

A Study On Rural Problems And Challenges In India

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Abstract

With the increasing population, demand for basic needs has been steeply rising during the past five decades in most of the developing countries. The growing populations need food, clothing, shelter, fuel and fodder for their livestock. In India, over 60-70% of the people are living in rural areas that neither have adequate land holdings nor alternate service opportunities to produce or procure these commodities. In the absence of adequate employment opportunities, the rural people are unable to generate enough wages to sustain their livelihood. As a result, 40% families, who earn less than Rs.11,000 per annum are classified as poor. Apart from lower income, rural people also suffer from shortage of clean drinking water, poor health care and illiteracy which adversely affect the quality of life. Presently, about 25% of the villages do not have assured source of drinking water for about 4-5 months during the year and about 70-75% of the water does not meet the standard prescribed by WHO

The rural development concerns of developing countries, particularly those with large, poor rural populations should be reflected in the structure, framework and long-term objective of the WTO Agreement on Agriculture. They may require special treatment in order to achieve their agricultural, rural development and food security goals, as regards particularly domestic support, border protection, and access to foreign agricultural markets. In addition, special provisions for technical and financial assistance should be incorporated in the Agreement to help these countries build their rural capacities and thereby take full advantage of the new trading opportunities so as to ensure that the implementation of the Agreement does not adversely affect the livelihood of their rural populations

Introduction

With the increasing population, demand for basic needs has been steeply rising during the past five decades in most of the developing countries. The growing populations need food, clothing, shelter, fuel and fodder for their livestock. In India, over 60-70% of the people are living in rural areas who neither have adequate land holdings nor alternate service opportunities to produce or procure these commodities. In the absence of adequate employment opportunities, the rural people are unable to generate enough wages to sustain their livelihood. As a result, 40% families, who earn less than Rs.11,000 per annum are classified as poor. Apart from lower income, rural people also suffer from shortage of clean drinking water, poor health care and illiteracy which adversely affect the quality of life. Presently, about 25% of the villages do not have assured source of drinking water for about 4-5 months during the year and about 70-75% of the water does not meet the standard prescribed by WHO. Poor quality drinking water is adversely affecting the health and diarrhea is an important cause of infant mortality.

Traditional Indian communities being male dominated, women have been suppressed till recently. While the average literacy rate in rural areas is around 50-65%, it is as low as 20-25% among women in backward areas. Education of girls was felt to be unnecessary in the past and this has seriously affected their quality of life. Illiteracy has also suppressed their development due to lack of communication with the outside world. They are slow in

adopting new practices, which are essential with the changing times. Apart from lack of communication, social taboo has also hindered their progress. Several vested interests, both local and outsiders have exploited this situation. The rich landlords did not want any infrastructure development, which would benefit the poor, because of the fear that they would not get cheap labour to work on their farms. The local moneylenders did not want alternate financial institutions to provide cheaper credit needed by the poor. The traditional healers canvassed against modern medicine under the garb of religion and divine power. Thus, the poor continued to live in the clutches of the powerful, accepting it as their destiny. They avoided confrontation and preferred to live a voiceless and suppressed life. Tolerating the worst and hoping for better days has been their way of life. It is a vicious cycle and development programmes to address their livelihood improvement and food security can help them to come out of this cycle.

Rural development, poverty and agriculture

Poverty is largely a rural problem. More than 75 percent of the world's poor live in rural areas and a majority of the poor will continue to live in rural areas well into the 21st century. Although internationally comparable statistics on rural poverty are limited, it is clear that in virtually all developing countries, the rural poor outnumber the urban poor, often by a factor of two or more. The rural poor suffer deeper levels of poverty than their urban counterparts and have much more limited access to basic social services such as sanitation, safe water, health services and primary education; thus they suffer disproportionately from hunger, ill health and illiteracy. In many countries, furthermore, the income gap between urban and rural areas is widening. Clearly, the rural poor face overwhelming obstacles in breaking the cycle of poverty.

