

GIST OF KURUSHETRA

BUDGET FOR RURAL INDIA



DELHI CENTRE:

Old Rajinder Nagar: 27-B, Pusa Road, Metro Pillar no. 118, Near Karol Bagh Metro, New Delhi-110060 | Phone: 8081300200

Mukherjee Nagar: 1422, Main Mukherjee Nagar Road, Near Batra Cinema, New Delhi-110009 | Phone: 8081300200

JAIPUR CENTRE: A-1, Lion's Colony, Sitabari, Near The Theme Hotel, Tonk Road, Jaipur-302018 | Phone: 9358200511

PRAYAGRAJ CENTRE: 31/31 Sardar Patel Marg, Civil Lines, Prayagraj, Uttar Pradesh - 211001 | Phone: 9958857757

CHAPTER 1 - STATE OF RURAL ECONOMY

- In 2024-25, the Ministry of Rural Development has been allocated Rs 1,80,233 crore. Of this, Rs 1,77,566 crore is for the Department of Rural Development, marking a 4% increase from the revised estimates of 2023-24.
- The Department of Land Resources has been allocated Rs 2,667 crore, a 41% increase compared to the revised estimates of the previous year.
- As of 2021, 65% of India's population lives in rural areas, with 47% depending on agriculture.
- In 2023-24, rural areas experienced higher inflation than urban areas, driven primarily by food prices. In July 2023, rural inflation was 7.63%, while urban inflation was 7.2%. By April 2024, rural inflation remained higher at 5.42% compared to 4.11% in urban areas.

Figure 1: Rural and urban CPI inflation rate between March 2023 and April 2024

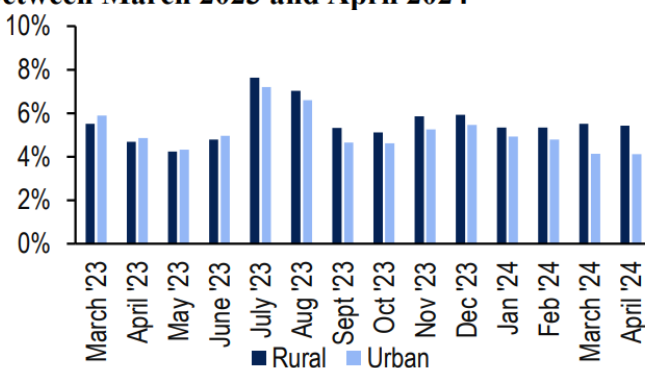
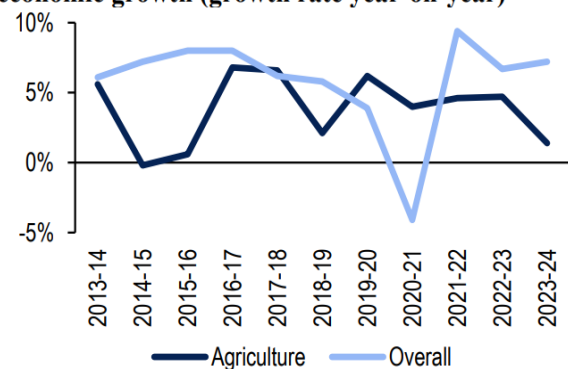
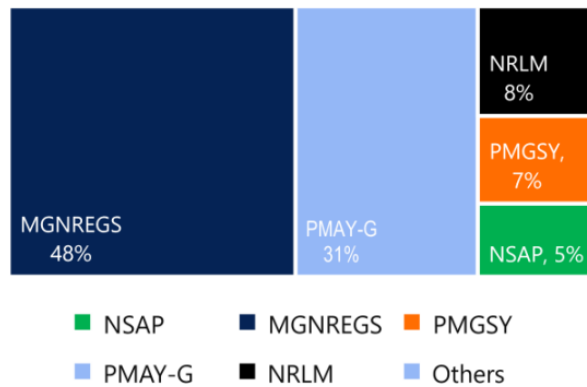


Figure 2: Growth in agriculture relative to overall economic growth (growth rate year-on-year)



