



## **ROLE OF INDUSTRIES IN THE LIVELIHOOD OF SURROUNDING RURAL AREAS: AN OVERVIEW**

**DR. RENU MARKANDEY**

Assistant Professor  
Department of Economics  
St. Aloysius College (Autonomous)  
Jabalpur (MP) INDIA

**DR. ANTHONIMA ROBIN**

Assistant Professor  
Department of Economics  
St. Aloysius College (Autonomous)  
Jabalpur (MP) INDIA

### **ABSTRACT**

*This paper tries to explain the relationship between the industries and Rural Area Surrounding. In much literature so far review a mixed impact of industry and rural area surrounding. Financial capital, human capital, social capital is observed further the assets that also be found interlinked achievement has also be found due to industries affect the other components the ones livelihood assets positively and adversely. Due to link amongst the livelihood assets achieving livelihood output some industrial development is a challenge.*

**Keyword:-** Financial Capital ,Human Capital, sustainable development

### **INTRODUCTION**

Foregoing analysis shows that India has made sufficient achievement in industrial development during the last five decades and has emerged as the tenth largest industrialized country of the world. But considering the size of the country this development is far from satisfactory. Foregoing analysis shows that India has made sufficient achievement in industrial development during the last five decades and has emerged as the tenth largest industrialized country of the world. But considering the size of the country this development is far from satisfactory. Among the several aspect that are influence by a industries one important issues is people livelihood challenge of a surrounding region. Livelihood is very complex and dynamic matter. The general perception the industrialization brings the positive

**DR RENU MARKANDEY**

**DR. ANTHONIMA ROBIN**

1P a g e



change in the people livelihood inhibiting in the marginal area by creating employment opportunity. Increasing capacity to assess modern amenities that raise the living standard. In many country including India industrialisation is take a policy of poverty reducing and faster economic development But in contrast to such general perception in many case s found that industrialization is create Nemours unfavorable effects on common people in many literature empirical studies in gable, national and regional a mixed impact of industrialization is observed.

India's rapid economic expansion has tried to include the rural population, which is concentrated in places where rain-fed agriculture is the primary source of income. Poverty remains, however, because of restricted and inequitable access to productive resources such as land, water, improved inputs and technologies, and microfinance, as well as drought and other natural calamities. Low literacy and skills conspire to keep people in poverty, prohibiting them from claiming their basic rights or engaging in extra activities that would earn them money or help them create assets.

It's not just about poverty alleviation. It's most important for people to stand on their feet and develop on their own. A lot of times, people in rural communities have the knowledge, but there are not enough opportunities for them to apply their knowledge.

**Objective of the research paper:-**

1. To find out rural employment By industries
2. To find Increasing of income by Rural Industrialization

One of the most basic issues that is debated in the literature on rural employment is the question of whether agricultural productivity growth is sufficient to generate good jobs in rural areas, either directly or through its effects on nonfarm employment. Put another way, is investment in productivity growth in agriculture, particularly among small farmers, the most effective mechanism to improve rural employment? An important element of this debate relates to the role of agricultural productivity growth in producing employment in other sectors. Here there seems to be some divergence in the literature. Foster and Rosenzweig (2004 and 2005), for example, provide evidence that improvements in agricultural productivity result in a significant reduction in nonfarm employment. In particular they find that a 10% increase in yields of high-yielding variety crops over the 1982–1999 period results in a 16% reduction in the number of factory or manufacturing workers. On the other hand, they find that the number of village service industries is increasing in agricultural productivity. In particular, a 10% increase in agricultural productivity results in a 7.9% increase in the number of village service enterprises. Overall, agricultural productivity has a significant negative effect on nonfarm income. While Felkner and Townsend (2011) do not



explicitly consider the distinction between the production of tradable and nontradable services, they find that the level and activity of nonfarm enterprises is highest in those areas that are most productive in terms of agricultural output inclusive of high soil fertility, lower elevation, and less rainfall variability. In particular they find that a 1 standard deviation increase in soil fertility results in an 11% increase in the growth rate of entrepreneurial income. The first sector is one that produces farm products for both local consumption and export (to other villages). This sector would include basic food crops such as grains and vegetables but could also include raw materials such as cotton. A key feature of this sector is that it is intensive in the use of land. The other sectors would, for the most part, be considered nonfarm. increased by a much smaller 0.02 percentage points. The all-India unemployment rate fell by 1.46 percentage points from 8.32 per cent in August to 6.86 per cent in September. The fall is larger at 1.58 percentage points in rural India than in urban India where the fall was of only 1.16 percentage points. The unemployment rate in rural India was lower at 6.1 per cent in September compared to 8.6 per cent in urban India in September. This translates into a big, 8.5 million increase in employment during the month.