Agriculture is the key to alleviating rural poverty. Agriculture employs more than half of the total labour force in developing countries and almost three quarters in lower-income developing countries. Most of the world's extreme poor depend on agriculture for their livelihoods. Agriculture has strong backward and forward linkages to the rural non-farm sector, purchasing inputs such as seeds and implements, supplying raw materials for agro-based industries and generating demand for local goods and services such as housing, furniture and clothing. Hence, agricultural growth can increase the income of the rural poor both directly, through increased production and additional demand for farm labour, and indirectly, through linkages with non-farm productive activities in the rural areas. An extensive body of research on economic growth and poverty alleviation in developing countries confirms that agricultural growth has stronger effects on poverty alleviation than growth in other sectors and that rural growth reduces both urban and rural poverty.

Sustainable agricultural growth and rural development can be achieved. The key ingredients to this end include: (i) access or entitlement to assets (e.g. land, water, farm animals and technology); (ii) access to fair and competitive markets - both domestic and international - for farm products; and (iii) the necessary information and physical infrastructure to reach these markets. Governments have an important role to play in facilitating the development of and access to national agricultural assets and in correcting market failures and distortions to domestic markets.

The international agricultural trading environment. The current international trading context for agriculture affects rural development in developing countries in various ways, in particular through market distortions arising most often from subsidized competition from developed countries and from market access barriers to the agricultural exports of the developing countries. In addition, attempts to reform international trade in agriculture by disciplining national policies may also constrain governments of developing countries in their efforts to promote agricultural growth, since they limit the types of support policies that may

be implemented. The WTO negotiations on agriculture, therefore, are of crucial importance to developing countries in their pursuit of sustainable rural development.

Priorities for accelerating rural development

Many developing countries have considerable unfulfilled potential in agriculture. Smallholder farmers in many parts of the world reach productivity levels that are only about one third of potential yields. Most developing countries are at an early stage of agricultural technology and still have the considerable potential to increase productivity and diversify production. Furthermore, the agricultural sector in many developing countries is handicapped by the prevalence of market imperfections, poorly functioning institutions and natural monopolies. Depressed agricultural prices - resulting in part from subsidy-induced overproduction and trade barriers in developed countries - exert an important constraint on investment in the sector.

Priorities for accelerating agricultural growth and rural development in most developing countries include: (i) developing the productive potential of the agricultural sector; (ii) diversifying within agriculture and into non-farm productive activities; (iii) and safeguarding rural livelihoods from unfair competition and excessive fluctuations in world and domestic markets. The basic thrust of policies and strategies in the agricultural sector is on enhancing productivity through the modernization of farming practices.

Mobilizing significant new investments in rural infrastructure, agricultural research and extension services is essential to help farmers and rural agribusinesses overcome the handicaps they face and acquire the technology and skills they need to raise productivity and improve their competitiveness. As a result of constraints on public expenditure and inadequate private capital flows, developing countries have increasingly relied on foreign aid to fund investments in the agricultural sector. However, the proportion of official development assistance going to agriculture has been on the decline since the late 1980s, the annual average having fallen from 24 percent in 1981-90 to 16 percent in 1991-99. In view of the importance of agriculture for rural development and poverty reduction, initiatives to provide financial and technical assistance to improve agricultural productivity and rural infrastructure, including those in the Marrakesh Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries, should be fully followed up. In this regard, the lending practices of international financial institutions and donors should be made more compatible with WTO guidelines on support to agriculture. It is also important to recognize that public and private investments in agriculture are complementary - not competitive - activities.

