

FOCUSING ON RISING RURAL DEVELOPMENT FOR INCLUSIVE AND PROSPEROUS BHARAT

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Abstract

Economically India is currently the fastest-growing large economy in the world. Since, the last decade or so it is on a high growth trajectory, while it aims to become a developed nation by 2047. Despite being rich in natural and human resources, the nation continues to face challenges, particularly in rural areas, but rural areas with improvement in skills and infrastructure promise to contribute to its productivity and overall growth in coming decades. This paper examines the transformation of the rural economy through key development initiatives such as the Saansad Adarsh Gram Yojana (SAGY) and the Shyama Prasad Mukherji Rurban Mission (SPMRM), focusing on 21 broad development components encompassing basic amenities, economic activities, and social, physical, and digital infrastructure. Using empirical data from 1,645 respondents across 40 blocks and 10 districts of Gujarat, the study analyses views of people and their perception relating to skills improvement, digital literacy and infrastructure and citizen service facilities and improvement taken place. The analysis indicates substantial improvement in training, digital access, and service delivery, though a great deal of further strengthening of capacities remains necessary besides their institutionalisation. Discriminant validity analysis confirms strong interrelationships among development components, indicating positive effect of development indicators on one another leading to a virtuous cycle of rural growth contributing to national economic development. The findings highlight that continuous policy thrust, institutional strengthening, and continued convergence based rural initiatives are key to achieving development objectives of inclusive and sustainable growth for Viksit Bharat@2047.

Keywords: Rural Development, SAGY and SPMRM, Rurban Development, Inclusive Development, Viksit Bharat

1. Introduction:

India at present enjoys a distinctive position of being fastest growing economy with highest GDP growth rate among large economies of the world. The growth rate in GDP and positive initiatives of government and development outcomes in all the three sectors of the economy shows that India is on the cusp of a virtuous developmental trajectory as it aims to be a developed nation by 2047. The present GDP growth rate and focus on inclusive development promises to transform India into a strong economy where people engaged in all sectors benefit from economic growth. It is said that India is a rich country inhabited by poor people. It is rich owing to its fairly abundant natural resources, human resources and bountiful climatic and weather conditions for agriculture but poor due to its people who lack skills and knowledge as they are not able to use these resources productively due to lack of skills

and knowledge. India has successfully weathered quite a few international economic crises during last three decades. This has been largely attributed to less globalisation and domestic demand related factors along with development oriented policy push. The policy thrust in particular during the last 10 years is promising to take India further on the path of higher inclusive economic development. Joshi Yogesh C. (2021) emphasized Rurban area development and challenges when rural area is engulfed while cities are expanding. It emphasized need of critical gap funding for development of GPs of villages in Bharat. The per capita income according to IMF is approximately USD 2800 while in terms of PPP it is USD 11000 in year 2024, which qualify India to be one of the low middle income country.

The present paper provides a brief of selected notable initiatives, transformation of rural economy leading to

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overall development through 21 development components. The paper also probes recent developments which are likely to boost rural development in view of respondents from rural areas of Gujarat. Lastly, the macro economic developments during recent past have been studied having linkages with rural development and contributing to rising Bharat and Viksit Bharat by 2047. The OECD (2013) also focus on rural urban partnerships and linkages in development and enabling rural – urban cooperation and partnership for economic development.

2. Importance of Rural Development and Recent Initiatives For Viksit Bharat

The contribution of rural areas is significant due to the fact that they lack relative development with concentration of rural activities compared to urban and industrial areas. Any growth and modernisation of economic activity in rural area has strong linkages with industrial and services sector growth. Through various development initiatives for rural economy government is continuously attempting to push national development via its strong linkages with other sectors and overall economic activity. Out of many rural development programmes and schemes two programmes are noteworthy namely SAGY(<https://saanjhi.dord.gov.in/>) and SPMRM (https://rurban.gov.in/index.php/public_home#gsc.tab=0).