First, investments in road building have been growing steadily. CMIE's CapEx database shows that road projects are getting commissioned at a rapid pace. Rs.1 trillion worth of roads projects were completed in 2020-21 and Rs.1.27 trillion worth of projects are expected to be completed in 2021-22. Central government expenditure data available from the Controller General of Accounts shows that spending by the Ministry of Roads, Transport and Highways during April-August 2021 was more than twice its spending in the same months of 2020. The ministry spent Rs.780 billion this year against Rs.374 billion in the last year or Rs.322 billion in the year before. This accelerated spending and the expectations of greater completion of roads projects in the year could have provided the additional demand for labour in the construction industry.

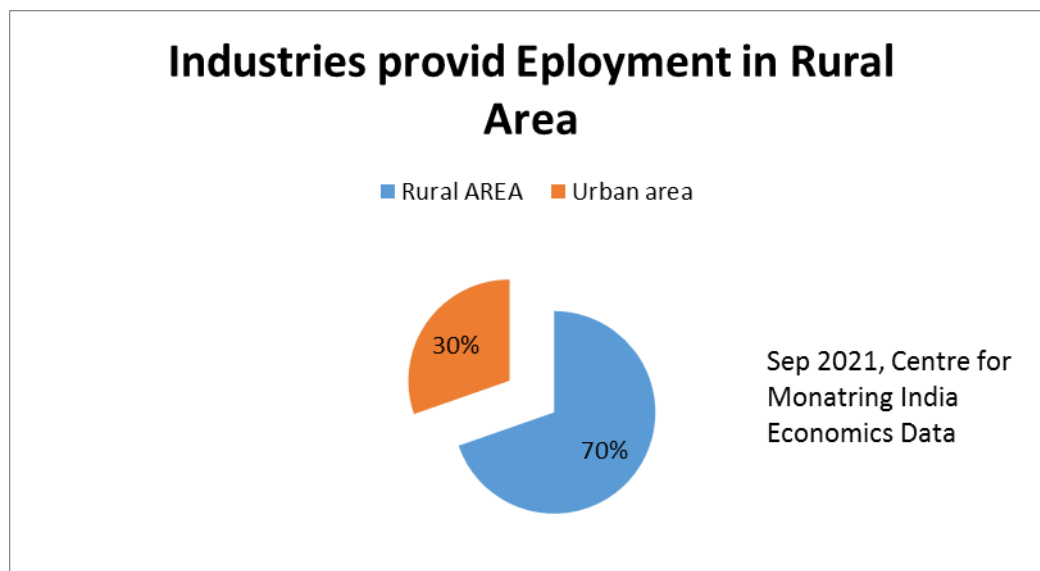
Second, a somewhat less likely reason is that it is possible that there was some acceleration in employment under the Mahatma Gandhi National Rural Guarantee Scheme (MGNREGS). The Ministry of Rural Development shows a 41 per cent fall in spending during April-August this compared to the same months last year. But, the ministry is known to delay payments. The MGNREGS website also does not show any spurt in employment in September. But, the website is known to show large variations over time. So, we need to wait to either confirm or reject this possible reason for the increase in employment in construction in rural India.

Rural India also saw a substantial increase in employment in manufacturing industries in September. Employment in rural manufacturing industries increased by 4.7 million during the month. Of this, employment in food industries increased by 2.16 million. Other major industries that saw an increase in employment in rural India were metals which added 1.5 million jobs and textiles which added 0.2 million new jobs.

While manufacturing and construction industries in rural India added jobs in September, rural services sector shed a substantial 6.8 million jobs. Most major service industries shed jobs in September. This includes retail trade, personal non-professional services, travel and tourism and education.

