

AN INITIATIVE BY
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KURUKSHETRA

JULY - 2019

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1. NON-FARM SECTOR IN INDIA

India has been traditionally an agrarian country. Besides having traditional sources of income such as -agriculture, traditional handlooms and handicrafts of India like weaving, pottery, etc. - development in the non-farm sectors of rural India is slowly taking place.

What is Rural Non - Farm sector?

- ▶ Rural-Non-Farm-Sector (RNFS) includes all economic activities viz., household and non-household manufacturing, handicrafts, processing, mining and quarrying, transport, trade, communication, community and personal services etc. in rural areas.

Need for Rural Non-Farm Sector:

- ▶ Over the years, the economic contribution of agriculture to India's GDP is steadily declining.
- ▶ As per the **tenth agricultural census**, the average size of agriculture landholding declined to 1.08 hectare in 2015-16 from 1.15 hectare in 2010-11.
- ▶ This explains the rise of employment in non-farm sector. It is observed that 64 per cent of rural employment is in the agriculture sector, while the share of agriculture in rural output is 39 per cent.
- ▶ Hence, reducing the dependence of rural masses on agriculture as a source of income will help improve the overall income of the rural population.

What are the GOI interventions for the promotion of this sector?

- ▶ **Pradhan Mantri Mudra Yojana (PMMY)** is a scheme to extend collateral free loans by Banks, Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs) to small/micro business enterprises in the non-agricultural sector.
- ▶ **The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005** which provides at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work.
- ▶ The demand for work itself is influenced by various factors such as rain-fall pattern, availability of alternative and remunerative employment opportunities outside MGNREGA and prevailing unskilled wage rates.
- ▶ **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):**
 - ✓ The Ministry of Rural Development implements DDU-GKY to drive this national agenda for inclusive growth, by developing skills and productive capacity of the rural youth from poor families.
 - ✓ There are several challenges preventing India's rural poor from competing in the modern market, such as the lack of formal education and marketable skills.

- ✓ DDU-GKY bridges this gap by funding training projects benchmarked to global standards, with an emphasis on placement, retention, career progression and foreign placement.
- » **Deendayal Antodaya Yojana** – National Rural Livelihoods Mission (DAY-NRLM) is a flagship programme of the Ministry of Rural Development (MoRD) that seeks to alleviate rural poverty through building sustainable community institutions of the poor. The centrally sponsored programme is implemented in partnership with the State governments.
- » **Aajeevika Grameen Express Yojana (AGEY)** - The Self Help Groups under DAY-NRLM will operate road transport service in backward areas.
- » **Development of Rural Tourism:** The Union Government, in the Budget Speech of 2014-15 decide to create tourist circuits around specific themes.

Strength in Rural Non-Farm Sectors:

- » The introduction of **JAM Trinity** – Jan Dhan, Aadhar and Mobile has increased the share of total disbursement of money in the non-farm sectors.
- » This is in addition to the existing financial institutions like Khadi and Village Industries Commission (KVIC), State Khadi Boards, Small Industries Development Bank of India (SIDBI) etc., which have helped in the development of agro-industries, domestic marketing channels for rural non-farm production as well as government support in export promotion.

What are the challenges in the RNFS?

- » **Infrastructure** - The most significant bottleneck in generating higher levels of rural nonfarm activity in India is the quantity, quality and reliability of infrastructure.
- » **Quality of manpower** - High levels of illiteracy in rural India have hampered the growth of the rural nonfarm sector.

Forward and backward linkages:

- » Absence of appropriate forward and backward integration greatly affects performance of conform activities in rural areas.

Regulatory restriction on small sectors:

- » In the initial stages, capital investment restrictions were imposed to protect the small-scale sector, from predation by large industry.
- » **Reservation of products** for the sector was initiated to create a domestic market and quantities restrictions imposed to protect them from competition from imports.

2. RURAL TOURISM - AN ASSET TO NON-FARM SECTOR

Rural Tourism:

- ▶ Any form of tourism that showcases the rural life, art, culture and heritage at rural locations, thereby benefiting the local community economically and socially.

Role of Rural Tourism:

- ▶ As against conventional tourism, rural tourism has certain typical characteristics like; it is experience oriented, the locations are sparsely populated, it is predominantly in natural environment, it meshes with seasonality and local events and is based on preservation of culture, heritage and traditions.
- ▶ India's **National Tourism Policy 2002** identified rural tourism as one of its focus areas. A Collaborative effort, termed as Endogenous Tourism Project-Rural Tourism Scheme, between MoT and United Nations Development programme was initiated in 2003.
- ▶ Rural circuit development has been included among the thirteen thematic circuits identified under 'Swadesh Darshan' (Central Government scheme for integrated development of theme-based tourist circuits).

