
VAJIRAM & RAVI

DRIVERS OF INCLUSIVE RURAL GROWTH

Currently, India is the **fifth largest economy of the world** having net worth of **2.94 trillion dollar**. However, the Govt has set a goal to become a **five trillion-dollar economy by 2025**. To achieve this, India has **set a target of one trillion dollar from agriculture, three trillion dollar from services and one trillion Dollar From Manufacturing Sector**.

There are more active internet users in rural India than in cities. **More than half of India's start-ups are in Tier 2 and 3 cities.**

Why Rural Economy Is Important

- As per NITI Aayog, it generates about **half of the national income** and **more than two-third of the employment**. More than half of the value added in manufacturing sector is contributed by rural areas.
- The agriculture and allied sectors alone contributed **17.8 percent to the total gross value added** of the country during 2020- 21.
- Growth, income and consumption patterns of rural India **hold the key to boost demand**, revive the economy, and sustain economic growth at national level.

Agriculture & Allied Sector – The Fulcrum of Rural Economy

- These sectors are the mainstay of rural economy as they drive demand for other sectors including retail, FMCG, and e-commerce. Agriculture directly steers consumption and demand in seed, fertilisers and chemicals, agricultural machinery etc.
- It is anticipated that the sector will grow to Rs. 88.2 lakh crore by 2023 at a CAGR of 12.2%.
- **Untapped potential** exists for public and private sector to contribute across the agricultural value chains, mainly in four areas of activities – **market linkage and farm to fork connections, logistics and supply chain, agroprocessing**, and R&D.
- e-NAM has removed barriers of licensing, movement and storage by providing online trading facilities to farmer. So far, **over 1000 major whole sale agriculture markets** have been integrated to develop the concept of '**one nation, one market**' for agriculture produce.
- In the Budget 2021-22, Government further announced to **integrate 1,000 more mandis**. Formation of 10,000 new FPOs (Farmer Producer Organisations) has also been announced.
- Besides increasing income, FPOs will facilitate farmers with access to improved technology, credit, better inputs at affordable cost and more markets. FPOs can also trade through eNAM from their collection centre without bringing the produce to APMC.
- Recently, eNAM has introduced a **warehouse-based trading module** that allows trading based on electronic-Negotiable Warehouse Receipts.
- Government created a dedicated **Agri-market Infrastructure Fund** for development and upgradation of marketing infrastructure at 10,000 **Gramin Agricultural Markets** and 585 **APMCs**.
- Recently introduced **new farm laws** are intended to help small and marginal farmers (86 percent of total farmers) who do not have means to bargain for their produce to get a better price.
- The **specific law on agri-market** allows farmers to **sell their produce outside APMC 'mandis' to buyers of their choice**. Any interested buyer can purchase farmers' produce even at their farm gates at mutually agreed price
- The **new law on contract farming** gives freedom to individual farmers to enter into a contract with agri-business companies or retailer-chains on pre-agreed prices of their produce. Such contracts will

help small and marginal farmers as the **new law transfers the risk of market unpredictability from the farmer to the sponsor.**

- Another law removes some of the **major agri-commodities from the list of essential commodities**, thereby attracting private/foreign direct investment into the agriculture sector.
- Government has recently made **MSP (Minimum Support Scheme) scheme more comprehensive and remunerative** by assuring at least 50 percent margin over and above the production cost.

Industries and Enterprises – Wheels of Rural Growth

- Among various industrial activities, **agro-processing/food processing is a sunrise sector**, especially in rural areas.
- The **Ministry of Food Processing Industries** is making all efforts to encourage investments across the value chain.
- **PM Kisan SAMPADA** (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) Yojana' was launched in 2017. It aims to create modern infrastructure with efficient supply chain management from farm gate to retail outlet, and link farmers to consumers in the domestic and overseas markets.
- 'SAMPADA' scheme is supporting **creation of mega food parks and agro-processing clusters**, especially in rural areas, to address the **need of small and micro food processing enterprises by providing plug and play facilities.**
- To arrest postharvest losses, financial assistance is being provided for setting up integrated cold chain from the farm gate to the consumer.
- A novel '**One District One Product**' scheme is designed to promote value chain and infrastructure development for the specialised indigenous product (food or otherwise) of a district so that it gets state/national exposure.
- More than half of the MSMEs operate in rural India. MSMEs contribute about 30 percent in the national GDP, contribute about 40 percent to the overall exports and employ nearly 110 million people across the country.
- Recently, as a step towards ease of doing business, Government revised financial norms for classification of MSME units.

