



Accelerating Rural Transformation

India's rural transformation reflects a sustained national effort to realise the vision of self-reliant, dignified village communities. Over the past decade, investments in physical and social infrastructure have accelerated change across rural landscapes. Expansion of all-weather roads, permanent housing, piped drinking water, rural electrification and digital connectivity has improved mobility, access to services and economic opportunity. These interventions have strengthened agricultural productivity, supported allied sectors such as fisheries and livestock, expanded village industries, and integrated rural markets with broader value chains.

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Development initiatives are narrowing gaps between rural and urban India. Policy emphasis remains anchored in agriculture and allied activities, while recognising the need for diversified livelihoods and resilient infrastructure. Recent budgetary commitments underscore rural development as a strategic priority, with enhanced allocations for employment generation, asset creation and infrastructure expansion.

Flagship programmes focus on durable rural assets, expanded wage employment guarantees, near-universal road connectivity, household tap water

access, universal electrification, and housing integrated with basic amenities. Digital infrastructure and logistics reforms are extending new economic possibilities to remote areas. Collectively, these measures position villages as active contributors to national growth.

India's journey toward *Viksit Bharat* vision has been gradual but determined. Over the past decade, rural transformation has gathered pace through sustained investment in roads, housing, piped water, electricity and digital connectivity. These interventions are not merely physical assets; they are catalysts for social and economic mobility. Agricultural productivity has improved, village industries have expanded, and access

to irrigation, sanitation, education and healthcare has widened. Rural markets are more integrated, and economic activity is no longer confined to subsistence patterns.

Budgetary Commitment to Rural India

The Union Budget 2026–27 reinforces this commitment with substantial financial allocations. The Ministry of Rural Development has been allocated ₹1.97 lakh crore for 2026–27, reflecting a 21 percent increase. According to Agriculture and Rural Development Minister Shri Shivraj Singh Chouhan, the combined allocation for the Ministries of Agriculture and Rural Development now exceeds ₹4,35,779 crore—an emphatic statement of policy priority towards farmers and villages.

While rural India has undeniably progressed over the decades, challenges persist. Geographic diversity, uneven resource distribution and socio-economic disparities continue to affect outcomes. Per capita income and consumption levels in villages remain lower than in urban areas, and gaps persist in education and health indicators. Yet, sustained development interventions are narrowing these divides, generating new employment avenues and stimulating rural enterprise.

India's rural economy is fundamentally anchored in agriculture and allied activities. The country holds 2.4 percent of the world's land and 4 percent of its water resources, yet supports nearly 17 percent of the global population and 15 percent of its livestock. There are 6,62,336 villages under 2,57,816 Gram Panchayats, and 54.6 percent of the total workforce resides in rural areas. Strengthening rural infrastructure is therefore not a sectoral choice—it is a national imperative.

In her recent address to Parliament, President Smt. Droupadi Murmu highlighted major achievements: construction of four crore permanent houses for the poor over the past decade; piped water connections to more than 12.5 crore families under the Jal Jeevan Mission; India's emergence as the world's largest rice producer and second-largest fish producer; and near-universal rural connectivity through the Pradhan Mantri Gram Sadak Yojana (PMGSY). These milestones underscore the scale of transformation underway.

Viksit Bharat—Gram Rozgar Mission (VB—GRM)

Drawing upon lessons from over a decade of MGNREGA implementation—which created nearly 8.5

crore assets—the Government has introduced the Viksit Bharat—Gram Rozgar Mission (VB—GRM) Act. Conceived as a decisive step toward durable rural infrastructure aligned with the Viksit Bharat 2047 vision, the scheme expands both scope and ambition.

VB—GRM covers education, healthcare, drinking water, sanitation, renewable energy, water security and livelihood-related works such as agriculture, livestock, fisheries, skill development, enterprise promotion, rural haats, agricultural storage, nurseries and production of building materials. It also includes climate-resilient works aimed at mitigating seasonal vulnerabilities.

Out of the total rural development allocation, more than ₹1.51 lakh crore, including State contributions, has been earmarked for VB—GRM, with the Centre contributing over ₹95,692 crore. Additionally, ₹30,000 crore has been allocated for MGNREGA, which will continue until VB—GRM is fully operational and pending works are completed.