Mapping the Rural Resources for Tourism:

- ▶ MoT has attempted to divide the rural resources into three categories:
 1. Resources by Virtue of geographical and climatic characteristics of the region.
 2. Aspects of the rural culture like village folklore, handicrafts, textile products, social bonds etc.
 3. Farm produce and practices like sowing, harvesting etc.

Following are the examples of some of the numerous rural tourism initiatives that fall in the aforesaid categories:

1. Geographical and Climate Attribute (Eco-Tourism/Responsible Tourism)

- ▶ Homestays in Kalap Village (Uttarakhand): Fireflies Festival in Purushwadi Village (Maharashtra): Purushwadi is a tribal village, situated in Western Ghats, in the Akole district of Maharashtra.

2. Culture Facet (Cultural Tourism)

- ▶ Stone Craft and Pattachitra in Raghurajpur Village (Odisha): Raghurajpur is a heritage crafts village located in Puri district of Odisha. It has a long lineage of artists specializing in a unique painting style known as 'pattachitra'.
- ▶ Tribal Cultural Trails in Bishnoi Village (Rajasthan): Bishnoi tribe follows a set of principles related to the protection of animals and conservation of trees.
- ▶ Textile Village Tour in Sarai Mohana Village (Varanasi, UP) and Pochampalli (Telangana).

3. Farm Produce and Practices (Farm/Agro/Horti Tourism)

- » Mangoes in malihabad (UP), Ratnagiri (Maharashtra)
- » Almonds, saffron, walnut, Apple etc. in Kashmir (J&K)
- » Vineyards in Nasik (Maharashtra), Nandi Hills (Karnataka)
- » Spices in Kumily Village, Idukki district(kerala)

Rural Tourism Scheme For Infrastructure Development?

- » Under this Scheme, thrust will be to promote village tourism as the primary tourism product to spread tourism and its socio-economic benefits to rural and its new geographic regions.
- » Key geographic regions would be identified for development and promotion of Rural Tourism.
- » The implementation would be done through a Convergence Committee headed by the District Collector.
- » Activities like improving the environment, hygiene, infrastructure etc. would be eligible for assistance.
- » It should be ensured that at least 50% of the project should be implemented through achieving convergence of different schemes.
- » A maximum of Rs.50 lakhs would be sanctioned under this scheme.
- » Apart from providing financial assistance the focus would be to tap the resources available under different schemes of Dept. of Rural Development, State Govts and other concerned Departments of the Govt. of India.

Activities permissible under these Schemes :

- » Improvement of the surroundings of the village. This would include activities like landscaping, development of parks, fencing, compound wall etc.
- » Improvements to roads within the Panchayat limits. This shall not include any major road which connects the village.
- » Illumination in the village.
- » Providing for improvement in solid waste management and sewerage management.
- » Construction of Wayside amenities.
- » Procurement of equipment's directly related to tourism, like Water Sports, Adventure Sports, Eco-friendly modes of transport for moving within the tourism zone.
- » Refurbishment of the Monuments.

Co-ordination Among Stakeholders:

- » There has to be sync between attractions (rural resources), accessibility, accommodation and amenities. Therefore, necessary infrastructural facilities such as transport to access the rural destinations, facilities to stay, healthcare facilities, ATMs, telecommunication facilities, internet connectivity are equally essential.

- ▶▶ Schemes of e-tourist visa that allows visa approval on the email through e-application within 72 hours of the application has eased foreign tourist entry in India.
- ▶▶ There is a need to **make Panchayat functionaries aware** about the concept and benefits of the rural tourism site.

Marketing Strategies for Rural tourism:

- ▶▶ Rural communities have very little resources for marketing of the products. Hence, with the help of different stakeholders, different tools and techniques can be used for this purpose.
- ▶▶ Familiarization trips to rural sites can be organized for travel writers and bloggers. Social media platforms should also be used.
- ▶▶ In-flight magazines should have write-ups of success stories in this area. MoT has contributed by prominently displaying the rural tourism sites on its main website.
- ▶▶ Many state tourism departments like Kerala tourism showcase rural tourism emphatically.
- ▶▶ Involvement of artisans in Dilli Haat, mega craft melas in different cities across the country has also been facilitated by MoT. Ministry of Rural Development and collaborative convergence of various stakeholders can work wonders in marketing.