New Definition of MSME

- **Micro** - Investment of less than Rs. 1 crore and turnover less than 5 crore;
 - **Small** - Investment of less than Rs. 10 crore and turnover less than Rs. 50 crore;
 - **Medium** - Investment of less than Rs. 50 crore and turnover less than Rs. 250 crore
- Recently, Govt has introduced a **simple, online registration scheme** for MSMEs, which is based on self-certification. Named as '**Udyam**' registration, it offers a host of benefits to MSMEs. These are:
 - Payment for invoices is assured within 45 days, otherwise buyer is liable to pay compound interest;
 - Government departments and public sector companies are mandated to **procure 25 percent of their requirement** from registered MSMEs
 - Concession in electricity bills is provided to registered MSMEs
 - During ongoing pandemic, a **subordinate debt scheme** is launched that provides a debt facility of up to 15 percent of the promoter contribution or Rs. 75. lakh, whichever is lower.

- A novel initiative called **Funds of Fund scheme** is launched with a corpus of Rs. 10,000 crore for providing financial relief and funding to MSMEs with growth potential and viability.
- During ongoing pandemic, Prime Minister launched a special **CHAMPIONS portal** for making the smaller units big by helping and hand-holding them. **World bank** has also recently allocated about **Rs. 5,600 crore for emergency funding to the MSME sector**.
- Ministry of MSME is also implementing a '**Scheme of Fund for Regeneration of Traditional Industries**' (SFURTI) to promote cluster of small-scale industries.
- SFURTI scheme is providing support for new products, design intervention and improved packaging, and also the improvement of marketing infrastructure. Traditional artisans are being equipped with improved skills and capabilities through training and exposure visits.
- Govt has established **18 MSME Technology Centres** to develop and promote new appropriate technologies, and their transfer to rural artisans for enhancing their income. During current pandemic period, these Technology Centres could develop and manufacture various components/products related to COVID-19, shared with MSMEs for domestic/indigenous production

FMCG- Gamechanger of Rural Economy

- Fast Moving Consumer Goods (FMCGs) sector is the **fourth largest sector in India** employing over three million people. This sector primarily consists of three segments – **household and personal care** (50%), **food and beverage** (31%) and **healthcare** (19%).
- Growing awareness, easier access, changing lifestyles and enhancing income have been the key growth drivers for FMCG sector.
- FMCG products account for nearly 50 percent of the rural spending. It is driven by higher aspirations of increased spend capacity, increased brand awareness, deep penetration of mobile phones and internet.
- Higher production of agricultural commodities, reverse migration during pandemic and increasing employment rate are other major drivers fuelling growth in rural market.
- **Policy interventions** include – 100 percent approval of FDI in single-brand retail and 51 percent FDI in multi-brand retail; lower tax regime for FMCG products; transformation of the logistics and warehousing facilities; and expansion of infrastructural facilities for better retail management.
- Consumer durables is another major sector influencing rural markets and rural economy. This sector is broadly divided into **two major categories** – **Brown Goods** (TV, PC, laptops, digital cameras, etc.) and **White Goods** (AC, washing machines, microwaves, etc.).
- Availability of electricity, easy access to finance, easy EMI schemes and buy now-pay later schemes have contributed to the demand of consumer durables in rural areas.

Conclusion

India's rural region are increasingly becoming key economic drivers for the national economy. However, a vast potential of opportunities that lies in the rural markets have not been completely explored. There is much scope and hope that the rural economy of India will drive Indian economy towards a five trillion dollar plus economy by the year 2025.

INCLUSIVE, EQUITABLE AND QUALITY EDUCATION

- Access to quality education that has **equity and inclusion** at its core becomes crucial in Indian context considering the unique nature of its society divided by caste, religion, and language.

- Rights of Persons with Disabilities (RPWD) Act 2016 defines inclusive education as a 'system of education wherein students with and without disabilities learn together and the system of teaching and learning is suitably adapted to meet the learning needs of different types of students with disabilities.
- The **Sustainable Development Goal 4** (SDG 4) also seeks to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” by 2030.

Education Policies

- Based on the reports of **Education Commission** (1964–1966), GoI formulated **first National Policy on Education in 1968**. It promoted adoption of broadly uniform educational structure in all parts of the country, i.e. **10+2+3 pattern**.
- Second National Policy on Education (NPE) was adopted in 1986.
- The **National Education Policy, 2020** is the **third in the series** of National Education Policies in India and is the **first education policy of the 21st century**.

