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CHALLENGES OF RURAL INDUSTRIALISATION

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Abstract:-

Rural industrialization is the process of an area's growth as well as the involvement of local agents and elements in the expansion of small-scale and village enterprises. Traditional village industries like Khadi, handlooms, and handicrafts, as well as more contemporary small scale businesses like micro power looks, are all included in the sector of villages and small scale industries. These businesses typically employ people on a part-time basis, are artisanal in nature, and are located predominantly in rural areas. As important as it is for growth of the entire economy, rural industrialization is a necessary component of the quick and sustainable development of rural areas. The industrial sector contribute 25.92 per cent to GVA which is less than China and other developed economies. The first section of this manuscript deals with introduction, the second section deals with literature review, the third section deals with definition and goals of rural industrialization; the fourth section deals with objective and research methodology; and the final section deals with conclusion and references. The key takeaway from this manuscript is that although there has been some progress towards industrialization, the amount of industrialization in rural areas still needs improvement. Rural industrialization has faced a number of hurdles, including ones related to families, finances, technology, and policies.

Introduction:-

The declining employment prospects in rural regions are one of the main issues having a substantial impact on rural development. Indian communities frequently experience seasonal unemployment, partial unemployment and craftsmen who are marginalized because the technology they use has grown outdated. Any government faces the great challenge of finding jobs that fit the skills of the workforce. It is often believed that agriculture is unprofitable. Due to this, urban migration has greatly increased and urban poverty has gotten worse. Distressed farmland departure is a recent obstacle to rural development. The contradiction is that corporate interests routinely exploit resources for commercial gain in rural communities. Rural residents are forced to witness their resources, such as land, sand, soil, water, vegetation, herbs, and trees, being exploited by speculative interests because they lack access to information, expertise, and technology. The rural residents who are illiterate or only partially literate finish up their businesses in the villages and prepare to move to urban areas in quest of jobs. Rural industrialisation has been one of the India's best employment-generation tactics since the middle of the 1950s, especially in rural areas. The industrialisation of rural areas and the creation of large-scale employment opportunities throughout the nation have been achieved through a number of concepts, models, and experiments. Additionally, they go by the name nonagricultural sub-sector. Industries are locations where products are produced for mass consumption. The economy supports the creation of jobs for society. A country's economy can be developed through its industries. Rural industries are non-farm activities that rely on rural the resources and are primarily intended to create jobs through the efficient use of locally accessible resources, human capital, and indigenous or homegrown technologies.

These are small scale by nature. These are typically located in rural areas. As a result they are often referred to as small-scale, rural or village industries. Rural industries typically work with the ideology of mass production, as opposed to mainstream industries, where items are mass manufactured, because employment generation is one of their primary goals. It seeks to lower employment rates and raise household and individual income levels. Due to the limited scope of the operations, the funding requirement is typically relatively modest. When recommending a programme for rural industries projects in 1962, the Planning Commission used the phrase “rural industries” for the first time. The Planning Commission (1988) defined rural industries as “such sorts of industries as Khadi, village industries, handloom, handicraft, sericulture, coir and tiny and service businesses situated in rural regions” in a study on the sector of village and small industries. The prefix “rural” is used to denote a requirement for a different conditionality and connection between industrialization processes and a certain segment of society. The process of industrialization involves using particular inputs, technology, and manufacturing techniques to produce commodities and services. In the classical sense, rural industry is defined as an economic activity that is characterized by characteristics such as ease of entrance, reliance on local resources, Small-scale operation, adopted technology, and skills learned outside of the official educational system. However, this sector is plagued by outdated technology, low output, inefficiency, uneven quality, drudgery, and a reliance on the benevolence of nature. Due to the introduction of new technologies brought about by globalization and the scaling up of production, technologies used in rural sector must also be innovative or improvised. The moment has come to distinguish between state-sponsored small-scale manufacturing that serves both rural and semi-rural areas and “Rural Industrialization” as an endeavour needing innovation.

Rural industrialization during industrial framework :-

Following independence, the Indian government developed administrative measures to promote and safeguard indigenous village industries, recognising their role in rural development. Through careful preparation, the government attempted to attain this goal in stages. The Planning Commission was established by the government of India in 1950 to examine the country's requirement for material capital and human resources and to develop a strategy for their effective and balanced utilisation. As a result, the country entered a period of planning. The Planning Commission established the following goals:

- To create jobs in rural areas.
- An equitable income distribution.
- Capital mobilization
- To improve one's entrepreneurial abilities.
- Maintaining a balanced regional growth through Regional Industrial Dispersal.