- Elevated inflation led to negative growth in real rural wages, and between 2013-14 and 2023-24, the agriculture sector grew at an annual rate of 4%, lower than the overall economy's 6%.
- From 2017-18 to 2022-23, the **Female Labour Force Participation Rate (FLFPR)** in rural areas rose from **25% to 42%**, driven mainly by self-employment.
- By 2022-23, 71% of rural working women were self-employed, with 43% working as unpaid helpers in family enterprises.
- The unemployment rate for women in rural areas dropped from 4% in 2017-18 to 2% in 2022-23, while for men, it decreased from 6% to 3%. Despite these improvements, a significant gender gap in labour force participation and earnings persists, especially among self-employed rural workers.
- The **Department of Rural Development** runs key programs to promote employment, economic development, and social security in rural areas.
- Major schemes run by the Department include **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)**, **Pradhan Mantri Gram Sadak Yojana (PMGSY)**, **National Rural Livelihoods Mission (NRLM)**, and **Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)**.
- From 2014-15 to 2024-25, its budget grew at an annual average rate of **9%**. During the pandemic (2020-21 to 2022-23), funding was significantly increased, particularly for MGNREGS and welfare schemes like direct benefit transfers under the Pradhan Mantri Jan Dhan Yojana.
- Total allocation to the department, **MGNREGS (48%) and PMAY-G (31%)** together account for almost 80% of the budgetary allocation.
 - This is followed by National Rural Livelihoods Mission (8%) and PMGSY (7%), and the National Social Assistance Programme (NSAP, 5%).

Figure 5: Top expenditure heads (as a % of total allocation)



CHAPTER 2- SCHEMES FOR RURAL DEVELOPMENT

Pradhan Mantri Gram Sadak Yojana (PMGSY)

Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched on 25th December 2000 that aims to provide all-weather road connectivity to unconnected rural habitations.

Eligibility Criteria:

- Habitations with a population of 500+ in plain areas and 250+ in North-Eastern, Himalayan, Desert, and Tribal Areas (as per the 2001 census).
- “Unconnected habitation” refers to any village located at least 500 metres (or 1.5 km in hilly areas) from an all-weather road.

Core Network: A defined set of essential roads needed to ensure access to social and economic services through at least one all-weather road.

Funding Pattern: The Union Government finances 90% of the project cost for North-Eastern and Himalayan states, and 60% for other states, with allocations determined based on approved project values.

Construction Standards: Rural roads under PMGSY are built following the guidelines of the Indian Roads Congress (IRC), a premier body of highway engineers established in 1934.

PMGSY Phases:

- **Phase I (2000):** A fully centrally sponsored scheme targeting road connectivity to 1,35,436 habitations and upgrading 3.68 lakh km of existing rural roads for better farm-to-market connectivity.
- **Phase II (2013):** Focused on upgrading 50,000 km of the rural road network to improve efficiency. The cost was shared between the Centre and the States/UTs.
 - The **Road Connectivity Project for Left-Wing Extremism Affected Areas (RCPLWEA)** was also launched in 2016 to construct roads in these areas.
- **Phase III (2019):** Approved in July 2019, this phase prioritizes infrastructure development around **Gramin Agricultural Markets (GrAMs)**, higher secondary schools, and hospitals. It aims to consolidate 1,25,000 km of road length from 2019-20 to 2024-25.

Indian Roads Congress (IRC): Established in 1934, IRC sets the standards for road construction in India, influences national road policies, and advocates sustainable road development. It engages with government bodies, private stakeholders, and academia to improve the country’s road infrastructure.