Conclusions:

- ▶▶ Rural Tourism assets could be instrumental in drawing out the genuinely necessary turnaround of provincial networks and simultaneously give guests a healthy the travel industry experience.
- ▶▶ When created to its fullest potential, it could give occupations to locals who generally are progressively relocating to urban areas.

3. NGOS AND PRIVATE SECTOR IN NON-FARM SECTOR

How NGOs and private sector can contribute to RNFS?

- ▶ Community based NGOs interact with the local people, making them member, build relations of cooperation and trust with them.
- ▶ They understand their issues and try to convince them to initiate the non-farm livelihood opportunities to meet their needs.
- ▶ Advocacy NGOs scan and mobilise successful campaigns and raise public awareness regarding issue of unemployment and underemployment.
- ▶ To encourage the non-farm activities in villages, the NGOs and private sectors can provide **demand driven skill training**.
- ▶ Private sector companies with trained social workers possess requisite skill to assess the problems of rural people and to plan quickly the suitable interventions.
- ▶ They can mentor and motivate the rural people to participate in their developmental programs.
- ▶ They can organize community development programs and empower community members by providing educational and employment opportunities.
- ▶ The private sector also plays an important role in developing innovative strategies for infrastructure development as well as employment opportunities for the poor rural people in the non-farm sector.

Government Programme and Policies:

- ▶ The Government of India has launched programmes like Skill India (a campaign launched in 2015 to train 40 crore people in different skills by 2022), **National Skill Development Mission**, the National Skill Qualification Framework (NSQF), **Pradhan Mantri Kaushal Vikas Yojna**, National Apprenticeship Promotion Scheme (to promote apprenticeship) and Community Colleges (offering short-term and long-term job-oriented courses).
- ▶ The National Rural Livelihood Mission (NRLM) also known as Aajeevika, is going to create platforms to enable rural poor to access sustained livelihood opportunities and financial services.
- ▶ NRLM aims at reducing rural poverty. The idea is to enable poor households have an access to self-employment and skilled wage employment opportunities.
- ▶ Young Professionals (YPs) scheme was developed under the NRLM with an objective to provide a well-structured exposure to young professionals in different thematic operations of NRLM.
- ▶ **"Aajeevika skills"** was introduced to skill rural people who are poor and to provide them with jobs.

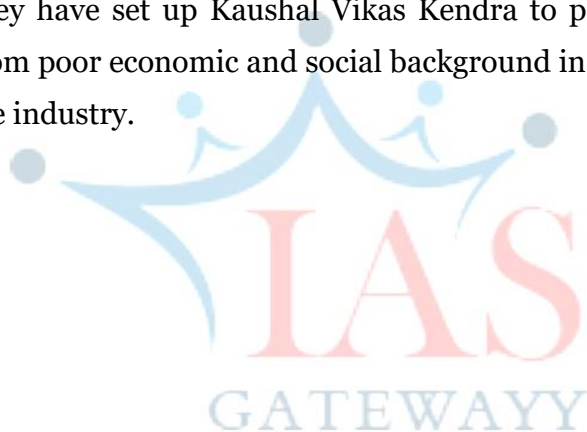
- ▶▶ The focus of this programme is on skilling and placement of poor rural population in the formal sector.

CSR (Corporate Social Responsibility)

- ▶▶ Private organizations owe to the people their social and economic successes. The profit making business houses have been mandated to spend 2 percent of their net profit to the charity areas. Such initiatives can also promote the non-farm sector.

Private sector:

- ▶▶ Private sector companies with trained social workers possess requisite skill to assess the problems of the rural people and to quickly plan suitable interventions.
- ▶▶ They can organize community development programmes, empower the community members by providing educational and employment opportunities, can help them improve their work efficiency and assist them with the knowledge of utilizing resources in an optimum way.
- ▶▶ Responding to the need of creating employment opportunities in NFS, the private sector has come forward and they have set up Kaushal Vikas Kendra to provide vocational training to semi-literate youth from poor economic and social background in a variety of trades, which are in great demand in the industry.



4. HANDLOOMS AND HANDICRAFTS - POTENTIAL EMPLOYERS IN NON-FARM SECTOR

What is the significance of Handlooms and Handicrafts in RNFS?

