

**A MINI PROJECT REPORT
ON**

**“A STUDY ON IMPACT OF GOVERNMENT
SCHEMES ON RURAL ECONOMY”**

*MINI PROJECT SUBMITTED IN FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF*

**MASTER OF BUSINESS ADMINISTRATION
FROM
BENGALURU CITY UNIVERSITY**



SUBMITTED BY
SANIYA TAJ
Reg. No. MB206246

UNDER THE GUIDANCE OF
Prof. Dr. ABDUL RIZWAN SHARIFF
VICE PRINCIPAL AND ASSOCIATE PROFESSOR, AIMS



AI-AMEEN INSTITUTE OF MANAGEMENT STUDIES
AFFILIATED TO BENGALURU CITY UNIVERSITY
(2021-2022)

CERTIFICATE OF INSTITUTION

This is to certify that this Project entitled **A Study on Impact of Government Schemes on Rural Economy** has been successfully completed by **Saniya Taj** of Reg. No. **MB206246** during the year **2021-22** and the report is submitted in partial fulfillment of the requirements for the award of the degree of **Master of Business Administration** as prescribed by the **Bengaluru City University** under the guidance of **Prof. Dr. Abdul Rizwan Shariff**.

Place: Bangalore

Date:

Dr. B.A. ANURADHA

Principal

CERTIFICATE OF GUIDE

This is to certify that this Project entitled **A Study on Impact of Government Schemes on Rural Economy** Submitted by **Saniya Taj** bearing Reg. No. **MB206246** is an original work of the student and is being submitted in partial fulfilment of the requirement for the award of the degree of **Master of Business Administration** of **Bengaluru City University** under the guidance of **Prof. Dr. Abdul Rizwan Shariff**. This report has not submitted earlier either to this university/ institution for the fulfilment of the requirement of a course of study.

Place: Bangalore

Date:

Guide's Signature

Prof. Dr. Abdul Rizwan Shariff

CERTIFICATE OF HEAD OF THE DEPARTMENT

This is to certify that this Mini Project Report is submitted by **Saniya Taj** is an original work of students and is submitted in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration** of **Bengaluru City University** under the guidance of **Prof. Dr. Abdul Rizwan Shariff**. This report has not submitted earlier either to this university/institution for the fulfilment of the requirement of the course study.

Place: Bangalore

Date:

Prof. DEEPAK SINGH M.C

Associate Prof. & HOD



CERTIFICATE OF ORIGINALITY PLAGIARISM

Name of the Student: **Saniya Taj**

Registration Number: **MB206246**

Title of the Project: **A Study on Impact of Government Schemes on Rural Economy.**

Name of the Guide: **Prof. Dr. Abdul Rizwan Shariff**

Similar Content (%) identified: **11%**

Mini Project Submission ID in Turnitin: **1733675360**

The project report has been checked using it in plagiarism software and found within limits as per plagiarism policy instruction issued by university (CBMS). We have verified the contents of Mini Project report as summarized above and certified that the statement made above are true to the best of our knowledge and belief.

Guide

Prof. Dr. ABDUL RIZWAN SHARIFF

Principal

Dr. B.A. ANURADHA

STUDENT DECLARATION

I hereby declare that the Project Report entitled **A Study on Impact of Government Schemes on Rural Economy** has been prepared by me under the supervision and guidance of **Prof. Dr. Abdul Rizwan Shariff**, during the year **2021-22** in a partial fulfillment of the university regulations for the award of the degree of **Master of Business Administration** by **Bengaluru City University**.

I further declare that this project is based on the original study undertaken by me and has not been submitted at any time to any university or institution for the award of any other degree or diploma.

Place: Bangalore

Date:

SANIYA TAJ

Reg No. MB206246

ACKNOWLEDGEMENT

This Project has been a great learning experience in valuable source of knowledge and information for me, which was only possible through the guidance and help of some eminent people, to whom I would like to, render my deepest appreciation and regards.

I like to thank the principal **Dr. B.A. Anuradha**, other faculty members and the institution itself without whom this experience would have been a distant reality.

I am really thankful to **Prof. Dr. Abdul Rizwan Shariff**, Vice Principal and Associate Professor, **Al-Ameen Institute of Management Studies**, for his valuable guidelines and suggestion which helped me to structure my Mini Project.

Here by, I express, my deepest thanks to **HOD Prof. Deepak Singh M.C** for his support and guidance to carry on with the Mini Project.

I am also thankful to **Bengaluru City University** for making this Mini Project a part of our curriculum. It has been a wonderful experience which has helped me gain knowledge and practical exposure in the process of the Mini Project.

Last but not the least I present my heartfelt thanks to my family, Friends and well wishers for their help and support.