The RTE Act

- In the year 2002 with **86th amendment** in the Constitution of India wherein **article 21 A** was inserted to ensure that **every child has a right to fulltime elementary education**.
- The **Right of Children to Free and Compulsory Education (RTE) Act, 2009** gave a legal mandate to provide free and compulsory elementary education to every child in the age group of 6-14 years.
- India became **one of the 135 countries** who have made education a fundamental right for every child. The RTE Act made reservation of 25 percent seats for weaker and disadvantaged group in private unaided schools.
- It focused on improvement in learning outcomes and Continuous and Comprehensive Evaluation (CCE), nondiscriminatory learning environment and holistic development of child.

Success of RTE: Status

- UDISE 2018-19 data on GER for boys and girls of SCs and STs points towards the fact that **inclusiveness has been achieved at the elementary level**. However, at secondary and senior secondary level the enrolment ratio needs more focus and improvement.
- Low transition rate from elementary to secondary level, high drop-out rate at secondary level and low learning levels of students are challenging factors.

Steps Taken For Holistic Development of Education System:

1. Emphasis on Early Years

- Over 85 percent of a child's cumulative brain development occurs prior to the age of 6. Therefore, strong investment in ECCE is needed.
- In order to ensure quality ECCE both at Aanganwadis and pre-schools, NCERT is preparing a **National Curriculum Framework for ECCE**.
- Secondly, to ensure **universal acquisition of foundational skill by all children by grade III**, a **National Mission on Foundational Literacy and Numeracy** is being set up.
- The Mission will focus on five areas – providing access and retaining children in foundational years of schooling, teacher capacity building, development of high quality and diversified Student and Teacher Resources/Learning Materials, and tracking the progress of each child in achieving learning outcomes.

2. Focus on Learning Outcome

- Although RTE Act in Section 29 (2) talks about the all-round development of child, learning through activities. However, in practical, rote learning was promoted.
- **The rules to the RTE Act were amended** in February, 2017 and for the first time, the class wise, **subject wise Learning Outcomes were delineated till Class VIII.**

3. Reforms in Teacher Education:

- The **National Council for Teacher Education (NCTE)** setup in 1995. However, it could not achieve its objective of stimulating the development of the teacher education system.
- **Rapid and unplanned growth** of Teacher Education Institutions across the country has affected the quality of teacher education programmes adversely. NCTE confined itself only to **regulatory work related to granting permission** to teacher education institutes and was negligent towards the following of norms, standards and quality of these institutions.
- NEP 2020 took the cognizance of this fact and recommended various measures to improve this sector. The major recommendations include **Four-year B.Ed. integrated programme** to become the preferred degree for appointment of teachers, closure of sub-standard TEIs, extension of Teachers Eligibility Test at all stages from pre-primary to Sr. Secondary, formulation of **new National Curriculum framework for Teacher Education** based on new NCF of School Education and **NCTE to become part of the Higher Education Commission of India.**

4. Building Capacities of Teachers

- In India, many teachers lack professional qualifications as mandated by the NCTE. Therefore, the RTE Act, 2009 was amended in 2017 to ensure that all in-service elementary teachers acquire the minimum qualifications prescribed under the Act.
- To ensure continuous professional development of teachers, an **integrated Teacher Training Programme** called **NISHTHA** (*National Initiative for School Heads' and Teachers' Holistic Advancement*) has been launched
- However, in the wake of the COVID-19 pandemic, this programme was transformed to the needs of teaching and learning during the pandemic and made 100 percent online. NISHTHA Online for elementary teachers was launched in October, 2020 on DIKSHA Platform of NCERT.

5. Revamping Assessments

- The exam centric assessment system has promoted rote learning. Hence, NEP 2020 envisions a transformation in assessment pattern by making board exams a low-key affair and **introduction of an Artificial Intelligence based holistic progress card (HPC).**
- HPC will be a 360-degree, multidimensional report that reflects the progress as well as the **uniqueness of each learner** in the cognitive, affective, and psychomotor domains
- It will also help the teacher and student, and the entire schooling system, continuously revise teaching-learning processes to optimise learning and development for all students

6. Equity and Inclusion at all Levels

- **Gender Parity Index is now 1** which shows equal participation of girls. Many specific interventions have been designed for this purpose under Samagra Shiksha provision for text books, uniforms, self defense training for girls, KGBV residential school for girls etc.
- The use of appropriate technology allowing and enabling children to work at their own pace will certainly pave way for integrating inclusion in entire education system.