- » Significance of handicrafts and handlooms has grown multifold in rural areas because of our agricultural system being mainly a rain fed farming system.
- » Due to its seasonal nature, Indian agriculture system provides seasonal unemployment to the farmers and agricultural laborers.
- » By bridging the employment gap, these two genres contribute to the cycle of consistent employment and thus minimizes the risk of food insecurity in rural areas.
- » Preventing migration of artisans, weavers and small marginal farmers from rural to urban areas is their other contribution in the rural economy.
- » By addressing the economic issues, these handworks also help in getting social recognition to the respective producer communities and thereby in maintaining a social stability and harmony in the rural society.

What are the GOI measures to promote this sector?

- » Block Level Clusters (BLCs) are one of the components of **National Handloom Development Programme (NHDP)** / Comprehensive Handloom Cluster Development Scheme (CHCDS).
- » Financial assistance is provided per cluster for various interventions like skill up-gradation, Hathkargha Samvardhan Sahayata, product and design development, construction of workshed, lighting unit and setting up of Common Facility Centre.
- » Under the **Weaver Mudra Scheme**, credit at concessional interest rate of 6% is being provided to the handloom weavers.
- » **Handloom Weaver Mudra Portal** - This portal enables disbursement of funds for financial assistance.
- » The India Handloom Brand was launched for branding of high quality handloom products, authentic designs with zero defect and zero effect on environment.
- » **marketing Handlooms Promotion through** - To promote e-marketing of handloom products, 21 e-commerce entities have been engaged for on – line marketing of handloom products.
- » The Government implements various schemes for promotion and development of handicrafts sector under “National Handicraft Development Programme (NHDP)” and Comprehensive Handicrafts Cluster Development Scheme (CHCDS).

- » To preserve all the antique handicrafts products of the country, the Government has established crafts Museum at Pragati Maidan, New Delhi, which is popularly known as National Handicrafts and Handloom Museum.
- » Government has also established 18 Museums throughout the country under Infrastructure and Technology Support scheme to preserve traditional art and craft products of the country including 35 endangered crafts for which Government provides financial, technical assistance under Guru Shishya Parampara, Skill Upgradation Training, Marketing Support and Infrastructure Support for development of artisans.



5. FOOD PROCESSING FOR NON – FARM SECTOR

- ▶ Food processing sector in India plays an important role in linking Indian farmers to consumers in domestic as well as international markets.
- ▶ During the last decade, food processing sector in India has grown significantly and moved from a situation of insufficiency to surplus in food production which is expected to be doubled in the next ten years.
- ▶ For this reason, there is a prospect for huge investments in food and food processing activities.
- ▶ Currently, India stands second in terms of global food production and has good status in producing numerous food products like milk, ginger, banana, guava, mango and papaya.

What is the status of Indian Food Processing Industry?

- ▶ The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales.
- ▶ The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.
- ▶ It contributes around 8.80 and 8.39 percent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.
- ▶ India's organic food market is expected to increase by three times by 2020.

Food Processing for Livelihood Sustainability:

- ▶ Food processing is an activity that changes the raw food stuff into a suitable form for marketing purpose. It is the major source of employment and income for rural areas and holds the key to reduction of waste in the fragile supply chain avoids food wastage and also helps in attaining food security
- ▶ Food processing sector primarily engages a major share of workers from the agriculture sector, who face disguised unemployment.
- ▶ Processed food occupies less space for storage and can be exported for foreign exchange. Growth in food processing sector will help in creating new employment opportunities, enhance agricultural yields, improve productivity and enhance the quality of standard of living of the people across the country, especially of rural people.

Well-developed Food Processing Sector: Need of the Hour:

- ▶ A well-developed food processing sector further helps in crop diversification, commercialization of agriculture, reduction of wastage, role in enhancing shelf life, improves value addition, ensures better return to the farmers, promotes employment as well as creates markets for exports of agro foods.

- ▶▶ The broader idea behind the food processing activities is to bring together farmers, processors and retailers and link agricultural production to the market so as to guarantee maximization of value addition, minimization of wastages and improving enhancing farmer's income.
- ▶▶ Another important factor for the rising habits of processed food is the change in the food habits of the working class who prefer readily available convenient foods.

Marine Processing And Development of Agro-Processing Clusters) Scheme is about?