As the rural regions added 6.5 million jobs in September it absorbed large numbers of the unemployed. As a result, the number of unemployed persons in rural India fell by 4.6 million from 22.7 million to 18.1 million. Besides, people also seem to have moved from the services sectors to the construction and manufacturing industries in rural India. Most of the new jobs created in rural India were of daily wage labourers. There was an increase in salaried jobs also. Rural India added 2.8 million salaried jobs.

The addition of salaried jobs was essentially in urban India. Nearly 60 per cent of the total 6.9 million salaried jobs added in September were in urban India. While rural India added 2.8 million, urban India added 4.2 million salaried jobs. But, it is likely that these salaried jobs in urban India may not be of good quality. The manufacturing sector saw a fall in employment in urban India in September. And, a large part of the increase in services sector jobs was among non-professional personal services. There were increases in education and in travel and tourism but these were small. The big story of job increases in September 2021 is therefore of rural India.

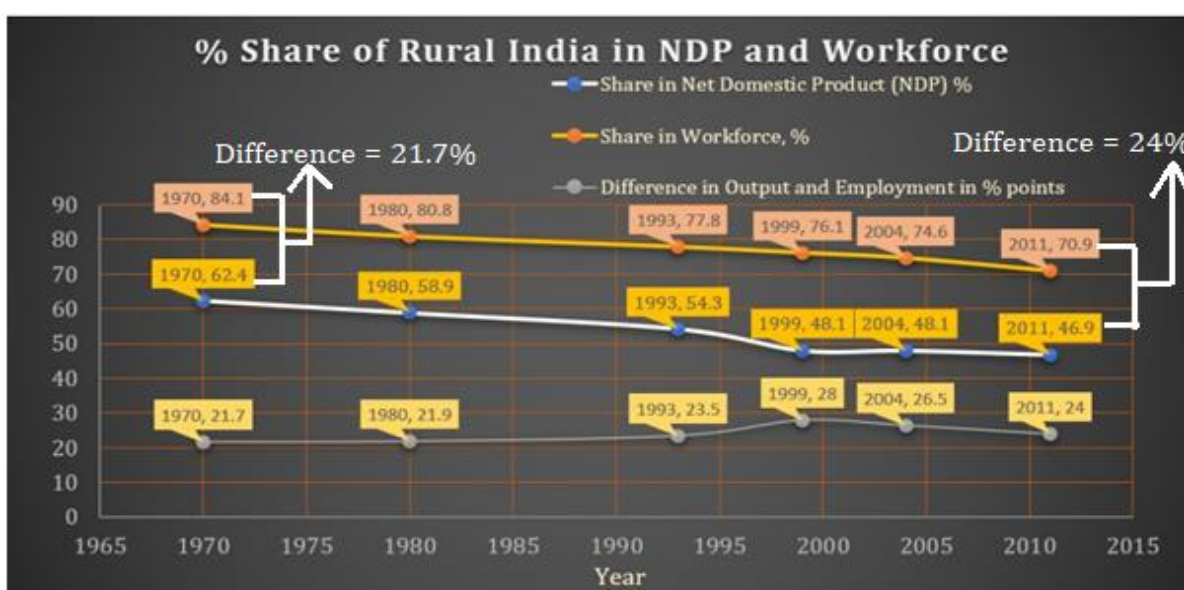


Analysis: The data we get from the center for Indian Employment data the employment is increase 70% in rural area and 30 % in rural area.

Rural industrialization is a big hope for those communities which have the characteristics favoring it. We can find many outstanding examples where the initiation of a new plant by an

outside firm caused a turn around in the employment and income decline of a rural community. To an extent, national leaders equate rural development with rural industrialization. The thrust is to spread plants over the country and disperse economic activity, employment and the population.