The Rural Development department of the Ministry of Rural Development of Government of India has identified all encompassing, twenty one development components to pursue rural development, namely, piped water supply, sanitation, solid and liquid waste management, access to village streets with drains, village street lights and electrification, inter village roads connectivity, public transport, LPG gas connection, skill development training linked to economic activities, agri-services processing and allied activities, education, health, digital literacy, citizens service centres, environment, employment generation and SHG formation, tourism promotion, sports infrastructure, social infrastructure, rural housing and social welfare (https://rurban.gov.in/index.php/public_home/list_components#gsc.tab=0). These factors pertain to a four pronged strategy of development through creating and strengthening i. basic amenities, ii. Economic activities, iii. social and physical infrastructure, and iv. digital infrastructure. It is evident that backward and forward linkages generated through rural development will contribute to overall sustained economic development, (Anon, 2015). These aforementioned initiatives will ensure that rural population gets to live a decent life in villages itself. This will fulfil the present government's objective of keeping intact 'atma gaon ki suvidha shahar ki' i.e. keeping intact 'soul of village and providing urban amenities' in villages itself for its

population. Considering large number of villages spread across length and breadth of country's geography, these developments in rural areas will have a long term positive impact on strengthening quality economic and social life of people. Joshi, Yogesh C., Dave, D., & Patel, B. (2021) emphasized continued challenges in rural development while new initiatives are being undertaken to accelerate development and focus on inclusive development.

Various programmes of rural area development have been initiated by governments from time to time (<https://rural.gov.in/>). D Vedvyas, C Kuldip, J Yogesh C, (2023) stressed on need to improve efficiency of rural institutions to enhancing rural development. Kipnis, B. A. (1989), also mentioned of rural renaissance in Israel owing to mutual gains due to rural urban partnership in economic development. Specifically, evaluation studies highlight many success stories of good progress achieved under Shyama Prasad Mukherji Rurban Mission (SPMRM) programme based on 21 development components (https://rurban.gov.in/doc/Success_Story_24022020.pdf). The Saansad Adarsh Gram Yojana (SAGY) (<https://saanjhi.dord.gov.in/>) evaluation studies across all states also show considerable success in initiation of rural development in gram panchayats (GPs) across Bharat in all the states. These two initiatives are unique as they focus on development of skills, capacity and direct empowerment of rural population and create social, physical, digital infrastructure in rural areas. This allows population in villages to expand economic opportunities and enjoy urban amenities and infrastructure. The SAGY focused on development of GPs in rural areas through initiatives of a member of Parliament and funds generated through their influence. On the other hand the SPMRM followed cluster development approach, focused on funding through convergence money from existing government schemes and additional funds as critical gap funding (CGF) from Ministry of Rural Development (MoRD) central government for identified ICAP projects.

Both the SAGY and SPMRM evaluation studies by authors sponsored by MoRD, Government of India showed appreciable development of infrastructure relating to identified aspects under ICAP including skill development awareness and efforts, sports facilities and digitalisation in education, health and public services and other development indicators in all GPs of SAGY and designated clusters of SPMRM. Although, it was evident that overall progress and improvement varied in various GPs of SAGY and clusters due to a variety of factors. However one discernible factor which positively affected the outcomes was active and positive involvement of inhabitants and officials including people representatives. The SAGY and SPMRM also focus on developing common resources and create common amenities for aiding rural

population. It emphasised role of rural institutions and local government in managing common resources as emphasised by Joshi Yogesh C. (1995).

Besides evidence from SAGY and SPMRM programmes another study by authors in tribal regions between Betul (Tapti river) and Narmdapuram (Narmada river) of Madhya Pradesh further shows the efforts made to organise the tribal families to form Self Help Groups (SHGs) and Farmer Producer Organisations (FPOs) to get the best prices of their farm produce and a large variety of non timber forest produce. M Pal, H Gupta, YC Joshi (2022) emphasized the importance of financial independence and empowerment of women leading to development of rural areas. With improvement of road networks in tribal regions it was observed that tribal people have now just started travelling to the main market for buying and selling their requirements and in the process getting additional market information as well. Another development in tribal regions of Madhya Pradesh observed was efforts to mainstream persons with disabilities (PwDs) which augurs well for overall development of market and people in tribal regions and for inclusive development.