SANIYA TAJ

TABLE OF CONTENTS

CHAPTERS	PARTICULARS	PAGE NO.
CHAPTER 1	INTRODUCTION	1 - 14
CHAPTER 2	METHODOLOGY	15 - 18
CHAPTER 3	SWOC ANALYSIS	19 – 21
CHAPTER 4	OUTCOMES OF THE STUDY	22 – 25
CHAPTER 5	LEARNING EXPERIENCES AND CONCLUSION	26 – 28
BIBLIOGRAPGY		29 – 30

CHAPTER: 1

INTRODUCTION



CHAPTER 1: INTRODUCTION

INTRODUCTION ABOUT TOPIC:

➤ INTRODUCTION TO INDIAN ECONOMY:

The Indian economy was in distress at the brink of the country's independence. Being a colony, she was fulfilling the development needs not of herself, but of a foreign land. The state, that should have been responsible for breakthroughs in agriculture and industry, refused to play even a minor role in this regard. On the other hand, during the half century before India's independence, the world was seeing accelerated development and expansion in agriculture and industry - on the behest of an active role being played by the states. British rulers never made any significant changes for the benefit of the social sector, and this hampered the productive capacity of the economy. During independence, India's literacy was only 17 percent, with a life expectancy of 32.5 years. Therefore, once India became independent, systematic organisation of the economy was a real challenge for the government of that time. The need for delivering growth and development was in huge demand in front of the political leadership - as the country was riding on the promises and vibes of national fervour.

Today India is ranked the seventh largest economy, and third largest in terms of Purchasing Power Parity (PPP). The Indian economy's GDP is pegged at \$ 2.9 tn. At a press conference, Finance Minister Arun Jaitley commented, 'We keep oscillating between the fifth and the sixth largest economy, depending on the dollar rate. As we look at the years ahead, we will be \$ 5 tn by 2024 and \$ 10 tn by 2030 or 2031.' The GDP per capita in India was \$ 1963.55 in 2017. The GDP per Capita in India is equivalent to 16% of the world's average, and averaged \$ 693.96 from 1960 until 2017. It reached an all - time high of \$ 1963.55 in 2017. As per a recent WEF report titled 'Future of Consumption in Fast-Growth Consumer Market – India', India's market size is pegged to grow at a thriving \$ 6 tn in the coming years. India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

➤ TOP PERFORMING SECTORS OF INDIAN ECONOMY:

The adoption of the New Economic Policy in 1991 saw a landmark shift in the Indian economy, as it ended the mixed economy model and license raj system - and opened the Indian economy to the world. An overview of the top performing sectors of the Indian economy is given below:

- **Agricultural Sector:**

One of the most important sectors of the Indian economy remains Agriculture. Its share in the GDP of the country has declined and is currently at 14%. However, more than 50% of the total population of the country is still dependent on agriculture. Keeping this in mind, the Union Budget 2017 - 18 gave high priority to the agricultural sector and aimed to double farmers' incomes by 2022. Government subsidies to agriculture are at an all - time high. Further, cropping patterns have shifted in favour of cash crops such as sugarcane and rubber. Introduction of cooperative farming like – e - choupal etc. Rise of SHGs such as Lijjat Papad. Agricultural land is being brought under industrial and commercial use, thereby straining the remaining agricultural land. Many export sectors have been opened for agricultural goods.

- **Industry Sector:**

Another important part of the Indian economy is the Industry sector. Changes such as the end of the 'Permit Raj' and opening up of the economy were welcomed in the country with great enthusiasm and optimism. As a result of these changes, the industrial potential of the economy has increased since 1991. Proliferation of industries, from traditional iron and steel to jute and automobiles. Autonomy in production, marketing and distribution. Reduced red - tapism. Encouragement to private investments, both domestic as well as FDI. Transfer of technology and benefits of research and development to the advantage of the economy. Arrival of investment models such as joint ventures, public-private partnerships, MNCs. Private players got an opportunity to enter new sectors, which were earlier under government monopoly.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

- **Services Sector:**

The sector that benefited most from the New Economic Policy was the services sector. Banking, Finance, Business Process Outsourcing - and most importantly Information Technology services - have seen double - digit growth. Indian IT giants such as Infosys, WIPRO and TCS have made their mark on the global platform. 60 percent of the GDP contribution comes from the services sector. India, with its huge demographic dividend potential, has emerged as the IT hub of the world. New employment opportunities are being created in this sector. Opening of transportation, tourism and medical sectors have led to the growth of service sector competencies. RBI has transitioned from being a regulator to a facilitator. Product diversity of financial investments.

- **Food Processing:**

Food processing has emerged as a high - growth, high - profit sector and is one of the focus sectors of the ‘Make in India’ initiative. The vast availability of raw materials, resources, favourable policy measures and numerous incentives have led India to be considered as a key attractive market for the sector. With a population of 1.3 bn and an average age of 29, as well as a rapidly growing middle - class population that spends a high proportion of their disposable income on food, India boasts of a large consumer base. The total consumption of the food and beverage segment in India is expected to increase from \$ 369 bn to \$ 1.14 tn by 2025.