Providing government support through appropriate public subsidies is a legitimate and necessary means of correcting market failures and countering unfair competition. Sustained agricultural growth has been achieved in several developing countries through a judicious combination of input subsidies (mainly in the form of fertiliser prices, credit schemes, fuel subsidies and water management), output pricing policies and border measures. Some countries have used price policies effectively to encourage adoption of new technologies or diversification into new crops. While such subsidies are less efficient than direct payments to farmers, they have an important place in a clearly defined development strategy where the policy goal extends beyond simply transferring income. Given the important multiplier effects of agricultural growth on rural development, these public subsidies not only encourage rural farmers to produce and innovate but also enhance the profitability of private rural non-farm activities and stimulate sustainable rural development

Safeguarding rural livelihoods from unfair competition and excessive fluctuations in world and domestic markets is also necessary for sustainable rural development. Given their high dependence on agriculture for incomes and the large share of food in their household budgets,

rural people are vulnerable to external agricultural market instability and to import surges that could eliminate otherwise viable rural production activities. The effort to protect the livelihoods of small rural farmers may require the use of border control measures such as tariffs and safeguard measures to attenuate the adverse impact of subsidized imports and world price fluctuations.

Rural development and the WTO Agreement on Agriculture

While the focus of the WTO Agreement on Agriculture (AoA) is not on rural development per se the Agreement has significant implications for the livelihoods of rural people in developing countries. Rural development, like food security, has been identified as a major non-trade concern in the negotiations on agriculture. Much has been said about how the AoA can contribute to food security, especially in the developing countries, and many negotiating proposals have been tabled on this subject. Without repeating those arguments, it is important to stress that many of them are fully valid for rural development.

The AoA has direct bearing on the development of agriculture and rural non-farm activities in the developing countries as well as on the ability of these countries to stabilize and sustain rural incomes. In view of the overriding role of agriculture in the predominantly rural-based developing economies, it is crucial for their rural development, and for their socio-economic development in general, to enhance their domestic capacities of agriculture, improve access to foreign markets and guard against unfair competition and excessive market fluctuations.

Domestic supports to promote rural development. The AoA commitments on domestic support were designed to solve a problem developing countries do not have; namely, that of over-production. On the contrary, the central thrust of agricultural policy in most developing countries is to boost productivity in order to harness the full potential of the agricultural sector as an engine for sustainable rural development. Although the current AoA commitments give developing countries considerable policy freedom, the basic thrust of the Agreement is toward limiting the use of production-enhancing supports. Briefly, they are granted the 10 percent de minimis exemptions for product-specific and non-product-specific supports, exemptions for support provided under the green box or Annex 2 criteria, and exemptions for support provided under special and differential treatment (SDT) for developing countries. Although these provisions, taken together, constitute a wide range of measures to address the particular nature of agriculture in developing countries, many such countries view them as falling short of what is necessary and as failing to provide the requisite policy flexibility. While most developing countries are not currently constrained by their domestic support commitments, some may find their rural development policy options limited in the future.

Most developing countries also lack the financial and administrative capacity to implement measures covered by the green box, such as income safety-net programmes, and therefore may need recourse to price-based supports. As discussed above, public support in areas such as agricultural credit, fertilisers, transport, irrigation and fuel are important aspects of the development strategies of many developing countries, and additional flexibility in their use may be needed. Furthermore, many developing countries made mistakes - of strategy or out of ignorance - in the preparation of their Uruguay Round schedules on domestic support; for example, they failed to notify subsidies under the Aggregate Measurement of Support or the amber box. Developing countries should be allowed to rectify these and similar mistakes.

Market access and safeguards. The market access provisions of the AoA influence the ability of developing countries to protect their domestic markets from excessive volatility in world market conditions or from subsidized production and exports from other countries. (Few developing countries have the administrative capacity to enforce traditional anti-dumping measures or countervailing duties). Although price instability on world markets affects all

countries, the consequences can be much greater for the rural population in developing countries. Many of their farmers have difficulty in competing with cheaper imported products in their domestic market, in part because of subsidies used abroad and in part because of the underdeveloped character of local production and marketing. To counter the effects of subsidies and excessive price fluctuations, developing countries need access to a simple WTO-compatible safeguard or contingency measure. A moderate level of border protection may also be desirable for countries that are attempting to develop the full capacity of their agricultural sector, including the agro-processing industry, notably for certain countries where anomalies in the tariff structure have left some basic food commodities and potentially competitive processed products with very low bound tariffs. For such countries it may be desirable to allow some “rebalancing” of their bound tariffs.