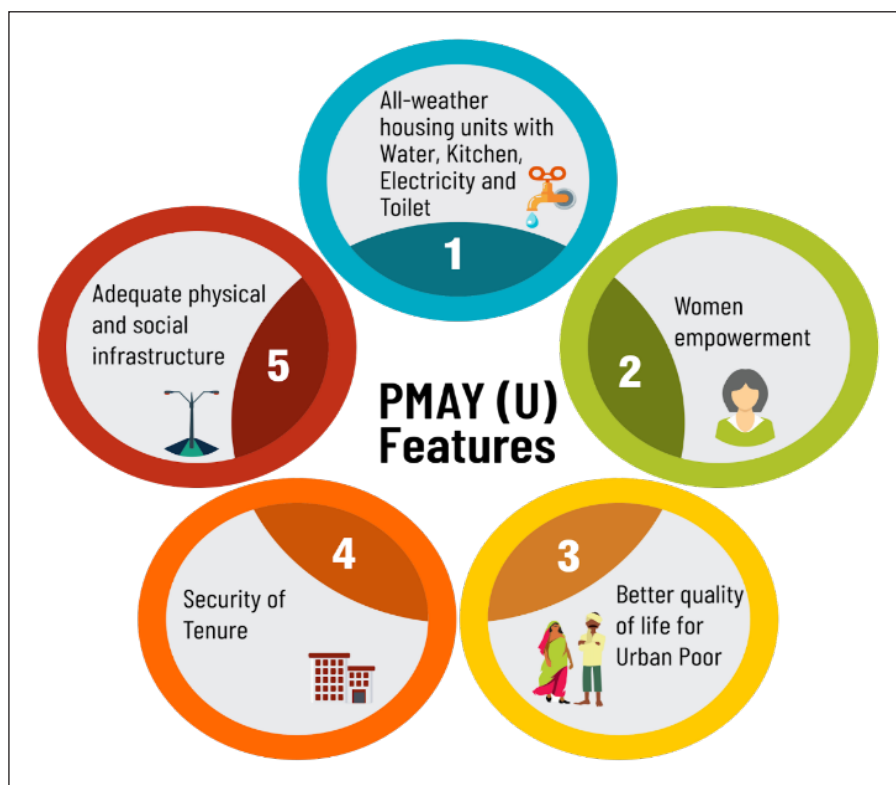
Scheme Progress: As of now, over 7 lakh km of roads have been completed out of a sanctioned 8.25 lakh km, with a total investment of Rs. 2,70,000 crore. All-weather connectivity has been provided to 1,61,561 habitations.

Phase IV (2024-25): Announced in the Union Budget 2024-25, Phase IV will connect 25,000 additional villages, with a budget allocation of Rs. 19,000 crore.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

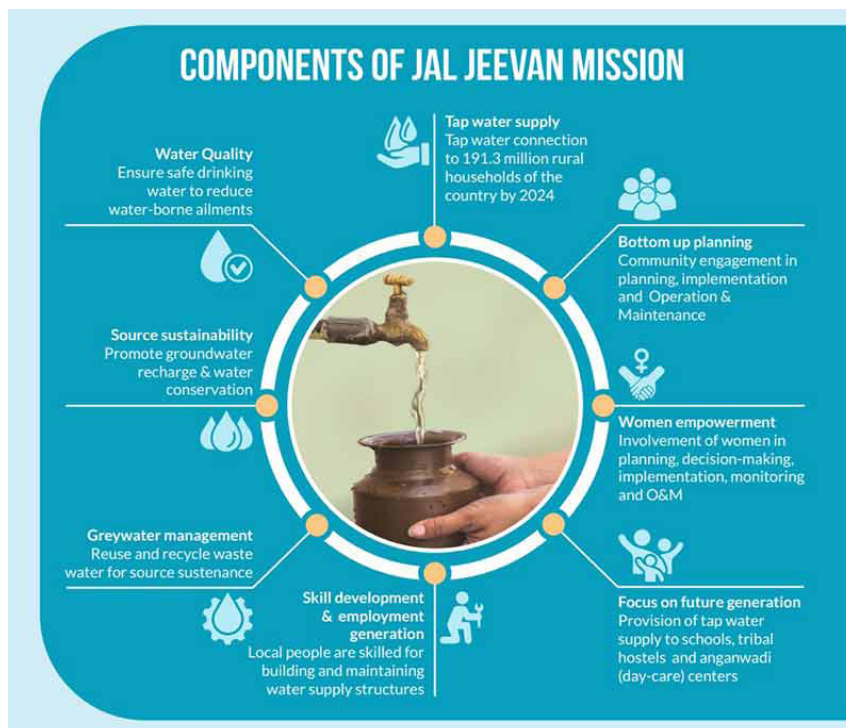
- The **budget allocation** for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for 2024-25 remains **unchanged at Rs 86,000 crore**, the same as in 2023.
- Experts warn that the allocated funds may be depleted by October 2024, given the current spending trends.
- Actual expenditure on MGNREGS is reported at Rs 37,761 crore, with pending dues bringing the total to Rs 41,519 crore as of July 23, 2024.
- Nearly 44% of the budget has already been spent within a few months of the fiscal year.
- **State Utilization:**
 - Tamil Nadu, with less than 1% of the country's poor, accounted for about 15% of total MGNREGS funds.
 - Kerala, with only 0.1% of the poor population, utilized approximately 4% of the funds.
 - Uttar Pradesh and Bihar, which have 45% of the poor population, used only 11% of the funds.
- **Correlation Coefficient:** The correlation coefficient between the multidimensional poverty index and person-days generated through MGNREGS is only 0.3, suggesting weak alignment between poverty levels and employment generation.

