

Rural development: Shrinking Bharat needs a new approach

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A multi-sectoral strategy would go a long way in building bridges to the poorest rural communities in the remotest parts of the country

Urban population has seen a dramatic increase during the decadal 2001-11 period. According to Census 2011, urban population grew by about 32%, almost two-and-a-half times the rise of rural population (13%). With the increasing emphasis on building urban infrastructure, the neglect of Bharat is more than evident. Last week's article (Revitalising rural economy, FE, September 11—<http://goo.gl/ldiakE>) captured some of the highlights of the status of village level community infrastructure vis-a-vis road and public transport, public goods and services, and healthcare and education. Here's a quick recap.

- * A majority of large villages are connected to all-weather roads compared to 64% of smaller villages.
- * Primary health centres are to be found in nearly 60% of large villages as against 6% in smaller ones.
- * While electricity is available in most villages, most receive power for only 10-12 hours a day.

ICE 360 study (2014) findings reveal that out of 179.5 million rural households (comprising a population of 845 million), a significant majority (36%) are to be found in medium-sized villages (with populations of 2,000-5,000), 27% in village sizes of 1,000-2,000 people, and only about 8% live in large villages with a population of over 10,000.

In continuation of last week's article, the current article focuses on profiling households residing in Indian villages.

Poor rural infrastructure has a tremendous impact on the well-being of rural households. Nearly 82% households in rural India have electricity connections and the percentage of households with access to power is more or less uniform across all sizes of villages. However, electricity supply continues to be erratic, with most villages getting only 10-12 hours of power per day. Only a third of all the households in the smallest villages—compared to nearly 66% in the largest ones—have toilets within the premises. LPG connections, similarly, are more prevalent among the households in larger villages (44.6%) compared to medium-sized (39.7%) and smaller villages (24.2%).

Rural household economy

Size of village (population)	<1000	1000-1999	1999-4999	5000-9999	>=10000	Total
Share of households having access to basic amenities (%)						
Toilet	32.6%	43.7%	50.2%	48.3%	65.5%	46.6%
LPG	24.2%	29.7%	39.7%	37.4%	44.6%	34.6%
Separate kitchen	30.5%	41.6%	46.2%	41.1%	52.6%	42.3%
Distribution of households by size of cultivable land (%)						
Landless	34%	47%	55%	61%	57%	50%
Small & marginal farmers (up to 2 hectares)	44%	43%	33%	30%	37%	37%
Medium/large farmers (>4 hectares)	22%	11%	12%	9%	6%	13%
Total	100%	100%	100%	100%	100%	100%
Distribution of households by different sources of income (%)						
Pure farm	31%	24%	18%	16%	10%	21%
Non-farm activities only	23%	32%	41%	44%	58%	37%
Agricultural labour only	10%	9%	10%	12%	11%	10%
Farm+others	30%	30%	27%	20%	15%	27%
Agricultural labour+others	6%	5%	4%	7%	6%	5%
Total	100%	100%	100%	100%	100%	100%
Share of households (%)						
Rural bottom 20%	20.9%	14.7%	16.9%	16.7%	5.2%	16.0%
Rural top 20%	20.1%	21.5%	26.6%	22.5%	39.9%	24.6%

Significantly, rural households that are relatively well-off are to be found in the Developed Rural (16.3%). Of these, nearly 32% live in the biggest villages. In contrast, a majority of the households in Underdeveloped Rural are stuck in the smallest villages (62.4% compared to 19.1% and 18.5%, respectively, for Emerging and Developed Rural).

Households that are located in the largest villages have an annual surplus income (income minus expenditure) of Rs 62,425, which is more than twice that of households living in medium-sized villages (Rs 25,408) and a little more than three times that of family units in the smallest villages (Rs 20,489).

Another important marker of a household's status along the development continuum is education. Significantly, there is not much difference in the

educational qualifications of households by village-size till about the higher secondary level. For instance, 18% households in the largest villages have at least one member who has studied up to higher secondary school. This figure for the smallest villages is actually marginally higher, at 19.3%. However, there are twice as many graduate households (18.9%) in the larger villages than in smaller ones (9.3%). This clearly indicates the lack of higher educational facilities within easy reach of smaller villages.

Understandably, larger villages offer its residents access to a wider array of resources, infrastructure and employment opportunities and, therefore, more diversity in terms of occupations. This is evident from the fact that nearly 20.5% households in the biggest villages earn their income from self-employed, non-agricultural work, compared to just 5.2% in the smallest villages. Also, nearly half of all families in the smallest hamlets (45.4%) depend on farm income, as against 14.9% in the biggest villages. Nearly 82% of households depend on a combination of agricultural work and casual labour to earn their income, as against 58.7% in the biggest villages. Therefore, the impact of declining rural wages, as a result of reducing MGNREGA allocations, will be borne by such households, pushing them further into the vortex of poverty and marginalisation.

Despite its flaws, studies have shown that the wage income and investment support from MGNREGA have made small and marginal landholders less dependent on big and medium landholders. In addition, It has dented the domination of rural society by the latter. Nearly half of all rural households are landless and 37.2% have marginal holdings of less than 1 hectare. Yanking away the support that MGNREGA provides—without building alternative employment generation sources in the smaller villages—would only end up pushing these families deeper into debt and dispossession.

Rural development has thus far been centred around subsidies and government interventions. Many of the rural programmes were developed during the times when the welfare of farming families was synonymous with the well-being of rural communities and the entire rural population. This is no longer so. There is a need to rethink rural development. Our emphasis should be more towards geographically concentrated programmes with the right mix of agricultural improvement for small and marginal farmers, better and effective extension activities, education and training of rural youth to provide necessary skills, and industrial development to provide non-farm job opportunities for rural residents.

A multi-sectoral approach would go a long way in building bridges to the poorest rural communities in the remotest parts of the country. Learning from our past experience, we should keep in mind that implementation constraints, whether caused by poor administrative capacities or crippling bureaucratic inefficiencies, can ruin even the most well-intentioned initiatives.

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