Conclusion:

Providing universal access to quality education is the key to India's continued ascent, and leadership on the global stage in terms of economic growth, social justice and equality, scientific advancement, national integration, and cultural preservation" as rightfully mentioned in NEP 2020

WOMEN, YOUTH AND RURAL TRANSFORMATION

- In India, women and youth constitute a major share of population. It is urgently needed to mobilise this vast human resource, if the country has to progress in all spheres.
- Women play the important roles in the rural economy and take responsibility for the well-being of the members. They are also **custodians of traditional knowledge**.
- Youth, on the other hand, shows strong passion, motivation and will power which make them the most valuable human resource for development of a nation.

Status of Rural Women

- According to 2011 census, the populations of **rural women who are literate are 58.8%**. Mostly women are deprived of certain rights and opportunities in rural areas. Women work for longer hours than men and contribute substantially to family income. However, they are not perceived as productive workers.
- In rural areas, **very few women have ownership** over land or productive assets. This proves to be a **road block in institutional credit**.
- Majority of the agricultural labourers are women and they mainly assigned manual labour. Most of the dairy farm work is being done by the women

Status of Youth

- The total youth population increased to **423 million in 2011**. The share of youth population in total **population 34.8 percent** in the year 2011.
- It is needed to ensure that youths acquire the knowledge, capacities, skills and ethical values needed to fulfil their role as agents of development, good governance, social inclusion, tolerance and peace.
- It is irony that there is not **much information available about young farmers in India**. In 2012, **56.6 percent of India's rural youth** in the **age group 15–29 years** derived their livelihood from agriculture, forestry, or fishing.
- According to a recent ILO estimate, **female employment in agriculture was 57 percent** in 2018, compared to 19 percent female employment in industry and 24 percent in services.
- Young women farmers' experiences are lost between the two categories of rural youth and women. Even in the substantial body of work focused on women farmers in India, the generational aspects of women farmers are often under-researched.

Role of Women in Rural Growth

- **Agriculture:** The rural women are extensively involved in agricultural activities. Women are mainly involved in harvesting, drying, threshing, winnowing and storage of field.
- **Animal Husbandry:** In livestock management, 90 percent indoor jobs like milking, feeding, cleaning etc. are done by women.
- **Allied Sectors:** Sericulture, handloom and textile industries in rural economy especially in north eastern region, has huge potentiality for women employment generation.

- **Small Scale Industries:** Women constituted **almost 51 percent** of the total employed in to forest based small scale industries.
- **Other Job Opportunities:** Education among women has opened some other job opportunities in the rural area at a large scale. These are the *insurance agent, company representative, NGO workers, Anganwadi workers* etc.

Challenges of Women and Youth

- **Rural women** are still facing unequal access to productive resources; limited access to services of education, extension, credit and social protection; widespread inequalities in rural labour markets, combined with heavy burden of unpaid care work in households and communities and limited participation, voice and influence in rural organizations.
- **Rural youth** have some different challenges of limited access to productive and gainful employment in the agricultural sector; limited access to skills development and education; excluded from institutions that provide access to financial services, such as credit, savings and insurance and lack of curricula tailored to the labour market's needs.
- Apart from these, rural women and youth often face major health problems, including malnutrition, malaria and other diseases.
- Moreover, women and youth, especially in rural areas, **do not usually have any organised and vocal organisation** with the economic and social power to lobby for their rights.

Conclusion

The women and youth contribute in bringing about improvements in the infrastructural facilities and promote empowerment opportunities. In this way, if rural India will shine the whole country will have immense contributions nationally, regionally and also globally in this century.

FOSTERING GROWTH IN RURAL INDIA

Tier-II and tier-III cities and towns are taking the lead in innovation and business excellence. It highlights the shifting centres of economic activities in India.

Steps Taken By the Govt to Foster Growth in Rural Areas

- **Pradhan Mantri Gram Sadak Yojana** - seeks to provide all-weather access to eligible unconnected habitations. Enhanced rural connectivity increases agricultural incomes through better access to markets and ensures sustained access to productive employment opportunities and social services.
- **Saansad Adarsh Gram Yojana** extends the basic amenities and opportunities to rural India and seeks to create model villages (Adarsh Gram) across the country.
- **Pradhan Mantri Awaas Yojana-Gramin** aims to provide 'housing to all' by 2022. It provides a pucca house with basic amenities to all eligible houseless persons and those households living in kutcha and dilapidated house.
- **Digital India** allows millions of Indians to access the infinite world of the internet for learning and entertainment. It also extends government services to excluded communities and brings rural India into the folds of digital banking.
- As of January 2021, there are over **530 million rural telephone subscribers in India** while the share of **rural subscribers is nearly 45 percent** of the total subscribers in the country.