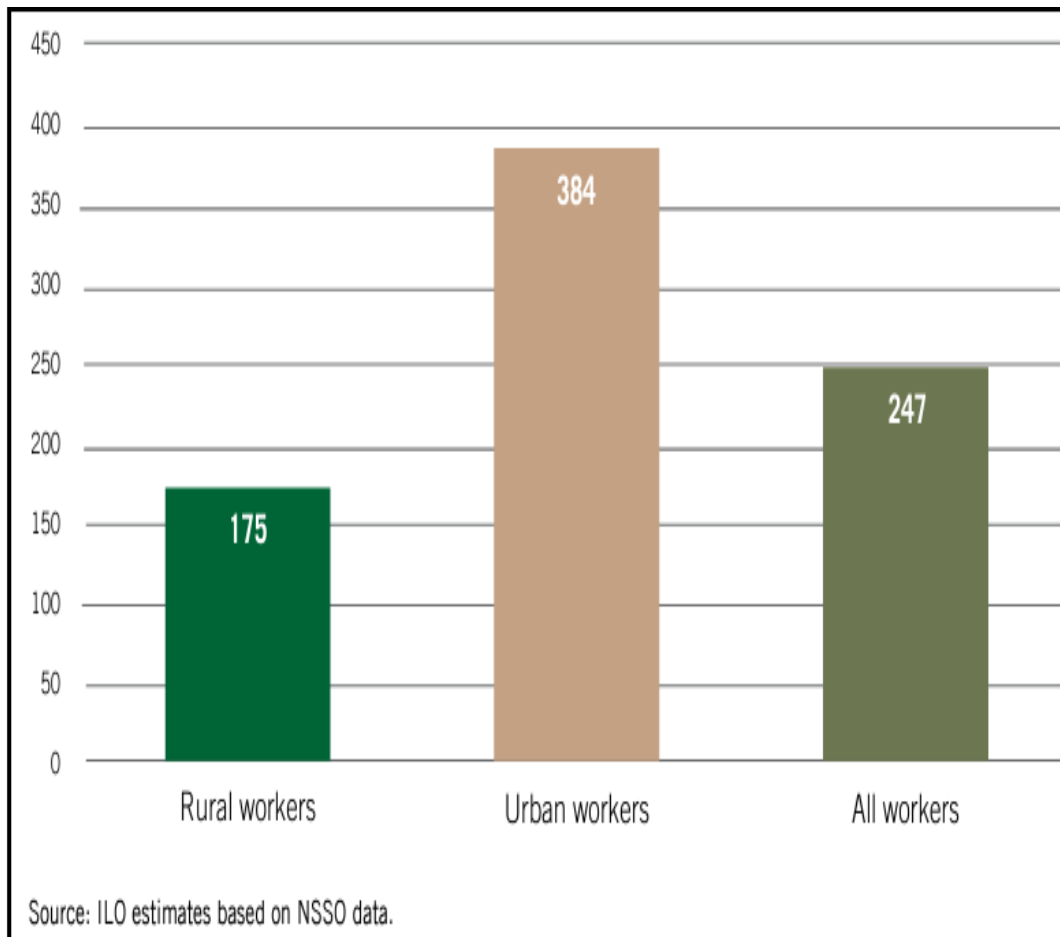
Agricultural industry and many more non-farm industries. As of the year 2011, the Rural Industry contributes 46% to the national income of India and constitutes 25–30% of the Net Domestic Product (NDP) of India (Ramesh Chand, 2017). However, the contribution of non-farm rural industry in Indian national income went on reducing with the time from 1970 onwards



Indicates that in the year 1970 the share of non-farm rural industry in NDP was 62% which reduced to 46% by the year 2011. Similarly, the share of non-farm industry in the Indian workforce in the year 1970 was 84% which reduced to 70% in the year 2011. This constant decline in the share of the non-farm industry in national income and the workforce is the result of the increased exodus from rural to urban areas. One of the reasons for this exodus is the wide disparity in wages of rural and urban workers.

The traditional Rural Industry is more sustainable than Urban Corporate Industry due to the hybrid working conditions of traditional industry. The workers in Rural industries work in their farms for three months, during which they undertake agriculture and make arrangements for the food grains for the whole year. This ensures food security for the whole year. Once the harvesting period is over, they return to the non-farm rural industry and start the production. Hence, they never feel the threat of starvation. They also participate in all the customs and the rituals of the society, which make them socially secure and keep them in

mainstream of society. Another, since all the members of the family, are involved in both farming and the industry their cost of production considerably reduces. Hence the food security and the low production cost makes them sustainable.