- **Manufacturing Sector:**

The manufacturing sector is the second largest contributor to India’s GDP after the Services sector. Various government initiatives like Make in India, MUDRA, Sagarmala, Startup India, Freight Corridors, along with a whole - hearted contribution from states, will raise the share of the manufacturing sector in the foreseeable future. However, if India aims to raise its share of manufacturing in GDP to around 25%, the industry will have to significantly step up its research and development expenditure. The quantum of value addition has to be increased at all levels and the government needs to offer attractive remuneration to motivate people to join the manufacturing sector.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

➤ RECENT DEVELOPMENTS IN THE ECONOMY OF INDIA:

Besides these developments and reforms, it is imperative to bear in mind that in order to tap the highest potential of the economy and ensure good governance, an optimal level of synergy is required between the central and state government. This will not only add strength to our cooperative federal structure but will also strengthen India's economy. Initiatives such as Goods and Services Tax (GST), Insolvency and Bankruptcy Code (IBC), Startup India and Digital India. These, among others, have helped the Indian economy jump 65 ranks (in the last four years) in the World Bank's Ease of Doing Business Report. These measures cemented India's reputation as one of the few bright spots in an otherwise grim global economy. India is among the fastest growing major economies, underpinned by a stable macro - economy with declining inflation and improving fiscal and external balances.

➤ FUTURE OF INDIAN ECONOMY:

To make India a \$ 5 tn economy by 2030, and to achieve consistent 8% growth, NITI Aayog has released a comprehensive document titled 'Strategy for New India @75'. Its main objectives are Doubling farmers' incomes. Creating an all India talent pool for the entre and States together - such as the All India Services. Providing a major boost to the 'Make in India' campaign. Achieving 22% tax to GDP ratio by 2023 - up from the current 17%. Achieving 36% of investment rate by 2023 - up from the current 29%.

➤ MARKET SIZE:

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

➤ RECENT DEVELOPMENTS:

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 10.7 billion across 137 deals in August 2021, registering a 5x YoY growth. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports between April 2021 and August 2021 were estimated at US\$ 164.10 billion (a 67.33% YoY increase). Merchandise imports between April 2021 and August 2021 were estimated at US\$ 219.63 billion (an 80.89% YoY growth).
- In August 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 52.3.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 112,020 crore (US\$ 15.21 billion) in August 2021.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 547.2 billion between April 2000 and June 2021.
- India's Index of Industrial Production (IIP) for July 2021 stood at 131.4 against 122.6 for June 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 3.11 in August 2021 against 3.96 in July 2021.
- Foreign portfolio investors (FPIs) invested US\$ 2.5 billion in India in August 2021.

➤ GOVERNMENT INITIATIVES:

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures. In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase to increase by 34.5% at Rs. 5.5 lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy. In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).

In September 2021, the government approved a production-linked incentive (PLI) scheme for automobile and drone industries with an outlay of Rs. 26,058 crore (US\$ 3.54 billion) to boost the country's manufacturing capabilities. In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition and consumer interests. Key reforms include rationalisation of adjusted gross revenue, rationalisation of bank guarantees (BGs) and encouragement to spectrum sharing. In September 2021, the government announced plans to release Rs. 56,027 crore (US\$ 7.62 billion) under various export promotion schemes to boost exports.

In August 2021, the Indian government approved Deep Ocean Mission (DOM) with a budget outlay of Rs. 4,077 crore (US\$ 553.82 million) over the next five years. In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion). The Union Cabinet approved the production linked incentive (PLI) scheme for white goods (air conditioners and LED lights) with a budgetary outlay of Rs. 6,238 crore (US\$ 848.96 million) and the 'National Programme on High Efficiency Solar PV (Photo Voltic) Modules' with an outlay of Rs. 4,500 crore US\$ 612.43 million).

In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22. To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Some of the recent initiatives and developments undertaken by the Government are listed below:

- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched ‘DGFT Trade Facilitation’ app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

➤ ROAD AHEAD:

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India’s output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India’s real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government’s continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy. India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report.

➤ GOVERNMENT SCHEMES:

- **Pradhan Mantri Jan Dhan Yojana (PMJDY):**

Hon'ble Prime Minister announced Pradhan Mantri Jan Dhan Yojana as the National Mission on Financial Inclusion in his Independence Day address on 15th August 2014, to ensure comprehensive financial inclusion of all the households in the country by providing universal access to banking facilities with at least one basic bank account to every household, financial literacy, access to credit, insurance and pension facility. Under this, a person not having a savings account can open an account without the requirement of any minimum balance and, in case they self-certify that they do not have any of the officially valid documents required for opening a savings account, they may open a small account. Further, to expand the reach of banking services, all of over 6 lakh villages in the country were mapped into 1.59 lakh Sub Service Areas (SSAs), with each SSA typically comprising of 1,000 to 1,500 households, and in the 1.26 lakh SSAs that did not have a bank branch, Bank Mitras were deployed for branchless banking.