There are many initiatives to develop new tourist circuits and locations to give a fillip to rural area development. The SPMRM focused on development of many cluster around popular religious and popular

tourism destinations which is well documented by MoRD, Government of India. Besides attempt to develop these efforts of cluster development there have been very successful cases of tourism development like in Rann of Kuchh, Sardar Patel Statue at Sardar Sarovar Dam, Kumbh Mela, Ram Janam Bhumi at Ayodhya, Lakshadweep and other such locations. These successes coupled with boost to physical infrastructure are promoting rural development and contributing to increased incomes of people associated with tourism sector in the rural areas.

3. Perception of Rural Economy: Evidence from Primary Study

A primary study was undertaken from 1645 sample respondents drawn from forty blocks from ten districts representing four regions of Gujarat to study rural transformation. How respondents viewed and perceived selected initiatives for development have been presented. These views represent how people in rural areas view the rural development initiatives of the government. The data presented here are a part of a larger study during year 2022-23 sponsored by University Grants Commission (UGC), New Delhi to the authors on 'Managing Transformation of Rural Economy'.

The table 1 presents data on how respondents view skill development training linked to economic activities undertaken in and around their villages.

Table 1: Opinion of Respondents Regarding Skill Development Training Linked to Economic Activities in Rural Areas (Frequency/Per cent)

Response Statements	Strongly Disagree	Disagree.	Neutral	Agree	Strongly Agree	Total	Mean
Rural youth should be trained properly to use the available rural resources for the development activities	4 (0.2)	5 (0.3)	384 (23.3)	997 (60.6)	255 (15.5)	1645 (100)	3.91
There is enough training for possible livelihood	9 (0.5)	15 (0.9)	180 (10.9)	780 (47.4)	661 (40.2)	1645 (100)	4.26
There is enough training for new farming practices	12 (0.7)	15 (0.9)	262 (15.9)	972 (59.1)	384 (23.3)	1645 (100)	4.03
Skill development training is provided by Government in my village	16 (1.0)	12 (0.7)	187 (11.4)	942 (57.3)	488 (29.7)	1645 (100)	4.14
Skill development training is provided by NGO/Private/ in CSR	19 (1.2)	14 (0.9)	217 (13.2)	995 (60.5)	400 (24.3)	1645 (100)	4.06
Various skill development workshops are regularly arranged in my village	18 (1.1)	16 (1.0)	181 (11.0)	973 (59.1)	457 (27.8)	1645 (100)	4.12
Skill development among women has improved during last 3 to 4 years.	13 (0.8)	12 (0.7)	183 (11.1)	965 (58.7)	472 (28.7)	1645 (100)	4.14

It is clear from table 1 that respondents felt that although there is enough provisions of training for livelihood for youth and women through government and NGOs there is still scope for training the youth properly to use rural resources for developmental activities. It further reveals that training efforts among women has improved during the last 3 to 4 years. The overall view of respondents clearly shows that training for skill development and improvement among rural population related to agriculture and allied operations as well other vocations is being imparted but it requires further improvement.

The data on views regarding Digital literacy and digital connectivity in rural areas is presented in table 2 below. A perusal of table 2 shows that in villages rural population is engaging in digital transaction related to finance and banking, panchayat or municipal services but still they feel that they are not highly self sufficient in taking decisions due to digital illiteracy, although it can be inferred from responses that they largely do not feel to be self sufficient and reliant owing to have become digitally literate.

Table 2: Opinion of Respondents Regarding Digital Literacy and Digital Connectivity in Rural Areas (Frequency/Percent)