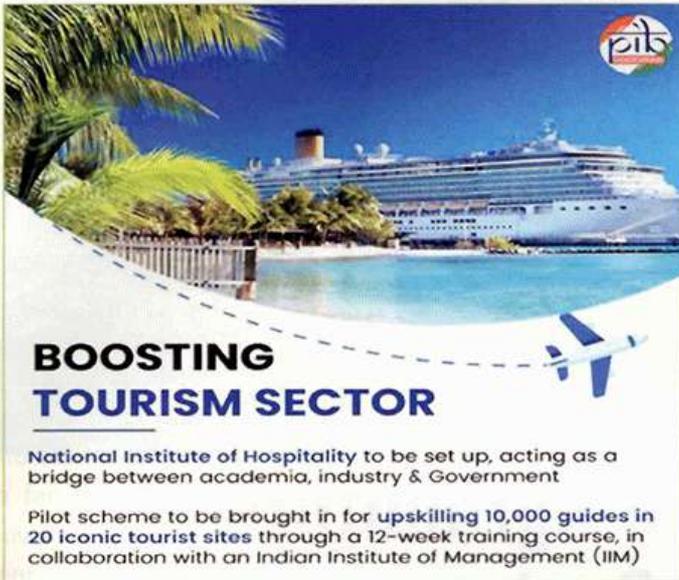
The new scheme enhances employment guarantees from 100 to 125 days, introduces an unemployment allowance if work is not provided within 15 days, and mandates compensation for delayed wage payments. At least 50 percent of works will be implemented through Gram Panchayats. Administrative expenditure has been increased from 6 percent to 9 percent to ensure timely remuneration of field-level staff. The objective is clear: create durable, productive rural assets that strengthen local economies.

Rural Roads: Connecting Opportunity

Rural connectivity remains foundational to development. Under PMGSY-IV, initiated in 2024, approximately 62,500 km of roads are to be constructed by 2029 at a cost of ₹70,125 crore. For 2026–27, ₹19,000 crore has been allocated. As of 31 December 2025, 99.7 percent of eligible habitations have been connected.

A notable feature of PMGSY has been its focus on habitations rather than revenue villages as the unit of implementation. Settlements with populations of 500 or more in plains, 250 or more in hilly regions, and even 100 or more in Left Wing Extremism-affected areas were included. This inclusive design has brought markets, schools and healthcare facilities within reach of remote communities.

For a farmer transporting perishable produce, a paved road means reduced spoilage. For a student, it



means access to secondary education. For a pregnant woman, it means timely medical care. Connectivity translates directly into dignity and opportunity.

Jal Jeevan Mission: Water at the Doorstep

When launched in August 2019, only 17 percent of rural households had tap water connections. By early 2026, coverage has reached 81.31 percent—15.74 crore households out of 19.39 crore. Schools and anganwadi centres are also being provided with safe piped water.

The original estimated outlay of ₹3.60 lakh crore (with ₹2.08 lakh crore as the Centre's share) has been enhanced, and the mission has been extended until December 2028. For 2026–27, ₹67,670 crore has been allocated.

Independent assessments highlight significant social impact. The World Health Organization estimates that the mission has saved over 5.5 crore hours previously spent collecting water and prevented nearly four lakh deaths due to diarrhoea. For rural women in particular, access to tap water has meant reclaimed time—time for education, enterprise or simply rest.

Rural Electrification: Powering Progress

Rural electrification has further transformed village life. Under the Deen Dayal Upadhyaya Gram Jyoti Yojana, 18,374 unelectrified villages were connected by December 2014. The Saubhagya scheme, launched in 2017, invested ₹1.85 lakh crore to strengthen distribution infrastructure and delivered electricity to 2.86 crore households. As a result, average hours of power supply in villages improved by 39 percent.

Reliable electricity has reduced irrigation costs, enabled micro-enterprises, supported cold storage and improved educational outcomes. Evening study under electric light is no longer a privilege but an expectation.

Housing for All: PMAY–Gramin

The Pradhan Mantri Awas Yojana–Gramin (PMAY–G), launched on 1 April 2016, integrates housing with sanitation, LPG, electricity and drinking water. For 2027–28, ₹54,916.70 crore has been allocated. The target is to provide 4.95 crore houses with basic amenities by 2029 to families living in kutcha or dilapidated homes and to the homeless.

A pucca house represents more than shelter—it signals security, social status and improved health outcomes. For millions of families, it is the first tangible asset in their name.

Digital Connectivity and Emerging Infrastructure

The Digital revolution is reshaping rural India. As of December 2025, 2,14,904 villages have been made service-ready under BharatNet, which aims to provide broadband connectivity to 2,64,635 Gram Panchayats. With tele-density at 86.76 percent and 5G services available in 99.9 percent of districts, digital inclusion is accelerating. Rural post offices are evolving into service hubs, facilitating financial inclusion and e-governance.

The Budget also announces plans to operationalise 20 new national waterways over the next five years and expand coastal shipping. These initiatives are expected to benefit large rural hinterlands by reducing logistics costs and stimulating regional trade.

Toward Gandhi's Village Republics

Across sectors—roads, water, power, housing and digital connectivity, the common thread is access. Infrastructure is not an end in itself; it is a bridge between aspiration and achievement. As villages gain reliable services, the rural–urban divide narrows, Productivity improves, incomes rise and migration pressures ease.

The Union Budget 2026–27 reaffirms that rural infrastructure remains central to India's development trajectory. If implementation remains focused and community participation strong, India's villages will not merely catch up with cities; they will emerge as vibrant engines of national growth, fulfilling the vision of *Viksit Bharat* by 2047. ■