- **From Jan Dhan to Jan Suraksha:**

For creating a universal social security system for all Indians, especially the poor and the under-privileged the Hon'ble Prime Minister launched three Social Security Schemes in the Insurance and Pension sectors on 9th of May, 2015.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):**

The PMJJBY is available to people in the age group of 18 to 50 years having a bank account who give their consent to join / enable auto-debit. Aadhar is the primary KYC for the bank account. The life cover of Rs. 2 lakh is for the one year period stretching from 1st June to 31st May and is renewable. Risk coverage under this scheme is for Rs. 2 lakh in case of death of the insured, due to any reason. The premium is Rs. 330 per annum which is to be auto-debited in one installment from the subscriber's bank account as per the option given by him on or before 31st May of each annual coverage period under the scheme. The scheme is being offered by the Life Insurance Corporation and all other life insurers who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose. As on 31st March, 2019, cumulative gross enrollment reported by banks subject to verification of eligibility, etc. is over 5.91 crore under PMJJBY.

- **Pradhan Mantri Suraksha Bima Yojana (PMSBY):**

The Scheme is available to people in the age group 18 to 70 years with a bank account who give their consent to join / enable auto-debit on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhar would be the primary KYC for the bank account. The risk coverage under the scheme is Rs. 2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability. The premium of Rs.12 per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in one instalment. The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose.

- **Atal Pension Yojana (APY):**

APY was launched on 9th May, 2015 by the Prime Minister. APY is open to all saving bank/post office saving bank account holders in the age group of 18 to 40 years and the contributions differ, based on pension amount chosen. Subscribers would receive the guaranteed minimum monthly pension of Rs. 1,000 or Rs. 2,000 or Rs. 3,000 or Rs. 4,000 or Rs. 5,000 at the age of 60 years.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

Under APY, the monthly pension would be available to the subscriber, and after him to his spouse and after their death, the pension corpus, as accumulated at age 60 of the subscriber, would be returned to the nominee of the subscriber. The minimum pension would be guaranteed by the Government, i.e., if the accumulated corpus based on contributions earns a lower than estimated return on investment and is inadequate to provide the minimum guaranteed pension, the Central Government would fund such inadequacy. Alternatively, if the returns on investment are higher, the subscribers would get enhanced pensionary benefits.

- **Pradhan Mantri Mudra Yojana:**

The scheme was launched on 8th April 2015. Under the scheme a loan of upto Rs. 50,000 is given under sub-scheme ‘Shishu’; between Rs. 50,000 to 5.0 Lakhs under sub-scheme ‘Kishore’; and between 5.0 Lakhs to 10.0 Lakhs under sub-scheme ‘Tarun’. Loans taken do not require collaterals. These measures are aimed at increasing the confidence of young, educated or skilled workers who would now be able to aspire to become first generation entrepreneurs; existing small businesses, too, will be able to expand their activities. As on 31.03.2019, Rs. 3,21,722 crores sanctioned (Rs. 142,345 cr. - Shishu, Rs. 104,386 cr. Kishore and Rs. 74,991 cr. - Tarun category), in 5.99 crores accounts.

- **Stand Up India Scheme:**

Government of India launched the Stand Up India scheme on 5th April, 2016. The Scheme facilitates bank loans between Rs.10 lakh and Rs.1 crore to at least one Scheduled Caste/ Scheduled Tribe borrower and at least one Woman borrower per bank branch for setting up greenfield enterprises. This enterprise may be in manufacturing, services or the trading sector. The scheme which is being implemented through all Scheduled Commercial Banks is to benefit at least 2.5 lakh borrowers. The scheme is operational and the loan is being extended through Scheduled Commercial Banks across the country. Stand Up India scheme caters to promoting entrepreneurship amongst women, SC & ST category i.e those sections of the population facing significant hurdles due to lack of advice/mentorship as well as inadequate and delayed credit. The scheme intends to leverage the institutional credit structure to reach out to these underserved sectors of the population in starting greenfield enterprises. It caters to both ready and trainee borrowers.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

- **Pradhan Mantri Vaya Vandana Yojana:**

The ‘Pradhan Mantri Vaya Vandana Yojana (PMVVY) has been launched by the Government to protect elderly persons aged 60 years and above against a future fall in their interest income due to uncertain market conditions, as also to provide social security during old age. The scheme is implemented through the Life Insurance Corporation of India (LIC) and open for subscription upto 31st March, 2023. PMVVY offers an assured rate of return 7.40% per annum for the financial year 2020-21 for policy duration of 10 years. In subsequent years, while the scheme is in operation, there will be annual reset of assured rate of return with effect from April 1st of the financial year in line with applicable rate of return of Senior Citizens Saving Scheme (SCSS) upto a ceiling of 7.75% with fresh appraisal of the scheme on breach of this threshold at any point.