The 1948 Industrial Policy Resolution

The 1948 Industrial Policy emphasised “the utilisation of local resources and the realization of local self-sufficiency in certain key consumer items”. It is most appropriate attributes for cottages and small businesses. The initial five year plan was based on this method. Village Industries were adopted as a tool of rural industrialization in the first five year plan to provide work to ignorant and Non-formally trained people who were mostly village artisans.

Industrial policy of 1956 :- Prior to the implementation of the industrial policy resolution, 1956, the industries (Development and Regulation) Act was approved in 1951, setting the stage for the current development. This law granted the government the authority to control the industries. The adoption of a socialistic social structure as the national objective occurred in 1955. The industrial policy emphasised quickening the pace of modernization and outlined the function of small-scale rural industry. Despite the possibility that industrialisation may benefit the nation's economy as a whole, this policy resolution emphasised the need to

lessen inequalities in regional development. One of the goals of national planning is to make sure that these facilities are gradually made available in the regions that are currently industrially behind or where there is a large need to provide employment possibilities.

1977 Industrial Policy :- The 1977 industrial policy was largely based on earlier industrial plans. The government highlighted the connection between the agriculture and industrial sectors in the statement of industrial policy released on December 23rd 1977. This relationship has grown in importance because it is necessary for a variety of reasons, including the need to maximize employment prospects, develop small-scale enterprises and minute sectors, and rely on the right technology. In order to support the development of rural scale and cottage industries, this strategy placed a strong emphasis on the promotion of rural small-scale, tiny enterprises at the district level.

Industrial Policy of 1980 :- The Indian government unveiled its 1980 industrial policy declaration that year. Additionally, it made a substantial contribution to the growth of small-scale industries. The government is working hard and developing policies and programmes to encourage this industrialisation in rural areas, which can significantly increase economic viability. In addition to making every effort to advance industrialisation, it's critical to make sure that efforts are focused on enhancing people's abilities and skills so they can raise their overall living standards.

New Industrial Policy :- In order to transition Indian industry from a regulatory and protective regime to a free, market-oriented, competitive, and globalized environment, the New industrial policy, which launched extensive structural reforms, was announced in 1991. On August 6, 1991, the new policy measures for developing and bolstering small rural, small micro, and village scale businesses were presented to the Parliament. The major goal of the new policy is to give employment and exports more life and room to flourish.

Meaning of Rural industrialization

Although the definition of "rural" varies slightly between countries based on the individual national programmes, data sources, and their scope, it generally includes villages and small towns. Similarly, unless otherwise mentioned, the term "industries" often refers to modest manufacturing activities, such as the processing of basic goods and handicrafts, as well as associated repair services. The process of establishing cottage, village and small scale enterprises in villages and small towns is thus referred to as "**Rural Industrialization**".

A single, widely accepted definition of cottage and small-scale industry does not exist. As time, purpose, and geographic location evolved, so did the meaning of these phrases. Different definitions of small scale industries exist. A small unit, according to **Rao**, is one that has a small workforce, a low capital intensity, a small investment in fixed assets, a small scale of management and organization, and a small (very small and negligible) individual share in the output of the 17 industry in question. It may or may not also use power.

The idea of rural industrialization includes making it easier for people to find jobs in widely distributed non-farm activities closer to where the poor live. Additionally, it is believed that increasing the production of consumer products and wages items, which can be created through village industries or small scale industries, would be necessary for a change in income distribution in favour of the poor. Technology application and the ability to attract potential customers' attention have become crucial for products from rural industries as well. According to Chuta and Sethuraman, rural industrialization is a development approach that must obviously emphasise employment, which implies a larger focus on small-scale activities. These not only provided the rural poor with more work and income opportunities. For the rural poor in particular, these not only provided more employment and income opportunities, but also made it easier for them to take part in development.

In Short, Rural industrialization is the term for non-agricultural economic activities that take place in communities and range in size from families to small industries. Cottage, tiny, village, and small-scale manufacturing and processing enterprises, as well as

a variety of services, are some examples of these activities. Overtime, non-household, small-scale industries have grown while household industries have diminished. Small-scale, full-time and specialized rural industries are more efficient than cottage businesses, which rely on part-time family labour.

Objective Of Rural Industrialization:- The main goal of rural industrialization is to create a large number of work possibilities for people, allowing them to improve their living standards and reduce their level of poverty. One of the key elements in fostering the growth of rural economies is the extension of industry in rural communities. When new industries are developed in rural areas, great care must be taken to make sure that the people who live there would greatly benefit from them. It is crucial to make sure that rural residents have the necessary skills and abilities to carry out their job obligations in an organised manner when they are given employment chances within the industries. The literacy rates among residents of remote areas are typically low or nonexistent. Additionally, the entire working atmosphere at the place of business should be designed in a way that makes people feel satisfied while carrying out their job responsibilities. Rural industrialization should have the primary goal of accelerating rural development in addition to benefiting individuals.