- **Pradhan Mantri Jan Dhan Yojana (PMJDY)** is a National Mission for Financial Inclusion. Launched in 2014, PMJDY envisages **universal access to banking facilities** with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension.
- In 2018, the goal of reaching every household was revised to 'every adult'. The PMJDY has also been an integral platform for disbursing the benefits of social security schemes like **Pradhan Mantri Jeevan Jyoti Bima Yojan, Pradhan Mantri Suraksha Bima Yojana, Atal Pension Yojana** and **Pradhan Mantri Mudra Yojana**.
- **e Svamita Scheme** was launched in April 2020 on Panchayat Day. It aims to provide an **integrated property validation solution** for rural India wherein village household owners can be **granted the 'record of rights'** that will enable them to use their property as a financial asset for undertaking loans and other financial benefits from banks
- The Union Budget 2021-22 also allocated Rs. 913.43 crore to the Panchayati Raj Ministry, an **increase of 32 percent over the previous year**.
- In 2018, the central government launched the **Rashtriya Gram Swaraj Abhiyan (RGSA)** that aims to strengthen Panchayati Raj or achieving Sustainable Development Goals (SDGs) with main thrust on convergence with **Mission Antyodaya** and emphasis on strengthening PRIs in the 117 Aspirational districts.
- **MGNREGA scheme** proved its utility in extending government benefits to rural households during the COVID-19 pandemic by ensuring that Indians in every part of the country have access to means of employment
- The **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)** is similarly dedicated on creating employment opportunities in rural India albeit with a focus on the youth population aged between 15 and 35.
- The objective is to bring income diversity to rural families and cater to youth aspirations from these households. In conjunction with **Skill India and Make in India**, this employment scheme is preparing a new generation of Indians to take the reins in leading economic and social development in India's rural hinterland.

EXPANDING ECONOMIC ACTIVITIES

According to the Economic Survey 2020-2021, the **share of agriculture in GDP** has reached **almost 20% for the first time** in the last 17 years, making it a bright spot in GDP performance. Agriculture was the only sector to have clocked a **positive growth of 3.4 percent** at constant prices in 2020-21, when other sectors had slid.

Situation In 2021-22

- The **second wave of the pandemic** has hit the rural areas. However, the forecast of a normal monsoon is expected to sustain rural demand and overall output in 2021-22.
- The RBI has noted that the record food grain production and buffer stocks in 2020-21 has **provided food security and support to other sectors** in the form of rural demand, employment and agricultural inputs and supplies, including for exports
- The government has set the **food grain production target at 307.3 million tones** for the 2021-22 crop year. The production of horticulture crops in India has been estimated at a record **320.48 million metric tones** in FY20.

- India has the largest livestock population of around 535.78 million, around 31% of the world's. Milk production in the country is set to increase to 208 MT in FY21

Road Ahead - Need to Expand Economic Activities

1. Agriculture

- The significance of agriculture in terms of the proportion of national wealth and employment is going down. However, this does not lessen the potential role of farming.
- India is gearing up to touch the **target of doubling farm income by 2022**.
- Initiatives like the adoption of food safety and quality assurance mechanisms will help increase the critical mass of agriculture production.
- In the next five years, the government will target US\$ 9 billion in the fisheries sector under **PM Matsya Sampada Yojana** and is also planning to raise fish production to 220 lakh tonnes by 2024-25.
- As India aims for the US \$5-trillion economy status by 2024-25, it needs to **grow at 9 percent per year in real terms from FY20 to FY25**. Rural revitalisation is a promising first step for achieving this economic target.
- **Rural Infrastructure Fund** has been increased. The amount for **Micro Irrigation Fund** created with NABARD is doubled. **Operation Green Scheme** has been widened to 22 perishable products; and 1,000 more mandis are being linked with e-NAM.
- The government has also planned a **production linked incentive (PLI)**. The scheme aims to **strengthen select Indian brands of food products for global visibility**. Its duration will be for six years from 2021-22 to 2026-27.
- **Under the Operation Greens** scheme, **50 percent subsidy** is being provided on transportation of all fruits and vegetables through **Kisan Rail**. The Kisan Rail is succeeding in connecting small farmers and fishermen with large and high demand markets.
- There is a need to **expand the country's agriculture and related sectors** while integrating them into the global market. Micro food processing units need to be strengthened and so is the need to **increase the number of agro-industry clusters** near the villages.
- There is a need to promote modern agriculture that is driven by technology and markets. Growth in rural areas should be driven by **agro-based industrialization**. It will require investment in post-harvest rural activities, such as agro-processing, packaging, cold chains, cold storage and transport etc.
- **Amul is an excellent example of farm-led processing, branding and marketing of milk for various dairy products**. Such a model should be replicated for other agricultural commodities.