➤ **RURAL ECONOMY:**

India is known as an agricultural country, as most of the population of villages depends on agriculture. Agriculture forms the backbone of the country’s economy. The agricultural sector contributes most to the overall economic development of the country. For centuries together, the Indian village has been a self-sufficient and self-contained economy. During the past forty years, rural reconstruction and development have been the major thrust of economic planning, which has caused a rapid transformation in the Indian rural economic structure. These changes have taken place in spheres, such as land reforms, agriculture, animal husbandry, supplies and marketing, village industries, rural leadership, village administration, etc. With the help of the rural development programmes, a cultivator is able to take advantage of the modern technological facilities in his agricultural operations. These cultivators are now using modern agricultural implements and high-yielding varieties of seeds and fertilizers. Several other welfare services were introduced, such as opening up of schools, primary healthcare centres, improving the means of transport and communication, and spread of mass media services to rural areas, etc. These welfare services have materially affected the rural life.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

STATEMENT OF THE PROBLEM:

The statement of the problem is to study the impact of government schemes on rural economy. India is known as an agricultural country, as most of the population of villages depends on agriculture. Agriculture forms the backbone of the country's economy. The agricultural sector contributes most to the overall economic development of the country. For centuries together, the Indian village has been a self-sufficient and self-contained economy. During the past forty years, rural reconstruction and development have been the major thrust of economic planning, which has caused a rapid transformation in the Indian rural economic structure. These changes have taken place in spheres, such as land reforms, agriculture, animal husbandry, supplies and marketing, village industries, rural leadership, village administration, etc. Therefore, an attempt has been made to study the impact of government schemes on rural economy.

NEED AND RELEVANCE OF THE STUDY:

The Rural Economy in India is wholly agriculture based and it is of tremendous importance because it has vital supply and demand links with the other Indian industries. Agriculture is the main stay of the Indian economy, as it constitutes the backbone of rural India which inhabitants more than 70% of total Indian population. The fertility of the soil has augmented the success of agriculture in India. Further, Rural Economy in India has been playing an important role towards the overall economic growth and social growth of India. India has been predominantly an agriculture-based country and it was the only source of livelihood in ancient time. During prehistoric time when there was no currency system the India economy system followed barter system for trading i.e. the excess of agricultural produce were exchanged against other items. The agriculture produce and system in India are varied and thus offers a wide agricultural product portfolio.



CHAPTER: 2

METHODOLOGY



CHAPTER 2: METHODOLOGY

REVIEW OF LITERATURE:

- **Bina Agarwal (1997)** analysed the interrelationships between gender, poverty and the environment in rural India, focusing especially on regional variations and temporal shifts over 1971-91. Briefly identifying the major factors underlying environmental degradation, the study traces why and how this degradation and the appropriation of natural resources by the state (statization) and by some individuals (privatization), tend to have particularly adverse implications for the female members of poor rural households. She further examined Governmental and community-initiated attempts at environmental protection and regeneration and computed an aggregate index GEP (V) to address those issues.
- **Jodha (1986)** defines CPRs as “the resources accessible to the whole community of a village and to which no individual has exclusive property rights. In the dry regions of India, they include village pastures, common forests, waste lands, common threshing grounds, waste dumping places, watershed drainages, village ponds, tanks, rivers / rivulets and river beds, etc.” There are number of factors attributed for the marginalization of the use of CPRs.
- **Tony Beck and Madan G Ghosh (2000)** estimated roughly that the CPRs currently add some US \$ 5 billion a year to the incomes of poor rural households in India, or about 12 % to household income of poor rural households. In Pani (water) panchayats (R.S. Deshpande and Ratna Reddy: 1990), every rural household has an equal share in irrigation and water resources. The water rights are tradable, so that even the landless labourers gain from the irrigation resources generated. Grass roots democracy is used to integrate environmental regeneration and rural development to alleviate poverty.
- **Shenggen Fan and Peter Hazell (2000)** have made an empirical analysis of Rural India with particular reference to less favoured areas. They concluded that the poverty, food security and environmental problems of many low potential areas are likely to remain serious in the decades ahead as population continues to grow.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

- According to a report prepared by the Technical Advisory Committee of the CGIAR, marginal and sparsely populated arid lands account for 75 % and 85% respectively, of the total agricultural area in Asia and Sub-Saharan Africa (CGIAR 1998). Their shares in total agricultural production are lower but still large. **Peter Hazell and James Garrett (1996)** estimated that less favoured lands in China and India account for about one third and 40% of total agricultural output, respectively.
- Poor farmers put in a tremendous amount of planning and labour into building and maintaining terraced fields, controlling soil erosion, nurturing tree species for fuel, fodder and soil fixing, and intricate soil and engineering mechanisms responsible for conserving, harvesting and distributing irrigation water (**Prakash 1997**). When the poor appear to degrade the environment, it is basically because of lack of incentives and appropriate institutions, including lack of clarity on property rights.
- The poor in this view are perceived as having a short time horizon, discounting the future benefits from conservation rather heavily owing to the urgency to make a livelihood and avoid hunger. Such a time horizon leads to unsustainable use of natural resources (**M.V. Nadkarni 2000**).
- The relationship between poverty, environment and development is quite complex and not amenable for easy generalisation. There is a widely held view, particularly in the West; the poverty is the main cause of environmental deterioration, because the poor are not in a position to use natural resources sustainably (**Duraippah 1996, Prakash 1997**). The degradation in turn, it is believed leads to aggravation of poverty.
- Various studies undertaken by distinguished scholars have broadened the understanding of the related issues. For example, **Hanumantha Rao (1994)** interrelated the five themes viz., agricultural growth, rural poverty, environmental degradation, participatory rural development, and economic reforms in relation to agriculture. Both growth and poverty interact with environment in complex ways, each affecting the other. The author makes a critical appraisal of the participatory processes and also of some recent reforms – which have implications both for poverty and environment.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