The provisions of the AoA also influence the ability of developing countries to gain secure access to the markets of other countries. The requirement of a 15 percent minimum and 36 percent average cut in the agricultural tariffs of developed countries (10 percent and 24 percent, respectively, for developing countries) left many instances of high tariff peaks and tariff escalation. Other distortions and problems in market access include: the complexity of the tariff structure, the low ceilings on TRQs and prohibitive tariffs above those ceilings, lack of transparency in the administration of the TRQs, and eroding and unstable preferential access conditions. If developing countries are to use agricultural exports as a means of supporting agricultural growth and rural development, they need transparent and reliable access to the markets of developed countries and higher-income developing countries.

Export subsidies constitute unfair competition with producers in countries that do not provide such subsidies. They depress prices in the recipient country and in world markets, and displace the produce of more efficient producers. Other forms of export competition, such as export credit subsidies and food aid abuse, can have similarly negative impacts on producers in recipient countries and other potential suppliers. All forms of export competition should be disciplined. This does not negate the important role that genuine food aid can play in recipient countries, particularly in net food-importing developing countries and least developed countries suffering from recurrent food production deficits and other emergencies.

PROBLEMS IN RURAL INDIA

There are many issues with rural development in India. Though the government is spending a lot still there is lot to achieve.

Roads

Many of the poor communities are isolated by distance, bad road conditions, lack of or broken bridges and inadequate transport. These conditions make it difficult for people to get their goods to market and themselves to place of work, to handle health emergencies, to send children to school, and to obtain public services.

Electricity

As per latest data, about 19,909 villages are yet to be electrified (Progress report of village electrification as on 31-01-2015). However, not all electrified villages are getting quality power and it is estimated that nearly 33% of the population may be facing under-electrification, accessing less than 50kWh of electricity per month/household.

Water

The health burden of poor water quality is enormous. It is estimated that around 37.7 million Indians are affected by water borne diseases annually, 1.5 million children are estimated to die of diarrhoea alone and 73 million working days are lost due to waterborne disease each year. The resulting economic burden is estimated at \$600 million a year. The problems of chemical contamination is also prevalent in India with 1,95,813 habitations in the country are affected by poor water quality. The major chemical parameters of concern are fluoride and

arsenic. Iron is also emerging as a major problem with many habitations showing excess iron in the water samples. Most of these problems prevailed in rural India.

Education, Literacy Particularly women

There is a wide gender disparity in the literacy rate in India: effective literacy rates (age 7 and above) in 2011 were 82.14% for men and 65.46% for women. The low female literacy rate has had a dramatically negative impact on family planning and population stabilisation efforts in India. Studies have indicated that female literacy is a strong predictor of the use of contraception among married Indian couples, even when women do not otherwise have economic independence. The census provided a positive indication that growth in female literacy rates (11.8%) was substantially faster than in male literacy rates (6.9%) in the 2001–2011 decadal period, which means the gender gap appears to be narrowing.

Adult literacy rate of World Average is 84% (2010); Youth literacy rate at 15-24 age is 89.6% (2010) while Adult literacy rates in India is 74.04% (2011) and Youth literacy rate is 15-24 age is 90.2% (2015)

Poverty

The recently-released India Rural Development Report, which is endorsed by the government, says 7% of the rural population is 'very poor'; villages in eastern Indian states are the worst affected.

Employment

Unemployment is a big problem in rural India. Youth are being migrated in search of better employment in urban areas the aged remained in rural India. Agriculture land remained same but population is growing. With the advancement of civilization, machines with modern technologies have been introduced, the unemployment is increasing many fold.