Response Statements	Strongly Disagree	Disagree.	Neutral	Agree	Strongly Agree	Total	Mean
Digital literacy makes me self-sufficient for taking decision.	2 (0.1)	9 (0.5)	439 (26.7)	967 (58.8)	228 (13.9)	1645 (100)	3.86
Digital literacy has helped to easily do my finance and bank related work.	2 (0.1)	11 (0.7)	180 (10.9)	792 (48.1)	660 (40.1)	1645 (100)	4.27
Mobile internet connection has increased in my village.	4 (0.2)	9 (0.5)	272 (16.5)	947 (57.6)	413 (25.1)	1645 (100)	4.07
I can use electronic gadgets easily due to digital literacy.	6 (0.4)	9 (0.5)	208 (12.6)	929 (56.5)	493 (30.0)	1645 (100)	4.15
Internet connectivity is available in my village.	6 (0.4)	12 (0.7)	274 (16.7)	959 (58.3)	394 (24.0)	1645 (100)	4.05
Panchayat services are available digitally.	6 (0.4)	6 (0.4)	173 (10.5)	924 (56.2)	536 (32.6)	1645 (100)	4.20

The table 3 gives responses related to citizen service centres in rural areas. The responses clearly shows that citizen service centres in rural areas have improved and the respondents opined that these centres help to file online application, work 24 by 7 in villages and inform village population of benefits from government schemes available for the population. Besides, a large proportion of respondents agreed that the villagers are operating the Jan Dhan accounts regularly and are receiving the benefits /subsidies from government regularly.

Table 3: Opinion of Respondents Regarding Citizen Service Centres in Rural Areas (Frequency/Per cent)

Response Statements	Strongly Disagree	Disagree.	Neutral	Agree	Strongly Agree	Total	Mean
Citizen service centre helps me to file online application.	15 (0.9)	6 (0.4)	127 (7.7)	1080 (65.7)	417 (25.3)	1645 (100)	4.14
Citizen service centre benefits are easily available to villagers.	16 (1.0)	9 (0.5)	149 (9.10)	1204 (73.2)	267 (16.20)	1645 (100)	4.03
Citizen service centre is working 24/7.	17 (1.0)	15 (0.9)	189 (11.5)	931 (56.6)	493 (30.0)	1645 (100)	4.14

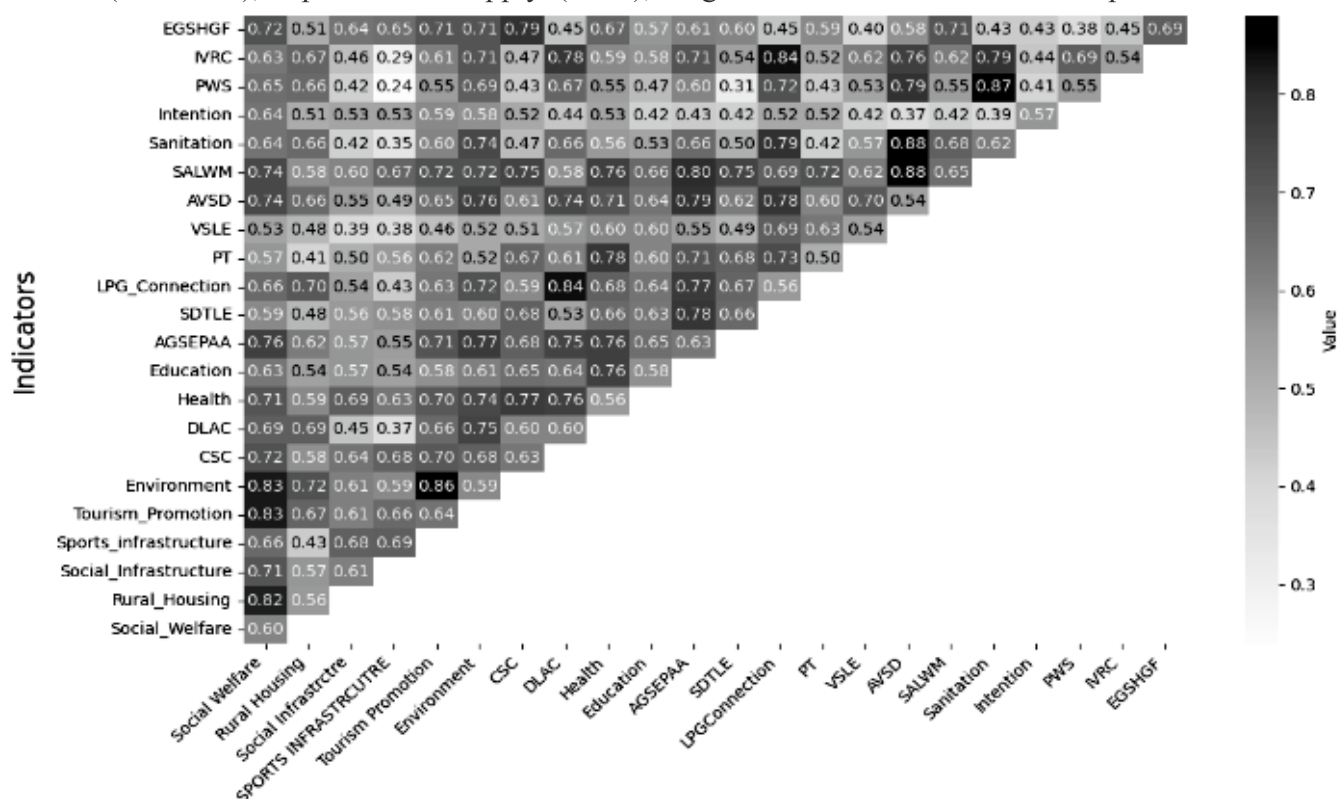
Jan Dhan accounts are regularly operated by villagers.	9 (0.5)	12 (0.7)	196 (11.9)	954 (58.0)	474 (28.8)	1645 (100)	4.14
Citizen service centre spreads proper awareness about Government benefits/subsidies.	12 (0.7)	11 (0.7)	202 (12.3)	1047 (63.6)	373 (22.7)	1645 (100)	4.07
Government benefits/subsidies made available regularly.	9 (0.5)	13 (0.8)	115 (7.0)	1020 (62.0)	488 (29.7)	1645 (100)	4.19