OBJECTIVES OF THE STUDY:

- To study about the Government Schemes in India.
- To know the Impact of Government Schemes on Rural Economy in India.

SCOPE OF THE STUDY:

The research of the present study covers the scope which is limited to the Government Schemes in India and Impact of Government Schemes on Rural Economy in India. The study enables the students to develop independent critical thinking skills and it can be utilized by the juniors as reference material for their relevant research study.

METHODOLOGY OF THE STUDY:

The study is descriptive in nature. It has been carried out with the help of secondary data taken from various journals, text books, newspapers, magazines, internet sources and online research reports.

SOURCES OF DATA:

➤ **SECONDARY DATA:**

Secondary data is a data which is readily available. The data for the present study covers the secondary sources such as magazines, websites, journals, newspapers, various books related to the topics and other references were made.

LIMITATIONS OF THE STUDY:

- Time constraint is one of the major limitation.
- In depth research was not made.
- There might be bias in the secondary information.



CHAPTER: 3

SWOC ANALYSIS



CHAPTER 3: SWOC ANALYSIS

STRENGTHS:

- **Increasing Number of Rural Population:** Over the past few years rural India has witnessed an increase in the population with much more pace than of urban population and as far as total population size in concern rural population size is more than two times of urban population.
- **Rising Spending Power of Rural Consumers:** Two-thirds of the country's consumers (more than 700 million) live in rural areas and almost 26% of the national Income is generated there and 10 consecutive good monsoons have led to improved returns from agriculture (which is India's largest economic sector and account for 26% of GDP, Increasing the spending power in India's rural areas.
- **Increase in expectations of Rural Consumers:** Global research company McKinsey had referred to India as the 'Bird of Gold' in its report titled 'The Bird of Gold: The Rise of India's Consumer Market'. Consumer product makers and analysts now believe that this bird is ready to fly with wings wide spread in the global sky.

WEAKNESSES:

- **Least Developed Infrastructure:** It is not easy to enter into the Rural Market and take a sizeable share of the market within a short period. This is due to the major problems with regard to the transportation, communication and distribution.
- **Heterogeneity in Rural Consumers:** There are different groups based on religion, caste, education, income and age and there is a need to understand the rural markets in terms of buying behaviour, attitudes, beliefs, and aspirations of people.
- **Comparatively lower income of Rural Consumers than of the Urban Consumers:** The average households annual Income in India on recent terms having Rs. 65,041 and on rural counterpart having Rs.51,922 which is comparatively lower than the urban counterpart.
- **Difficult to Sell Consumer Durables in Rural Market:** Consumer durables face lots of marketing problems and are not able to penetrate the Rural Market like non-durables.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

OPPORTUNITIES:

- After the development of rural infrastructure, contact of rural people can be increased with their urban counterparts due to development of transport and wide communication network. Large inflow of investment for rural development from government and other sources can create huge opportunity for the marketers.
- The increase in the services provided to the rural people (in terms of various services offered) will result in the overall betterment of the society on one side by enriching the people with updated market information and providing latest technological developmental news and organizations on other side by creating more market opportunities for them and adjustment of the market prices.
- The Rural Market in India is vast and scattered and offers a plethora of opportunities in comparison to the urban sector. It covers the maximum population and regions and thereby, the maximum number of consumers.
- Rural Market is getting an importance because of the saturation of the urban market. As due to the competition in the urban market, the market is more or so saturated as most of the capacity of the purchasers has been targeted by the marketers.

CHALLENGES:

- The Rural marketing environment is complex and is changing continuously. The marketing organization should foresee and adopt strategies to change in requirements in the market. One which doesn't change perishes.
- Consumer behavior attitudes personality and mental make ups are unique. The study of behavior is very difficult to evolve marketing mix.
- It is also very difficult to identify distribution partners due to their insufficiency of funds.
- Rapid increase in Grey Market size causing a gigantic threat for marketers to tap Rural Market.