Pradhan Mantri Awas Yojana (PMAY):



- **Objective of PMAY-G:** To provide affordable housing to the underprivileged, with a target of constructing **2.95 crore rural houses** since its launch in 2016. As of July 2024, almost 2.94 crore houses have been sanctioned.
- **Unit Cost Increase:** From 2024-25 onward, the unit cost under PMAY-G will be raised from Rs 1.2 lakh to Rs 2 lakh in plain areas, and from Rs 1.3 lakh to Rs 2.2 lakh in hilly, difficult areas, and **Integrated Action Plan (IAP)** districts.
- **Target and Allocation:** The scheme aims to build an additional 3 crore houses in rural and urban areas, with 2 crore of these to be constructed in villages under PMAY-Gramin (PMAY-G), and an allocation of Rs 54,500 crore.

Jal Jeevan Mission (JJM) - Rural:



Objective: To ensure safe and adequate drinking water supply to all rural households, improving public health and sanitation.

- **Allocation:** Rs 69,926.65 crore.
- **About JJM:** Launched in 2019, the mission targets providing 55 litres of water per person per day through Functional Household Tap Connections (FHTC) to every rural household by 2024.
- **Achievements:** As of 2024, JJM has delivered tap water connections to 15 crore rural households, increasing coverage from 3 crore in 2019 to 15 crore. Eight states and three Union Territories have achieved 100% coverage, with significant progress in states like Bihar, Uttarakhand, Ladakh, and Nagaland.

Rural Land Reforms:

- **Objective:** To enhance agricultural productivity by improving land management and facilitating credit flow through various reforms.
- **Reforms:**
 - Introduction of Unique Land Parcel Identification Numbers (Bhu-Aadhaar).
 - Digitization of cadastral maps.

- Surveying of map subdivisions based on current ownership.
- Creation of a land registry.
- Linking land records to a farmers' registry.

CHAPTER 3- SCHEMES FOR TRIBAL DEVELOPMENT

The Union Budget 2024 has outlined several key initiatives aimed at promoting tribal development, with a focus on improving living standards, education, and economic opportunities for tribal communities.

• Launch of Pradhan Mantri Janjatiya Unnat Gram Abhiyan (PM JUGA):

- A new scheme aimed at **improving the living standards of tribal families** in 63,000 villages, focusing on **saturation coverage** in tribal-majority areas and aspirational districts.
- The scheme is expected to benefit around **5 crore tribal individuals** by enhancing access to essential services and socio-economic opportunities.

Budget Allocation for Tribal Schemes:

- **Eklavya Model Residential Schools (EMRS):** Allocation: Rs 6,399 crore, an increase of Rs 456 crore from FY 2023-24.



- **Aim:** To provide quality education to Scheduled Tribe (ST) students, with schools built on par with Jawahar Navodaya Vidyalayas and Kendriya Vidyalayas. The curriculum also focuses on local art, culture, sports, and skill development.
- **Post-Matric Scholarship for ST Students:**
 - Allocation: Rs 2,432.68 crore, an increase from Rs 1,970.77 crore.
 - **Aim:** To support higher education for ST students.
- **Prime Minister's Janjati Vikas Mission (PMJVM):**
 - The budget for this initiative, which promotes tribal entrepreneurship, livelihood opportunities, and sustainable use of natural resources, has been reduced by Rs 136.17 crore.

- **PM DAKSH Scheme:**
 - Allocation: Increased from Rs 92.47 crore to Rs 130 crore.
 - **Aim:** To provide skills training to individuals from SC and ST communities for better livelihood opportunities.
- **National Overseas Scholarship Scheme for SC Students:**
 - Allocation: Rs 95 crore, up from Rs 50 crore.
 - **Aim:** To enhance financial support for SC students pursuing higher education in foreign universities.
- **NAMASTE Scheme:**
 - Allocation: Rs 116.94 crore, up from Rs 97.41 crore in FY23.
 - **Aim:** Launched in 2022, this scheme replaces the Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS) and focuses on the safety, dignity, and mechanized cleaning for sanitation workers in urban areas.
- **Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan (PM JANMAN):**
 - Continued with an allocation of Rs 25 crore in FY 2024.
 - **Aim:** To provide basic amenities such as housing, clean water, sanitation, and improved education and healthcare access to **Particularly Vulnerable Tribal Groups (PVTGs)**.