Migration to urban

Economic Factors, Lack Of Income Generating Opportunities In Rural Sector, Urban Job Opportunities, Social Factor, Health, Education & Finance Factor, Lack of available infrastructure are some of the major factors for migration in rural India.

Land reforms

The Britishers in India were not at all keen in adopting progressive land reforms measures for the rural farmers. This had given the Zamindars and the big landlords a golden opportunity to exploit the rural poor to a great extent. The almost compelling case of land ceiling arises from the absolute and permanent shortage of land in relation to the population dependent on it, the limited prospect of transfer of population to non-agricultural occupations or and the need to step up production along with increase in employment.

Sanitation and Health

Lower number of toilets, water stagnation, non awareness, Drinking water quality in rural India are the major problems

PROBLEMS AND CHALLENGES

INDIA IS emerging as a major power with the economy registering high growth rates and our cities and urban centres beginning to display marks of affluence. Yet, there is no uniform development, the rural hinterland not being able to march in tandem with urban India. More than 70 per cent of our people live in villages 80 per cent of our poor also live in rural areas. The benefits of economic growth are not percolating to more than two-thirds of the people. The visible symbols of development should not make us forget the problems of the rural areas.

The Indian economy is the fourth largest in the world. But the growth pattern is not uniform. While the rate of growth for manufacturing, services, and communications sectors has substantially improved, in vital sectors such as agriculture, infrastructure development, and

community and social services, and in rural development as a whole, our performance is not appreciable.

Without the development of rural people, the country can never claim to be developed. In recent years, agricultural growth has fallen and so have investment and profitability of agriculture, net sown area under crops, and the area under irrigation. According to the Economic Survey 2006-2007, low yield per unit area across almost all crops has become a regular feature.

Rural India is in crisis. As Dr. M.S. Swaminathan, the distinguished agricultural economist, said, "The agrarian crisis has its roots in the collapse of the rural economy... Unemployment leading to out-migration of the asset-less is growing. The minimum support price mechanism is not operating for most commodities. At every level of the livelihood security system, there is a tendency to make profit out of poverty. Something is terribly wrong in the countryside... "Today, finding themselves helpless in the face of adversities of various kinds, the peasantry in parts of the country is resorting to extreme measures. Repeated crop failures due to unpredictable climatic variations, inability to meet the rising cost of cultivation, and the increasing debt burden are among the factors leading to frustration. In such a scenario, meeting the challenges of rural reconstruction becomes a formidable and priority task.

Agriculture being the mainstay of our economy, it is imperative that we have a comprehensive and time-bound programme to extricate the sector from stagnation, if not deceleration. Larger irrigation facilities, better seeds and agri-inputs, and fertilizer at reasonable costs will have to be provided to farmers, along with finance and infrastructural and marketing facilities. Agriculture must become an income generating activity and farmers should not be left to the vicissitudes of weather, financial resources, and markets.

To increase productivity and employment generation in the sector, there is a need to bring about structural changes, primarily based on land reforms, as support prices and provision of cheap credit do not help beyond a point. Experience has shown that providing the poor with access to land is not anti-growth. In the rural growth strategy, the dynamism of small family farms plays an important role. Here are some facts about the agricultural turnaround made by West Bengal, mainly due to the extensive land reforms measures undertaken by the State Government over the last three decades.

Land reforms in West Bengal have had two important components: tenancy reforms, known as Operation Barga (share croppers) and the redistribution of land. Operation Barga gave 1.5 million bargadars, or registered tenants, permanent and heritable right to cultivate leased land. Of them, over 30 per cent were Dalits and 12 per cent Adivasis.

Some 1.1 million acres of agricultural land has been re-distributed in West Bengal among 2.9 million landless and marginal farmer families, 55 per cent of whom are from the Scheduled Castes and Scheduled Tribes. Apart from agricultural land, 6.8 lakh households below the poverty line have been given homestead land.