CHAPTER: 4

OUTCOMES OF THE STUDY



CHAPTER 4: OUTCOMES OF THE STUDY

OUTCOMES:

Rural India with its traditional perception has grown over the years, not only in terms of income, but also in terms of thinking. The rural markets are growing at above two times faster pace than urban markets; not surprisingly, Rural India accounts for 60% of the total national demand. Organizations need to sustain and grow in the market; therefore, they adopted newly marketing trends for retaining the existing customers and targeting new customers to increase the market share. Organizations need to sustain if effective network is available to adopt neo-marketing strategies to tap such markets available in rural and for flung areas where more than 65% population is residing with large untapped consumer potential. These recently developed trends also facilitate the organization to reach the target customers in minimum possible time. An organization selects new marketing trends on the basis of nature and usage of products. Such marketing is a process that involves carefully designing, implementing and controlling formulated strategies to facilitate the exchange of goods and services between organizations and customers.

Rural market is getting an importance because of the saturation of the urban market. As due to the competition in the urban market, the market is more or so saturated as most of the capacity of the purchasers has been targeted by the marketers. So the marketers are looking for extending their product categories to an unexplored market i.e. the Rural Market. In recent years, Rural Markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural consumers. India is the country of village where more than sixty percentage of the population lived in village where scarcity of the minimum facilities related to the hospital, rail, banking and drinking water facilities. Rural development in real sense is that community development which later emerged as a tool and techniques for name of the Underdevelopment County and also agrarian economy. Subsequently, the terminologies changes very fast with the changes of time, culture and economic status of the people in society. Its main objective is that to overall development of the village especially enrich and improving the quality of life.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

It is therefore designed the sustainable new programmes for achieving the real economy of the rural people through improving their source of income. To do this, the government has been giving importance for empowering the rural communities, decentralization of the governance and delivery the real amenities for the people. The real and right rural development schemes help the rural people for improve the quality of the life. Hence, the government has designed the new rural development programmes as per the need of the people in time to time. In odisha, the popular government has been working continuously for giving best to the people and upliftment of their economic condition.

After India obtained her Independence, the govt. has brought a lot of programmes for the socio economic justice who will help in social order and monetary justice to all the communities of the people. Hence, strategies have been formulated by using the gorgeous authorities to upliftment of the crores of humans from poverty, malnutrition, illiteracy, health, unemployment and others troubles of the rural people. But the truth is that due to the fact of India's heritage, an underdeveloped financial system which is lacking in infrastructure for the economic growth, inequality in the socio-economic strata, increasing populace similarly leading to poverty and unemployment alongside illiteracy and lack of awareness hence does no longer contribute to any wishes and challenges of development. The circumstance in India is more acute as India's economy is predominantly rural.

There are over 6, 40,867 villages (Census, 2011). Most of the human beings living in rural areas rely on agriculture for their living. Though India ranks among the ten relatively industrialized nations in the world, the development of rural region constantly assumes a excessive priority. During the final little a long time India adopted a number of programmes for the growth and uplift of the rural development; these programmes were put into exercise for a brief length of time. Thus, the present day learn about in India regarding the issues of the rural development seeks to perceive its obstacles in the rural development programmes. Since the independence, there have been a large number of reforms being adopted to keep a strict view on the ambitions and targets and additionally to take a look at out the terrible imbalances in those measures which were causing a quandary to the rapid increase and development.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

SUGGESTIONS:

- While there is a provision of maintenance of PMGSY roads by contractors for a period of five years, it is felt that a separate revolving fund may be created for attending to repairs and maintenance of repairs after the expiry of initial five years.
- Roads should be made keeping in view of providing a link to the nearby town or market or important centre which can have multifarious impacts on the lives of the people. Utmost care should be taken that the villagers do not deteriorate the newly constructed roads by digging holes etc.
- It is therefore suggested that the funds for the construction of the roads may be placed directly with the works department and this will help early and timely release of funds to the contractors, which can ensure timely completion of the roads without slippage of time and cost overrun.
- Local people are not engaged by the contractors to work on the construction of PMGSY roads as daily labourers. It is suggested to make mandatory for the contractors for engaging the local people/villagers in the road construction activities on priority basis.
- Further, there is no provision of maintenance of the roads constructed under PMGSY and in order to ensure their maintenance, it may be prudent to make budgetary provision and place funds either with the Zilla Parishad or with the Panchayats for maintenance of PMGSY roads.
- It has been observed during the field visits that the PMGSY roads are not having pucca shoulders and side drains. As a result, during the rainy season it is feared that the formation will get eroded and damage the road.
- Road connectivity has given way to a new transportation system inclusive of commercial and heavy vehicles. It has also introduced speeding vehicles giving rise to a number of accidents on these roads.



CHAPTER: 5

LEARNING EXPERIENCES AND CONCLUSION



CHAPTER 5: LEARNING EXPERIENCES AND CONCLUSION

LEARNING EXPERIENCES:

- Opportunity to learn new concepts.
- Opportunity to get explore new insights.
- Added value to the learning.
- Learned professional communication.
- Learned to collect relevant information.
- Learned to be persistent to complete the task.
- Learned to create a balance between collaborative and individual work.
- Learned to work independently.
- learned about the methods and issues.
- Studied about Indian Economy.
- Studies about Rural Economy.
- Studied about Government Schemes.