2. MSME and Other Activities Helpful in Promoting Economic Activities

- The share of MSME-related products in **exports was at about 48 percent** during 2018-19. The government is gearing to increase their contribution to 75% and in the gross value added to 50%.
- The role of **rural-urban linkages** will be a key driver in rural transformation. In this context, provision of **Providing Urban Amenities in Rural Areas (PURA)** can be helpful. It calls for urban infrastructure and services to be developed in rural hubs to create economic opportunities outside of urban areas.
- There is a **need to identify areas for developing rural hubs** based on resources, markets and infrastructure where cooperation of state governments in implementation would be vital.
- Private player can play an important role in rural industrialization. The role of the government should primarily be of an enabler of conducive business environment. On the event of the private sector not

coming forward in underdeveloped and marginal areas, the government may **offer incentives** and launch **programmes under PPP mode**.

- There is also a need to harness the power of ICT. ICT tools could be used for effective governance, monitoring and programme implementation.

Steps Taken During Pandemic

- After the first nation-wide lockdown, India declared an **Rs 1.7 trillion package**, mostly to protect the vulnerable sections (including farmers) from any adverse impacts.
- It contained an advance **release of Rs 2000 to bank accounts** of farmers under the PM-KISAN scheme. It also raised the **wage rate for MNREGA workers**.
- A special scheme to take care of the vulnerable population, **Pradhan Mantri Garib Kalyan Yojana** was announced. **Additional grain allotments** to registered beneficiaries were also announced for the next three months.
- As the second wave of the pandemic hit the nation, the government increased the agriculture credit target to Rs 1.65 trillion this time.

Immediate Challenges

- Any **severe disruption to the supply** of perishable fruits and vegetables, dairy products, fish, etc. may create irreparable damage to all actors in the supply chain.
- The **reverse migration of workers** to their native places has also triggered panic buttons, as they are crucial for both harvesting operations and post-harvest handling of produce.
- The small and medium enterprises, running with raw materials from the agriculture and allied sector or otherwise, also need special attention so that the rural economy doesn't collapse.

Way Forward

- To obviate the immediate concerns of scarcity of farm labor, policies must facilitate easy availability of machinery through state entities, FPOs or custom hiring centers.
- It is also suggested to explore **leveraging rural employment guarantee schemes** such as NREGS funds to pay part of the farm labour to lessen the monetary burden on the farmer.
- Structural reforms such as land leasing, contract farming and private agricultural markets, etc. have long been advocated to bring enhanced investments into the agriculture sector. These reforms need significant political will.

Conclusion

Concerns of a slowdown in states could be tackled with suitable incentive mechanisms by the government to the states. The **post-COVID situation offers that unique opportunity** to repurpose the existing food and agriculture policies for a healthier population.

RURAL ENTREPRENEURSHIP

- **Rural entrepreneurship** can be defined as the activity taken up in the countryside that supports either manufacturing products or provides services or adoption of new technologies for an economic benefit.
- Rural entrepreneurs represent a complex heterogeneous social structure and can be broadly classified as farm entrepreneurs, artisan entrepreneurs, merchant and trading entrepreneurs, tribal entrepreneurs and general entrepreneurs.

Significance of Rural Entrepreneurship

- Augments employment opportunities
- Positive check in rural migration
- Balanced regional Development
- Safeguarding indigenous art and craft
- Reduced inequality, poverty in rural areas
- Youth and Women Empowerment
- Better Standard of living
- Efficient and effective use of limited resources
- Gained brand value attracts foreign exchanges
- Better growth & per capita income of rural people

Progress of Entrepreneurship in India

- MSME brings significant economic and social development of the country by fostering entrepreneurship. According to National Sample Survey 73rd Round (2015-16), there are **633.88 lakhs MSMEs** in the country engaged in different economic activities creating about **1110 lakhs jobs**. In rural areas, 324.88 lakh units have provided 497.78 lakh employment.
- Percentage share of MSMEs in rural (51 percent) is higher than the urban MSMEs (49 percent) but it is **reverse when percentage share of employment** is talked out. This raises a concern that despite greater share of entrepreneurial opportunities in rural areas, the potential is yet untapped and unchanneled.
- When during pandemic most people were losing jobs and many were returning back to their natives, the **MSME Technology Centres offered jobs** in manufacturing various COVID related products like Corona testing kits, Face mask moulds etc.