Review Of Literature:-

K. Sundar & T. Srinivasan (2009): - The rural population's village and cottage industries, as well as the agricultural sector, have been losing territory to the service and industrial sectors. Despite the fact that agriculture supports more than half a billion people and employs 52 per cent of the labour population, its contribution to the GDP has continuously decreased from 36.4 per cent in 1982-1983 to 18.5 per cent in 2006-07. The Indian economic survey for 2007-08 bemoaned the food production's sluggish increase of 1.2 per cent from 1990 to 2007, which was less than the population's yearly growth rate of 1.9 per cent on average. The labour force working in various economic sectors in rural areas is moving quickly to urban areas, which has negative effects on urban amenities, pollution levels, land values, population density, and other factors. In this framework, the study discusses methods for accelerating rural industrialization and offers solutions to the deteriorating urban conditions.

The performance of the agricultural and industrial sectors in India is discussed using the structuralist framework of agriculture-industry synergy in an economy. As the agriculture sector provides raw materials, excess labour to the industrial sector, and serves as a source of demand for industrial goods, it is suggested that the link between industry and agriculture is crucial to economic development. However, this relationship has been difficult in India. In order to evaluate the subpar growth and development of the two sectors, this article examines the supply side limits in the agricultural sector and the demand side constraints in the industrial sector. It comes to the conclusion that India has not developed its sectors along structuralist lines, and that the country's weak agricultural growth has not aided in demand-driven industrialization, which has had a negative impact on the factor markets for both labour and land.

The policy for rural industrialisation that is incorporated into India's different plan papers and industrial policy statements is critically evaluated in this chapter. Despite the texts' strong advocacy for rural industries, it is noted that not much significant seems to have been done in this area. Additionally, the modest concern for rural industrialisation that existed in prior regimes either implicitly or explicitly was diminished once the 1991 New Economic Policy was implemented. We provide policy proposals. (Chadha G. K., 2005).

An key economic growth driver is entrepreneurship. Rural business development is crucial to the growth of the Indian economy. Nowadays, persons moving from rural or Semi-urban areas to urban areas have a lot of opportunities thanks to rural entrepreneurship. Contrarily, it is also true that the lack of basic utilities in rural parts of emerging nations like India causes a lot of challenges for the bulk of rural entrepreneurs. It is too difficult for rural entrepreneurs to start industries in rural areas due to a lack of education, financial difficulties, and inadequate technical and conceptual skills. The opportunities and difficulties faced by rural entrepreneurs in India are the main topics of the current article. (G. Jayabal, M. Soundarya, 2016).

China serves as a great illustration of how a rural development strategy that emphasises rural industrialization may bring about considerable, largely positive change to the rural economy's structure as well as to the lives of rural residents. China's rural enterprises, sometimes referred to as Township and Village enterprises (TVEs) have significantly aided in institutional change, rural development, and economic progress. The Chinese experience is a crucial topic of research, in large part because rural people's significant involvement in rural industrialization led to an industrialisation that was fairly diversified over the course of a quarter – century. Due to this, China's industrialisation has been highly effective and unique from that of other nations. However there has recently been discussion in China regarding the best way to promote TVEs. Since TVEs affect the greatest segment of the Chinese population, this study examines TVEs growth and development in China as a tool for rural development rather than just as an aspect of the country's overall industrial process. (Sanjeev Kumar).

According to Rao's empirical study on "Rural Industrialization in India", traditional cottage businesses could actually contribute to the country's protected growth with some minor technological advancements. They are capable of expansion. Along with increased pay, workers are happier in their jobs. Rural industrialization will balance the structure while also bringing prosperity to the rural economy. It must serve as the foundation for planned development in our area planning strategy.

In an effort to study Rural industrialization, came to the conclusion that while many industrial activities that were not previously a part of the rural scene have begun to play a significant role in the creation of employment and income in rural areas, traditional village industries still employ the majority of the rural work force. The emergence of new industries and their comparative performance suggest that rural industrialization may be a more effective strategy for the growth and creation of jobs in rural areas. (Papola, 1982).

Objectives of this study :-

- To examine the difficulties with rural industrialization.
- Understanding the value of rural industrialization for growth.
- To learn about the rural industrialisation under industrial framework.

Methodology:- This theoretical aspect of this investigation. Various national and international research papers, theses, and dissertation have been used to gather the necessary information.