These institutional reforms in ownership of agricultural land unleashed the peasantry's productive forces, resulting in an increase in food grain production at the rate of 6 per cent per annum, making West Bengal the country's largest producer of rice and the second largest producer of potato. Its other positive impacts included increasing cropping intensity from 136 per cent in 1980 to 180 per cent today, the second highest in the country, contributing to a consistent share of 3.6 per cent for agriculture in the State's GDP, compared to the country's figure of 1.53 per cent. Having the highest growth of per capita Net State Domestic Product during the 1990s resulted in a decline in the percentage of population below the poverty line from 60 per cent in 1977 to 21 per cent currently. This contributed to a rise in per capita calorie intake in rural Bengal by 9.6 per cent during 1983-84; nationally it decreased by 3 per cent during the period.

On the national scene, 87 per cent of our villages are in clusters of population of 2,000 or below. These provide small markets without efficient linkages and financing options for which the farmers have fallen prey to middlemen and moneylenders. In many cases, low quality agricultural inputs, sometimes even spurious products, affect productivity, and that tends to trap the farmer deeper in poverty.

We cannot afford to leave the agriculture sector to the vicissitudes of an imperfect market. Apart from ensuring short-term measures such as remunerative support prices and cheap agricultural credit, the state should make substantial long term investments in minor irrigation, water conservation, building rural roads and markets, electrifying villages, providing robust primary education and health facilities in the rural areas.

The efficacy and potential of the cooperative movement in addressing the problems of rural India stand proved. Since rural development essentially encompasses a multi-disciplinary approach, there must be an in-built mechanism to involve people's representation in the conceptualisation, planning, and management of any rural development programme, particularly relating to crop production, water conservation and minor irrigation. Self-help is the best help. Self-Health Groups are examples of the new "social economy" emerging in India. Collectively they represent a large network of grassroots entrepreneurs to generate incomes in rural areas. Today there are more than 25 lakh SHGs with nearly 75 lakh "swarojgaris". We must encourage them, for they can transform rural India by unleashing the entrepreneurial energies of ordinary Indians.

The developmental challenge in rural India is not about making a choice between the imperatives of industrial development and the compelling need for agricultural growth; it is essentially about helping the rural sector realise its own potential for development by using the gains of modern science and technology and industrial development as such. It does not make good economic or political sense to reduce the whole issue to one of a choice between one sector or the other. We have to strive for growth with a human face that is socially equitable and regionally balanced, where all the sectors and the entire population partake of the fruits of our growing economy.

Gross National Entitlement

We need to look at future progress with a new concept of Gross National Entitlement where people, specially those from the vulnerable sections, will be entitled to earn their living, to have quality education, the right to access good healthcare, to obtain basic needs and indeed will be entitled to and actually have the freedom to live in dignity, instead of being forced to accept what is being doled out by the system.

This is not impossible or unrealistic. We have the examples of several countries, which by determined efforts have effectively addressed the problems of underdevelopment and inequity within very short span of time in recent decades. I recently visited Vietnam, leading a parliamentary delegation, and witnessed the incredible developments that country, which was exploited by long periods of colonialism and ravaged by imperialist wars, could achieve in a short period both in its urban and rural areas. All sections of our political spectrum should treat issues of rural India, where agriculture no doubt occupies the central position, as major national issues, transcending political and geographical barriers and partisan considerations so that the core of our national endeavour can be the speedy and comprehensive development of rural India. In this task the nation's primary duties will be to ensure quality education, adequate health care, sufficient infrastructure for development and for better and better standards of living. The future lies in the development of rural India and it cannot be subjected to partisan political confrontation.