Opportunities of Rural Entrepreneurship

- Low establishment costs involved
- Availability of raw materials
- Competitive advantages exists
- Low cost of production
- Optimum utilization of products
- Government policies and subsidies
- Support and inspiration to native people through employment generated
- Reduced promotional costs
- Existing customer base for the produce

Initiatives for Promotion of Rural Entrepreneurship

1. Scheme for credit & financial assistance to the rural enterprises

- Prime Minister's Employment Generation Programme (PMEGP)
- Credit Linked Capital Subsidy Scheme (CLCSS)
- Credit Guarantee Trust Fund for MSEs (CGTMSEs)
- Interest Subvention Scheme for Incremental Credit to MSEs

2. Schemes for Skill Development and Training

- A scheme for Promotion of Innovation, Rural Industry & Entrepreneurship (ASPIRE)
- Entrepreneurship and Skill development programmes (ESDP)
- Gramodyog Vikas Yojana (GVY)

3. Schemes for Infrastructure Development

- Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
- Scheme for Micro and Small Enterprises Cluster Development Programme

4. Scheme for Marketing Assistance:

- Scheme for providing financial assistance to Khadi institutions under MPDA

5. Scheme for Technology Upgradation and Competitiveness:

- **START UP and MUDRA schemes** are also introduced for facilitating self-employment. Organisations under the Ministry MSME are providing skill training to the youths for wage employment and self-employment.

Empowering Rural Women through Entrepreneurship

- Women entrepreneurs can contribute to the economic wellbeing of their family, reduction in poverty, and their empowerment, achieving upward social and economic mobility as focused in SDG 5.
- Development of women entrepreneurship in rural areas is **low** due to dual roles of homemakers and entrepreneurs, lack of ownership of resources, low level of knowledge, skills and entrepreneurial motivation, lack of education, lack of family support, socio-cultural barriers, difficulties in getting financial assistance and poor degree of financial freedom, weak bargaining positions, poor infrastructure facilities, lack of marketing abilities, etc.

Capacity Building Initiative

- Support to Training and Employment Programme for Women (STEP), Mahila e-Haat, Trade Related Entrepreneurship Assistance and Development (TREAD), StandUp India, etc.
- To provide financial assistance to women entrepreneurs several initiatives are taken viz., Rashtriya Mahila Kosh (RMK) by GoI, Mahila Udyami Yojana of IDBI, SBI Stree Sakthi Package, Priyadarshini Yojana by Bank of India.
- NITI Aayog established **Women Entrepreneurship Platform** in 2018 on International Women's Day, with a purpose of making the women understand their entrepreneurial aspirations, scaling up innovative initiatives and formulating long-term business strategies
- This initiative focuses on **women entrepreneurs through three pillars: Ichha Shakti, Gyan Shakti, Karma Shakti.**

Conclusion

It is important to note that rural entrepreneurship must not be drawn in isolation rather it must be drawn keeping in view the entire rural community in a long-term basis. The direction of policy initiatives must include creation of entrepreneurial environment, promoting market linkages, national brand recognition efforts and easy policy initiatives for better understanding of the rural people.

SUSTAINABLE MINING

Contribution of Minerals in Indian Economy

- Minerals contribute only **1.69 percent to the country' GDP**. Out of this, the share of **coal and lignite is the maximum** at 0.80 percent followed by **major minerals** like Iron ore, Bauxite and limestone at 0.52 percent and **minor minerals** like marble, sandstone, dolomite, sand etc at 0.37 percent.
- The **total value of mineral production** (excluding atomic minerals, fuel and minor minerals) was at Rs. 73,257 crore during 2018-19 metallic minerals,
- During the year 2018-19, the **exports (including re-exports) of ores and minerals** accounted for about 9.50 percent of the total value of all merchandise exported from India.
- **Diamond (total) continued to be the largest constituent** item with a share of 80.22 percent in the total value of mineral exports in 2018-19; however, majority of diamond export were of the **nature of re-exports** viz rough diamond was imported and then after doing a value addition in the form of cutting-polishing, was re-exported.
- During 2018-19, the total value of imports of ores and minerals accounted for 36.14 percent of the total value of all merchandise imported into India. **Petroleum** (crude) continued to be the **largest constituent**. Next in order of importance was **diamond** (total).