The Fornell–Larcker criteria (whether concepts or measurements that are not supposed to be related are actually unrelated), which states that the square root of average variance extracted-(AVE) for each concept must be greater than the inter-constructed correlations, was used to assess discriminant validity (Fornell & Larcker, 1981). The indicators used are the same as used by Ministry of Rural Development for initiating rural development and are as shown in figure 1 below.

The Results of Discriminant Validity Assessment shows the relationship between critical development indicators in view of respondents impacting rural development are presented below in figure 1. These development indicators are Skill Development Training Linked to Economic Activities (SDTLE), Agri-services Processing and Allied Activities (AGSEPAA), Employment Generation and SHG Formation (EGSHGF), Piped Water Supply (PWS),

Solid and Liquid Waste Management (SALWM), Access to Village Streets with Drains (AVSD), Village Street Lights and Electrification (VSLE), Inter Village Roads Connectivity (IVRC), Public Transport (PT), Digital Literacy and Connectivity (DLAC) and Citizens Service Centres (CSC).

The results shown in figure 1 shows that most constructs satisfied the criterion, confirming conceptual distinctiveness. However, as expected the development initiatives as represented by variables as exhibited by constructs exhibit moderate-to-high inter-correlations, indicating that development components are also dependent on one another. This indicates that every component, on improvement will facilitate positive effect on one another and will have a magnifying impact on rural development i.e. improvement will have an accelerated impact on rate of growth of rural economic development.



Source: Prepared and calculated by Authors

Note: Diagonal values represent the square root of Average Variance Extracted, AVE; off-diagonal values are inter-construct correlations.

The figure 1 above depicts strong positive and direct relationship among many development components in view of respondents drawn from rural areas. A glance of figure 1 shows that a large majority of components are such that they feed on one another and strengthen each other positively resulting in gains for rural development. Very correctly the positive effect is likely to be opposite of one which prevails in any country as described in theoretical situation of ‘vicious circle of poverty’. The results in figure 1 typically points to a likely virtuous situation for rural development in GPs and clusters to boost contribution of Bharat in national development.

4. Macro Economic Developments Favours Push For Viksit Bharat:

When results from primary study above, are analysed along with selected macro economic development indicators in Bharat during recent years obviously, convinces one to be positive regarding growth to continue in future as well. It is more heartening that the growth push to development is likely to be provided by rural Bharat also along with urban and industrial regions. Hence, it can be stated that the conditions prevailing in rural areas at present are more conducive to economic development in Bharat than they were in the past decades.