We stand at a turning point that has the potential to bring rural India into the mainstream of economic development. No challenges come without opportunities. We have an unparalleled

opportunity to harness the maturity in our economic system, the technological advancements brought about by the infotech revolution, and the potential of a global market to bring in a new dimension of development to rural India. There is an unmistakable realisation and emphatic acknowledgment not only in India but also abroad that if the 21st century is going to be the Asian century, then India will be playing a pivotal role in making that happen. For that we have to carry on board our large rural populace as well to actualise the dream of developing the nation. The wheels of industry and commerce could rotate smoothly only with a strong agriculture and prosperous rural hinterland.

SOLUTIONS

- Expand the budget for agriculture, the governmental investment in rural infrastructure and governmental land-use fee allocated to rural areas;
- Plough back the revenues from till-land occupation tax and city maintenance fee into agriculture and rural economy;
- Increase the projects benefiting public welfare and biological environment in the most poverty-stricken counties;
- Increase direct subsidies for cereal crops cultivation, purchasing of quality seeds, farm tools and other productive materials;
- Forming a pattern to increase agricultural efficiency and farmers' incomes;
- Vigorously ramp up oil production, encourage cotton and sugar production, guarantee staple food production including meat, poultry, eggs, milk and vegetables to ease short supply of agricultural products;
- Reinforce agriculture standardization and guarantee safety of agricultural products, prop up agricultural industrialization, strengthen and improve controls on the agricultural market;
- Prioritize water control in rural infrastructure construction, including supporting water conservancy projects on small farmland, encouraging water-saving irrigation, restoring crumbling reservoirs, intensifying farmland protection and soil amelioration, strengthening ecological rehabilitation and stepping up agricultural mechanization;
- Continue to improve rural compulsory education, improve new rural cooperative medical systems, improve the minimum rural living allowance and improve rural poverty alleviation standards;
- Uphold the basic system for rural operations, deepen rural reform and set up primary Party organizations in rural areas, especially to fully guarantee land rights to farmers, urge the reforms of the township institutions and the fiscal management system at county and township levels, advance the reform of the system of collective forest rights, renovate rural financial system, properly settle debts in rural areas.
- Enforce the legal rights of migrant workers, form an equal employment system for rural and urban labors and explore approaches for the farmers who have a stable job and residence in cities to gain a status as a city resident, establish the mechanisms of regular pay increase and pay guarantee, and enhance their employment, social security, housing and their children's education.

Future challenges

Rural circumstances are changing; development thinking is changing; and rural development policy needs to keep up: these are the core messages of the review. Different governments and donor agencies have different perspectives and pursue different combinations of rural development policies. They may or may not already respond adequately to the messages of the review. To help test whether they do or not, Figure 1 summarises the main findings so far reached.

The key outstanding question has to do with aid for agriculture and rural development. As noted frequently in the literature, support for agriculture has fallen sharply: according to the IFAD Rural Poverty Report 2001, by over two thirds.

If aid for rural development is to be re-established on a growth path, then it will be within the wider aid context, dominated by ideas about the Comprehensive Development Framework, Poverty Reduction Strategy Papers, and Sector Wide Approaches. Key features of the CDF and PRSPs are a holistic approach, ownership, partnership, and results-orientation (especially in connection with the International Development Targets). In principle, these present no greater problems for rural development than they do for other sectors, though this does not mean that debates can be ignored: for example, about what partnership really means, the value of targets, or the political feasibility of genuine ownership. There is also a real problem with what to do about non-performing governments (Maxwell, Farrington)

Conclusion

The rural development concerns of developing countries, particularly those with large, poor rural populations should be reflected in the structure, framework and long-term objective of the WTO Agreement on Agriculture. They may require special treatment in order to achieve their agricultural, rural development and food security goals, as regards particularly domestic support, border protection, and access to foreign agricultural markets. In addition, special provisions for technical and financial assistance should be incorporated in the Agreement to help these countries build their rural capacities and thereby take full advantage of the new trading opportunities so as to ensure that the implementation of the Agreement does not adversely affect the livelihood of their rural populations.

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