In many literatures based on empirical studies done in global, national and regional level, a mixed impact of industrialization on livelihood is observed. Considering such dichotomous behaviour, this paper tries to explore both the favourable and unfavourable effects o In many literatures based on empirical studies done in global, national and regional level, a mixed impact of industrialization on livelihood is observed. Considering such dichotomous behaviour, this paper tries to explore both the favourable and unfavourable effects

**Analysis: Urban and rural average daily wages, 2020–21 (INR in nominal terms)** The contribution of the rural manufacturing sector in total National Domestic Product was 25.8% in the year 1970–1971 which increased to 51.3 % in the year 2020-21(1 and 3). However, the share in the workforce reduced from 51.5% to 47.4%. Indicating that the manufacturing was shifting to rural areas but the corresponding employment was not generated. *It can be inferred from this that the manufacturing that is shifting in rural areas is capital intensive*

**DR RENU MARKANDEY**

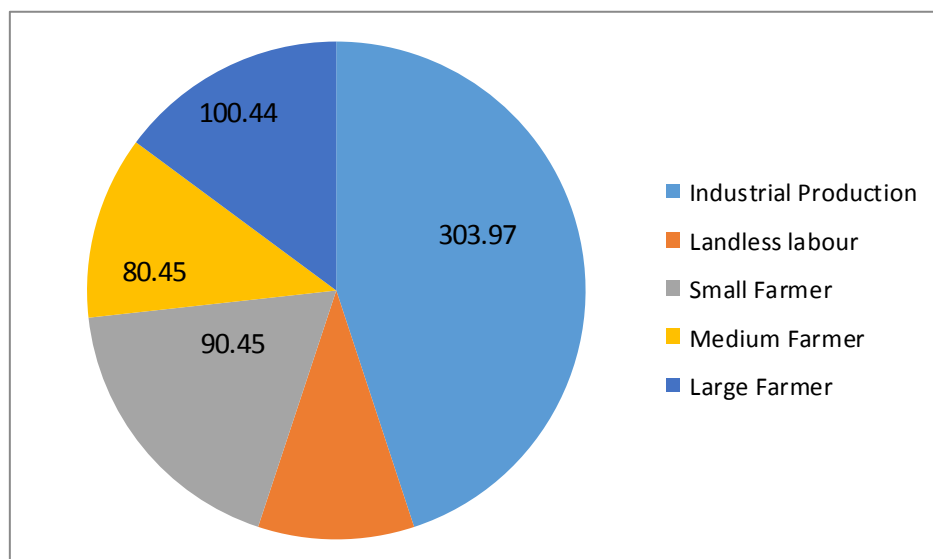
**DR. ANTHONIMA ROBIN**

6P a g e

rather than labour intensive. In the construction sector, however, both the share in National Domestic Product and Workforce generation increased from 43.2% to 48.7% from the year 1970–1971 to 2020-2021 respectively and the share in the workforce increased from 64.6% to 74.6% in the same period (1). This indicates that the low paid construction activity provided more opportunities for employment as compared to manufacturing. The reason for this is the construction activity is comparatively lesser skill-based as compared to manufacturing.

**Increasing of Rural Income through Industries**

Industrial Production	Landless labour	Small Farmer	Medium Farmer	Large Farmer
303.97	68.5508	.90.36	80.45	100.44



Analysis:- Through the Industrialization the overall production is increase in rural area and large farmer production ad income is increase compare than medium and small Farmer.

Conclusion:- Thus the Industries is effects many ways of Rural Livelihood it can increase the employment rate in the rural area as we can see in the CMID data industries is also raise the income and productivity of the rural area the large farmer used industrialization and they can increase the production and income of themselves same in the area of small and medium farmer income they can raise their income and maintained high their standard of living



## REFERENCES

1. Nulupat chutia and Anjan Bhuyan” Impact of Industrial Development on rural Livelihood
2. Ramesh Chand, S. K. (2017). Changing Structure of Rural Economy of India Implications for Employment and Growth. New Delhi: NITI Ayog
3. India Wage Report —(2018) Wage policies for decent work and inclusive growth, International Labor Organization.
4. National Accounts Statics, 2017.
5. A. K. Mukhopadhyay, D. G. (2008). Non-Farm Occupation in Rural India. India, Science and Technology.
- 6.. Bandhu, P. (2018). The economy of Permanence: The Enduring Legacy of Dr J. C. Kumarappa.