Table 4: Selected Macro Economic Improvements During Recent Years

Mobile Phones in India			
	Total Mobile Phone Users	980 million phones. (2015)	1.159 billion wireless (2025)
	Smartphone Users	239 million smartphone users in 2015. (2015)	650 - 700 million smartphone (2025)
	% of Households owning at least one smartphone	(22-25%) (2015)	85.5% of households own at least (2025)
Budget Transfers			
	Beneficiaries	11 crore. (2015)	176 crore. (2025)
	Annual Transfers	7,300 crore. (2015)	6.91 lakh crore. (2025)
	Key Schemes	LPG Subsidy, FAI, MGNREGA, Food Security,	PM-KISAN, PMGDISHA, etc. (2025)
Jan Dhan Account (PMJDY)			
	Launch Year	28 Aug 2014 (2015)	10+ years completed. (2025)
	Total Accounts Open	28 Aug 2014 (2015)	56.16 crore. (2025)
	Total Deposits	Approx. 15,670 crore. (2015)	Approx. 2.68 lakh crore. (2025)
Aadhaar Card (nos.)			
	No. of Aadhaar Card	100 crore. (2015)	142.39 crore. (2025)
	Deactivation of Aadhaar	Not official given (2015)	About 1.15 to 1.17 crore. (2025)
UPI Transactions			
	Year	Monthly Transaction in nos.	Annual Transaction in INR
	2016	93,000	1.1 million
	2025	20.01 billion	125.4 billion (FY23)

GST Collection			
F. Year	Gross GST Collection	Monthly Avg.	YoY Growth
2017-18	7.41 lakh crore.	89,885 crore.	-----
2024-25	22.0 lakh crore.	1.84 lakh crore	9.4%
Employment/Welfare Schemes (Comparison)			
Feature	MGNREGA 2006	MGNREGA 2025	PMJAY 2018
Coverage	200 districts	All rural districts	10 crore families
Employed/Beneficiaries	2.5 crore households.	3.83 crore households.	
Wage Rate	60/day.	336/day	-----
Crude Oil Refinery Capacity			
	3.8 million bpd. (2010)	5.5 million bpd. (2015)	5.51 million bpd. (2025)
FDI & FII in India	Year	FDI Inflows (USD Billion)	FII Net Investment (INR Crore)
	2010	25.9	1,10,220.6
	2015	44.3	1,11,332.6
	2025	81.04	1,93,000.0
India Road Network (km)			
Category	2010 (km)	2015 (km)	2025 (km)
NH (National Highways)	70,934	91,287	146,145
SH (State Highways)	154,522	163,109	179,575
Expressways	227	1,500	2,000+
Total Road Length	3.99 lakh	5.47 lakh	6.3-6.5 lakh
Source: Website of Respective Ministries, Government of India.			

The data in table 4 clearly shows that a significant progress has been made in Bharat over a period of last ten to fifteen years of time period in terms of selected macro economic indicators and those directly benefits rural area's population. The data presented above is for whole of Bharat but it has a significant bearing on rural areas development. The nature of improvement clearly shows that both digital and physical infrastructure has expanded significantly since 2010 till 2025 paving the way for direct benefit transfer and ease of economic transaction for rural population. It further benefits the government through increased digital UPI transactions as well as revenue collection from GST and other indicators also shows an increase in revenue for the government, allowing it to spend more on rural development.

5. Conclusion

It is evident that the government in India is focusing on the development of rural areas to promote inclusive growth and give a fillip to the economic development of Bharat. The rural population is increasingly benefitting from economic development, as reflected in improvements in social, digital, and physical infrastructure through programmes such as SAGY and SPMRM. Additionally, rural communities are witnessing progress in skill development, digital literacy, connectivity, and citizen-centric services. Overall, the macroeconomic growth and rural focus of Bharat are poised to make a substantial contribution toward sustaining economic development and realizing the vision of a prosperous and *Viksit Bharat*.

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