- ▶▶ **SAMPADA** is an umbrella scheme incorporating ongoing schemes of the Ministry like Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Food Safety and Quality Assurance Infrastructure, etc.
- ▶▶ The implementation of SAMPADA will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.
- ▶▶ It will not only provide a big boost to the growth of food processing sector in the country but also help in providing better prices to farmers and is a big step towards doubling of farmers' income.
- ▶▶ It will create huge employment opportunities especially in the rural areas.
- ▶▶ It will also help in reducing wastage of agricultural produce, increasing the processing level, availability of safe and convenient processed foods at affordable price to consumers and enhancing the export of the processed foods.

What are the various other measures taken by GOI to boost food processing sector?

- ▶▶ To provide impetus to investment in food processing and retail sector, govt. has allowed **100% FDI** in trading including through e-commerce, in respect of food products manufactured and / or produced in India.
- ▶▶ The govt. has also set up a Special Fund of Rs. 2000 crore in NABARD to make available affordable credit at concessional rate of interest to designated food parks and agro processing units in the designated food parks.
- ▶▶ Food and agro-based processing units and cold chain infrastructure have been brought under the ambit of Priority Sector Lending (PSL) to provide additional credit.

6. SWACHH BHARAT MISSION (GRAMIN): TRANSLATING MISSION INTO MILESTONE

- ▶▶ Swachh Bharat Mission was launched on October 2, 2014 on the occasion of Gandhi Jayanti to achieve "Clean India" by 2019.
- ▶▶ The Swachh Bharat Mission-Gramin has become a people's movement, through which a sense of responsibility among the people towards Clean India was evoked.
- ▶▶ The mission is a community-led movement focused on building toilets and educating people about the importance of sanitation and cleanliness.

Swachh Bharat Mission- Gramin:

- ▶▶ Sanitation is not only about building toilets but also includes safe management and appropriate disposal of waste.
- ▶▶ The concept includes a planned approach towards dealing behaviour issues, Providing proper infrastructure and coming up with appropriate policies and delivery of services which helps in safe sanitation.
- ▶▶ To attain better sanitation, Swachh Bharat Mission-Gramin (SBM-G) was launched focusing on 'transforming and changing behaviors in rural India.'

Overview of Rural Sanitation- Achievement (2014-19):

- ▶▶ According to the recent data, except Odisha, Goa, Telangana and West Bengal, all the other states had been covered 100 percent by individual Household Latrines.
- ▶▶ 99.86 percent people now have toilet facility in their premises and 28 states are declared as ODF.
- ▶▶ Swachh Bharat Mission-Gramin plays a crucial role in improving the situation of sanitation and is making a significant impact on public health.

Funding SBM-G:

- ▶▶ The funding for SBM-G is provided by Central and State Government and Swachh Bharat Kosh while some funding comes through multilateral agencies.
- ▶▶ The Swachh Bharat Kosh has been established to collect and mobilize funds from non-governmental agencies and corporate sectors.

Social and Economic Impact of SBM-G:

- ▶▶ According to a study conducted in 2017 by UNICEF, average household in ODF villages, accrued of Rs. 50,000 per year; there was a probable increase of Rs. 19,000. In other words, the total benefit bagged by household exceeded the cost by 4.7 times.
- ▶▶ It is hard to measure the intangible benefits of SBM-G campaign but the impact on the dignity of both nation and individual is remarkable.

- ▶▶ It strengthens the safety of women girls and children and increases their workforce participation because of better health and hygiene.
- ▶▶ Due to decline in open defecation, the overall health situation improved resulting in great substantial reduction in the medical expenses and a drop in mortality.
- ▶▶ According to WHO, attainment of 100 percent toilet coverage would prevent 3 lakh deaths due to various waterborne diseases.
- ▶▶ The biggest achievement of the mission has become 'making sanitation everyone's business'.

Sustainable Concerns and Future Strategy:

- ▶▶ Just building a toilet is not enough; it also needs to be maintained. There should be water availability and proper knowledge about waste disposal in order to maintain the toilets.
- ▶▶ Sanitation campaigns need to be organized regularly in order to educate the people the hygienic use of toilets and economic use of water.
- ▶▶ People look forward for good quality latrine suiting to their requirement. So, to promote defecation free environment government should make the provision for interest free loan to these beneficiaries.
- ▶▶ Recognizing efforts through appreciation and awards to various social workers, villages, Gram Panchayats, Blocks and districts could build long term investment towards promoting sanitation awareness.
- ▶▶ Communicating for changes in behaviours of public is a key to education and behavioral changes.
- ▶▶ Emphasizing the role of rural youth and social workers and motivating them is pivotal in continuing the urge for rural sanitation awareness.