CHAPTER 4- SCHEMES FOR WOMEN DEVELOPMENT IN BUDGET 2024-25

The Union Budget 2024-25 has marked a significant milestone in the Indian government's commitment to women's empowerment and social justice.

- With an allocation exceeding Rs 3 lakh crore for schemes benefiting women and girls, the budget aims to foster women-led development across various sectors.

Increased Budget Allocation

- The budget for the Ministry of Women and Child Development has increased by **3%**, from Rs 25,449 crore in FY 23-24 to Rs 26,092 crore in FY 24-25.
- This increment reflects the government's recognition of the critical role women play in the nation's development. Additionally, the budget for the Department of Social Justice and Empowerment has seen a substantial 32% increase, rising from Rs 9,853 crore to Rs 13,000 crore. These allocations are pivotal in ensuring the effective implementation of various women-centric schemes.

Mission Shakti: A Flagship Initiative

- Mission Shakti is a comprehensive initiative aimed at the empowerment of women, comprising two key components: **Sambal** and **Samarthya**.

WOMEN-LED DEVELOPMENT KEY SCHEMES



- **Sambal:** This component focuses on the safety and security of women. The budget allocation for Sambal has increased from Rs 462 crore in FY 23-24 to Rs 629 crore in FY 24-25. The enhanced funding will bolster efforts to protect women from violence and ensure their safety in both public and private spaces.
- **Samarthya:** Focused on women's empowerment, this component has seen its allocation rise from Rs 1,864 crore to Rs 2,517 crore. The increased funding will support initiatives aimed at empowering women through education, skill development, and economic opportunities, thereby facilitating their active participation in the workforce.

Working Women Hostels and Creches

- To address the challenges faced by working women, the government has proposed the establishment of **working women hostels** in collaboration with industry partners. These hostels will provide safe and

convenient living arrangements, enabling women to pursue their careers without compromising their safety.

- Additionally, the **creation of creches** aims to support working mothers by offering reliable childcare services. This initiative will facilitate higher participation of women in the workforce, making it easier for them to balance professional and personal responsibilities.

Skilling Programs and Market Access

- The government plans to partner with industries to organize **women-specific skilling programs**. These programs are designed to equip women with the necessary skills to thrive in various sectors and support their entrepreneurial ventures.
- Also, the budget emphasizes promoting market access for women-led **Self-Help Group (SHG)** enterprises. By providing women with the tools and resources needed to succeed in business, the government aims to drive economic growth and development while empowering women financially.

Namo Drone Didi:

- Rs 500 crore has been allocated to provide drones to 15,000 self-help groups (SHGs) for rental services to farmers, promoting entrepreneurship among women.

Stamp Duty Reform: Encouragement for state governments to reduce stamp duty charges on properties purchased by women, to be integrated into urban development schemes.

Nirbhaya Fund: Budgetary allocation for the Nirbhaya Fund doubled from Rs 100 crore to Rs 200 crore to enhance women's safety and security. Total allocation for women's safety schemes stands at Rs 1,105 crore.

Comprehensive Social Justice Approach

- To achieve social justice comprehensively, the government will adopt a **saturation approach**, ensuring that all eligible individuals are covered by various programs, particularly those focused on education and health. This strategy aims to empower marginalized communities, improving their capabilities and providing them with the necessary tools to succeed.

Scholarships for Higher Education

- The budget also includes provisions for scholarships aimed at marginalized communities, such as the Scholarships for Higher Education for Young Achievers Scheme for Scheduled Castes. These initiatives are crucial for providing educational opportunities and support to underprivileged communities, enabling them to break the cycle of poverty.

UPSC MAINS PRACTICE QUESTIONS-(AROUND 250 WORDS)

- Q.1 Discuss the key initiatives and budgetary allocations in the Union Budget 2024 aimed at rural development. How do these initiatives address the challenges of poverty, unemployment, and infrastructure in rural India? (250 words)
- Q.2 Critically analyze the role of the Pradhan Mantri Awas Yojana-Gramin (PMAY-G) and Jal Jeevan Mission (JJM) in transforming rural India. Highlight the challenges these schemes face in achieving their objectives. (250 words)