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

CONCLUSION:

From the above study it can be concluded concept of economy deals with production, distribution and consumption of material goods and services. Material goods are produced with certain means, raw materials, technology and labour. Moreover, people enter into social relations for organisation of production. Produced goods are distributed among the various sections of society. Society also fulfils the need of different kind of services. It is found that some states are very good in implementation whereas some states are not so good in implementing the government schemes. Finally, everything boils down the institutions that have been set up to implement these schemes. It is also evident by now that a single model will not suitable for a country like India that has varied demography, economic and political conditions. So far, in most of the schemes, the planning is done by Central and State governments. District and block administration are primarily used for implementation purposes only. In this kind of structure, proper and specific inputs for project planning are not being considered. Hence, the planning has to be bottom-up where district administration has to be included in planning phases for effective inputs and to resolve the future problems. This kind of structure will provide more responsibility and accountability to the district administration. In turn, the efficiency of the government schemes will also be improved. In schemes like JNNURM, an integrated planning approach, i.e., including all the stakeholders in the planning phase, has not been followed. It is necessary to include all the stakeholders like non-governmental organizations in the planning phase. In the JNNURM, an integrated planning will help in the reduction of urban poverty in the small cities.



BIBLIOGRAPHY



“A STUDY ON IMPACT OF GOVERNMENT SCHEMES ON RURAL ECONOMY”

REFERENCES:

- Agarwal, B. “Social Security and the Family: coping with Seasonality and Calamity in Rural India” in E. Ahmad et al (eds), Social Security in Developing Countries, Oxford: Oxford University Press, 1991.
- Beck, T. “Common Property Resource Access by the Poor and Class Conflict in West Bengal”, Economic and Political Weekly, 29:4(1994): 187-196.
- Beck, Tony. Madan G Ghosh. “Common Property Resources and the Poor: Findings from West Bengal”, Economic and Political Weekly. 35:3 (January, 2000): 147-153.
- Consultative Group on International Agricultural Research, Technical Advisory Committee, CGIAR Study on Marginal Lands, Washington DC: CGIAR,1998.
- Deshpande, R. and Ratna Reddy, “Social Dynamics and Farmers’ Society: A case study of Pani Pandhayats”, Indian Journal of Agricultural Economics 45:3(1990): 356-61.
- Duraippah, A. “Poverty and Environmental Protection: A Literature Review and Analysis”, CREED Working Paper Series No.8, International Institute for Environment and Development, London, 1996.
- Fan, Shenggen and Peter Hazell. “Should Developing Countries Invest More in Less-Favoured Areas? An Empirical Analysis of Rural India”, Economic and Political Weekly 35:17(April, 2000):1455-1464.

BOOKS:

- Appanaiah Reddy, (2010), Business Research Methods, Himalaya Publishing house.
- Deepak Chawla and Neena Sondhi, (2011), Research Methodology Concepts and Cases: Vikash publishing house Pvt ltd., New Delhi.

E-RESOURCES:

- <https://www.slideshare.net>
- <https://www.researchgate.net>
- www.wikipedia.com



SANIYA TAJ (MB206246)

by M z S

Submission date: 19-Dec-2021 08:14AM (UTC-0500)

Submission ID: 1733675360

File name: plagiarism_copy.pdf (724.36K)

Word count: 8307

Character count: 50216

SANIYA TAJ (MB206246)

ORIGINALITY REPORT

11%	6%	1%	10%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to Yakın Doğu Üniversitesi	3%
	Student Paper	
2	Submitted to Sharda University	3%
	Student Paper	
3	www.ibef.org	1%
	Internet Source	
4	Submitted to jim	1%
	Student Paper	
5	www.planningcommission.nic.in	1%
	Internet Source	
6	www.rierc.org	<1%
	Internet Source	
7	www.ijsrp.org	<1%
	Internet Source	
8	Submitted to University of Rajasthan	<1%
	Student Paper	
9	www.testmagzine.biz	<1%
	Internet Source	

10 pmgsy.nic.in <1 %
Internet Source

11 Submitted to Universiti Teknologi MARA <1 %
Student Paper

12 Submitted to National Institute of Technology, Rourkela <1 %
Student Paper

13 www.investindia.gov.in <1 %
Internet Source

Exclude quotes On

Exclude matches < 3 words

Exclude bibliography On

WORK DAIRY

DATE OF MEETING WITH GUIDE	TOPICS DISCUSSED	SIGNATURE OF GUIDE
20-Nov-2021	Discussion of title of the study, objectives of the study, statement of the problem, and need of the study.	
30-Nov-2021	Discussion of research methodology, tools for data collection and limitations of the study.	
10-Dec-2021	Discussion of Indian economy, Government schemes, and SWOC analysis.	
20-Dec-2021	Discussion of outcomes of the study, learning experiences and conclusion.	