Challenges of Rural industrialization: The process of rural industrialization will provide a variety of difficulties for rural residents. Their families, society, technology, finances, and policies are all involved. The following has been said about them:

Family Challenges :- Joint family systems, in which two or more nuclear families live under one roof, are typically more common in rural regions. Additionally, nuclear families frequently have more than two children. As a result, the people are expected to look for possibilities to appropriately meet the needs and requirements of every family member. It is crucial for people to take their family needs into account when they are considering different work prospects. For instance, people who are entrusted with the duty of driving their kids to and from school must look for career options that may be handled in a Manageable way.

Social problems:- Social problems women in rural areas are more affected by societal difficulties than men are. People in rural areas frequently have conventional beliefs and opinions, especially when it comes to girls and women. They are viewed as liabilities, and masculine members are given higher consideration. It is thought that men would significantly contribute to the welfare of their families. A daughter is discouraged from enrolling in school and obtaining educational credentials when she is born into the household. Girls receive training right away on how to carry out home duties and attend to the needs and requirements of family members.

When their parents go to work, they are expected to take care of their younger siblings and older family members. As a result, one of the main social problems is the treatment of girls and women with neglect and discrimination. Programs that aim to change people's perspective have been put into action. If given the same chances and rights as males, girls and women can also make a significant contribution to improving the well-being of their families and communities.

Technical Difficulties:- Technology is playing a crucial role in enhancing the quality of life for people across a range of industries and communities. In the modern world, people from rural areas and poor social groups working in minority employment use technology to carry out a variety of chores and activities. These people are using computers, laptops, mobile phones, agricultural technology, farming techniques, and other things, according to studies. Sometimes it can be difficult to understand technology we'll, which makes rural residents nervous. Therefore, it is essential for people to participate in extensive practise if they want to improve their knowledge of and aptitude for using technology. There have been training facilities established in rural areas that are offering effective technological expertise, like computer training facilities. The training facilities that offer people technical information about the agricultural industry and farming methods are distinct. The curriculum and instructional methodologies used in these training centres, along with the trainers who work there, assist the students in overcoming technological obstacles.

Financial Difficulties:- Financial difficulties are seen to be the most harmful and have a significant impact on people's overall quality of life. There is a high prevalence of poverty among people in rural areas. These conditions can occasionally be so bad that people are unable to eat two square meals everyday. Therefore, it is difficult to increase one's opportunities for a living when they are limited by financial constraints. People require financial resources to build industries within the nation. Financial resources are needed in industrialisation to carry out various duties and responsibilities. The formulation of organisational goals, the creation of departments and training facilities, the introduction of training and development programmes, the introduction of machinery, technologies, equipment, and infrastructure, the hiring and selection of staff, the execution of other tasks and activities, and so on. It is obvious that people would not be able to achieve their desired goals if they are having financial difficulties. As a result, financial preparation is thought to be of the biggest importance. According to research, people from rural areas must take into account their financial situation as well as other factors, such transportation, in order to pursue career prospects in various industries. However, individual are able to overcome financial difficulties when they are successful in finding employment chances in industries.

Policy Challenges:- The industrialisation processes must be carried out in accordance with the plans and programmes, which presents a problem for policy. There have been several modifications in the policy over time, particularly with regard to rural industrialisation. The main policy difficulties that have been encountered includes issues with the growth of equity capital, the availability of raw materials, the use of cutting-edge technologies, an increase in pollution, a lack of appropriate training and development initiatives, and so on. Children under the age of 18 are also working in dangerous vocations in factories and enterprises. Children are often forced to work in dangerous jobs for meagre pay due to poverty, which is considered one of the main causes. These include things like Plantations, Beedi rolling, lock industries, gem cutting, diamond polishing, and silk weaving, among others. Children working in these industries face enormous policy issues because these jobs are likely have an adverse impact on them. Furthermore, they miss out on a variety of childhood activities as a result of working in these professions. Adults must have the necessary training and work under the supervision of a manager or supervisor when they are employed in hazardous occupations, in addition to children.

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Conclusion:- Rural industrialisation had made a significant contribution to improving people's living conditions and providing them with employment opportunities. The people who live in rural areas might find jobs in several businesses to enhance their income. Understanding the industrial policy framework is essential to comprehending rural industrialisation. The main industrial policies in this situation are the New industrial policy of 1991, the Industrial policy of 1948, the Industrial policy of 1956, the industrial policy of 1977, and the industrial policy of 1980 and 1977, respectively. Even illiterate and unskilled people in rural villages now have work prospects because to the development of small-scale companies.

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