Mineral Production in India

- Coal production (provisional) stood at **728.72 million tonnes** in 2018-19. As our domestic coal production is less than our total consumption, **India imports** close to 225-Million-ton thermal and coking coal every year from countries like **South Africa** (thermal coal) and **Australia** (coking coal).
- Indian **mineral sector is therefore very small** and India is a very small player when it comes to mineral exports.
- India has the **potential to be a big player** in global mineral trade, owing to its huge **Obvious Geological Potential** (OGP) in several minerals.
- Countries such as **Australia and South Africa**, which are **geologically similarly placed with India** (owing to their emergence from Gondwanaland), are big players in mineral export. Mining contributes to **more than eight percent of South Africa's GDP** and **approximately 15 percent of Australia's GDP**.

National Mineral Policy (NMP), 2019

- The aim of NMP, 2019 is to have a more effective, meaningful and implementable policy that brings in further transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices.
- NMP, 2019 aims to **develop mining as a modern stand-alone industry**. It points to the fact that the role of the mineral industry is not just to play second fiddle to the domestic manufacturing industry, but to act as an independent industry.

- This means that the domestic indirect tax as well as Foreign Trade Policy has to be aligned in such a manner that **wealth creation in the mining sector is promoted**.

India's position in Iron Ore mining and export

- The country mined **242 Million Tons** of iron ore in 2019-20, out of which about 36 MT (iron ore and pellets) was exported (mainly to China) and the rest used domestically.
- We are a **minor player** (market share 1.8 percent) in the international iron ore market.
- **Largest exporters** of iron ore are Australia and Brazil and major importing consumers are China, Japan, Korea, Middle East and EU.

Challenges in enhancing export and production of iron ore

- Iron ore with **Fe content more than 58 percent** attracts an export duty of 30 percent in India. This has been introduced with the aim of **discouraging export of high-grade iron ore** and conserving it for domestic steel industry.
- This 30 percent export duty has been a bone of contention between the steel and the mining industry.
- Exploration of iron ore becomes problematic due to the **issue of Mining Leases**. Several iron ore mines are located in forest areas.
- The Management Plan for Sustainable Mining prepared by Indian Council of Forestry Research and Education has placed a complete ban on iron ore mining in the **Saranda and Chaibasa forests** of West Singhbhum district of Jharkhand. This area has **proven reserves of 1.8 billion tons**.
- Captive iron ore mines not mining optimally as they **did not have the permission to sell surplus iron ore in the market**. The reasons for import are lower landed cost of imported iron ore, especially for steel plants near the coast.
- **Higher logistics costs** are an additional problem in the country

Steps taken by Government to Enhance Iron Ore Mining

Ministry of Mines by way of amendments to the MMDR Act and Rules:

1. Allowed seamless vesting of statutory clearances from earlier lessees to the new ones.
2. Allowed captive miners to sell up to 50 percent of their production after meeting the requirements of the end-use plant and on paying additional royalty to the state government.
3. Empower the central government to conduct auctions or re-auction processes for the grant of a mining lease if a state government fails to complete the auction process.

Why it is necessary to Mine Fast?

- Steel making is done through the **blast furnace (BF) route** as well as **scrap route**. The **reduction process used in BF method releases a lot of CO2** which is a major greenhouse gas.
- Globally, the steel industry is responsible for more than 8 percent CO2 emissions. As a result, most of the developed countries are **shifting to the scrap route**, besides **exploring the Hydrogen route** for reduction of iron ore.
- The developed countries that have **sustained a high per capita steel consumption** (viz more than 200 Kgs) for a long time, have reached a **stage of Circular economy**, which means that scrap generated in the country is enough to meet the ongoing steel consumption in the country.

- Sooner or later, most of the countries would shift steelmaking to scrap route majority, unless and until the cost of making Hydrogen from water reduces significantly. **Iron ore reserves just like coal therefore have an expiry date written on them.**
- If India does not exploit its iron ore and coking coal reserves in the next 20 years, these reserves would become dead assets very soon.

The Coal Scenario

- As the world moves towards **reducing Co2 emissions**, and as the **cost per unit of solar power goes on falling** with each passing year, demand for coal shall keep on shrinking.
- China has already announced that it would start reducing coal consumption in the plan window 2026-30 and become **carbon neutral by 2060.**
- It is high time that we start mining our coal out at a fast pace viz **1 billion tons per annum** for self-consumption as well as export.
- The Government's decision to **auction coal blocks for commercial mining** instead of for specific end use, would go a long way to reach this potential.

Conclusion

- The impact of this fast pacing of mining would have a direct impact on the income as well as employment generation in rural areas.
- The country's mining sector which currently provides direct employment to over 30 lakh people can easily become an employment provider to over 60 lakh people directly and 5 Cr people indirectly.