards ensuring that people can get a house within their financial capability. Launched on June 25, 2015 the primary aim for this is to ensure that 3 crore houses are built across nation's length and bread in next 7 years. The rural housing scheme will help achieve housing for all by 2022 in Rural areas across the country.

The government has allocated Rs 15,000 crore to the programme for the current fiscal and increased payout per household to more than





Rs 1.2 lakh from Rs 75,000 earlier, along with increasing area per home to 25 square metres from 22 sq metres.

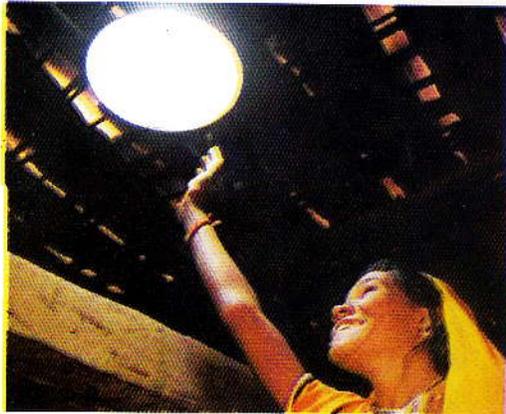
The housing scheme will have linkages with Swachh Bharat Abhiyan or national cleanliness mission to ensure toilets in each house, with provision of an additional allocation of Rs 12,000 per household. This will be coupled with 90-day wage provided under the governments flagship rural jobs programme under Mahatma Gandhi National Rural Employment Guarantee Act, adding another Rs 18,000 to each household.

To address the gap in rural housing and in view of Government's commitment to provide "Housing for All" by 2022, the scheme of IAY has been re-structured into Pradhan Mantri Awas Yojana – Gramin (PMAY-G) w.e.f. 1st April, 2016.

Pradhan Mantri Awas Yojana – Gramin: Highlights

- Government to construct 1 Crore pucca (permanent) houses for the rural poor in the next three years.
- The scheme is expected to boost job creation in rural areas.
- The project will be implemented in a span of three years from 2016-17 to 2018-19 with a budget of Rs. 81,975 crore.
- Of the total estimated expenditure, Rs. 60,000 crore will come from budgetary allocations and the remaining through Nabard.
- The cost of unit (house) assistance is to be shared between central and state governments in the ratio 60:40 in plain areas and 90:10 for north-eastern and hilly states.
- Beneficiaries of the rural houses would be chosen according to data taken from the Socio-Economic Caste Census of 2011.
- An allowance of Rs. 120,000 in plain areas and Rs. 130,000 in hilly areas will be provided for construction of homes.
- The unit size will be enhanced from the existing 20 sq.mt. to up to 25 sq.mt. including a dedicated area for hygienic cooking.
- Provision of toilets at Rs. 12000/- and 90/95 days of unskilled wage labour under MGNREGA over and above the unit cost.
- Funds will be transferred electronically directly to the account of the beneficiaries.
- The beneficiary would be facilitated to avail loan of up to 70000 rupees for construction of the house which is optional.
- Special Projects to be sanctioned to states based on situational exigencies and special needs.

The scheme is also expected to generate employment in the rural areas, especially in the construction sector which is currently the 2nd largest employers in India.



Rural Electrification:

In November 2015, the Union Cabinet approved '*Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)*.' RGVVY -which dealt purely with electrification — was subsumed under it and this was launched by Prime Minister for power sector reforms in rural areas with a view to ensuring round the clock electricity supply to farmers and rural households.

The new power scheme focuses on feeder separation (rural households and agricultural) and strengthening of sub-transmission and distribution infrastructure, including metering at all levels in rural areas.

The scheme is one of the flagship programmes of the Power Ministry and will facilitate 24x7 supply of electricity.

The major components of the new scheme are feeder separation; strengthening of sub-transmission and distribution network; Metering at all levels (input points, feeders and distribution transformers); Micro grid and off grid distribution network & Rural electrification - already sanctioned projects under RGGVY to be completed.

The scheme has an outlay of Rs. 76,000 crore for implementation of the projects under which the Centre shall provide grant of Rs. 63,000 crore.

The Indian government has electrified over 7,000 villages in 2015-16 which stands 37 per cent higher than the previous three years.

Nearly 30 crore people in rural India lack access to grid-connected power, promoting use of archaic sources of energy such as kerosene, diesel, wood-fired chulhas, etc, which not only

results in huge government subsidies, but also substantial health and environmental hazards. Solar power offers an opportunity to bridge this massive infrastructure gap and improve the social, economic, environment and health indicators of 30 per cent of India's population.

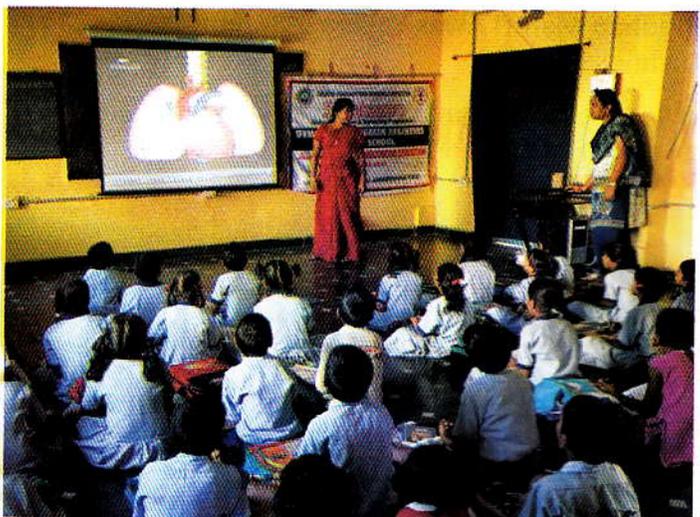
As on April 1, 2015, only 18,542 villages remained unelectrified. Prime Minister in his Independence Day speech in 2015 announced that these villages will be electrified within the next 1000 days. At the present date, just 7,716 villages are unelectrified. Each and every village would soon be deemed electrified by the government well before the deadline.

Even World Bank has noted that "Rural electrification in India has caused changes in consumption and earnings, with increases in the labour supply of both men and women, and promoted girls' schooling by reallocating their time to tasks more conducive to school attendance"

Regular and reliable electricity could have a galvanising effect in reducing poverty in rural India.

Digital India Connecting Rural India With Mainstream

Technology will play a significant role for access to quality education, healthcare and financial services in empowering people in non-urban and rural areas and Digital India is slowly but steadily connecting rural India with the mainstream. Prime Minister plans to provide government services online, expand Internet connectivity to rural areas



and boost manufacturing of electronic goods in the country. The Digital India programme can help in bridging the rural-urban digital divide through rural focused initiatives.

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Strengthening digital infrastructure in rural areas is a major focus area under Digital India programme. Digital India Program will work for the prosperity and growth of rural population of the country.

Among the various schemes launched under Digital India, the Bharat Net Program aimed at establishing a high-speed digital highway to connect all 2,50,000 gram panchayats will clearly be a major step forward in strengthening the digital infrastructure of the country, especially in the rural areas. Additionally, the Next Generation Network project of BSNL can be expected to contribute to the modernisation of the telecom infrastructure in rural areas. The plan to set up WiFi hotspots all over the country would be extremely helpful to accelerate provision of broadband connectivity in India. It can be hoped, however, that the locations of such WiFi hotspots would be decided keeping in mind the need of the rural population of the country.

Digital technology like mobile and Internet seems to bring a positive change in the lives of Indian farmers. Farmers will be able to get information about weather such as rain forecast, wind speed, etc. by using features like SMS, Helplines, Voice messages etc. Information about crops, soils, climate, cultivation practices, financing, storage of produce and marketing in the farming communities will be available to every farmer at his finger tips so Indian agriculture and farming sector would be a big beneficiary of expansion of digital India.

By the year 2019, the 'Digital India' program of India envisages that 250,000 Indian villages will enjoy broadband connectivity, and universal phone connectivity.

The Prime Minister's vision of Digital India is strongly dependent upon dissemination of digital literacy to India's rural population, making atleast one person in the family digitally literate.

The National Digital Literacy Mission (NDLM) proposes to provide Information Communication and Technology (ICT) training to 10 lakh (Ten lakh) persons initially, one in every eligible household in selected Blocks in each State/ UT of the country. Central government also plans to launch a Rs. 1,800 crore Digital Literacy Mission for 6 Crore people in rural areas as another initiative to bridge the gulf between those who have access to and can use computers and the internet and those who don't.

These 6 crore people form almost 40 per cent of our rural population. The government target is to make each of these 60 million rural people digitally literate in three years.

As a part of PM Digital India initiative, Central government is all set to digitally connect all rural post offices by March 2017.

Government is going to digitally connecting all 1,29,323 gram in dak sewak post offices in rural areas across the country by March 2017. The government has approved the Department of Posts' IT Modernization Project with a total outlay of Rs 4,909 crore aiming modernization, digitization and networking of around 1,55,000 post offices.

The government is also working on the concept of digital villages—rural areas that will have telemedicine facilities, virtual classes and solar power-based WiFi hot spots.

Developing digital infrastructure will not only help in technological advancement here, but bring a large so untapped population on the same page as the rest of the world. The telecommunication connectivity with rural India will not only boost e-commerce or literacy, it will certainly enhance the dialogue between the citizens and government. Activities like banking, providing subsidies, selling crops and other agro-products would become easy and efficient for the rural people. It will also positively affect the human resource development, GDP of the nation and strengthen democracy. After all, a well-connected nation is the first important step towards building a well-governed nation.

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