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## A STUDY ON INDIAN ECONOMIC POLICY AND RURAL DEVELOPMENT: A CRITICAL STUDY

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### **Abstract**

An important feature of India's economy is that the Indian economy is diverse compared to the rest of the world. India's economy has been boosted in one way or another by means of agricultural industries, handicrafts, factories, textile mills and various types of small-scale services. But even though the Indian economy is getting a boost, India's economy is starting to make huge strides. There are many challenges facing India's economy, including economic disparity, unemployment, decline in human development index, religious disputes, regional disputes, linguistic disputes, terrorism, etc. Panchayat Raj institution plays a very important role in involving the people of the village in rural development. The responsibility of this organization is important in the scheme of poverty alleviation, security of life, provision of public facilities. Roads, drains, drinking water, street lights, toilets, schools, hospitals and markets etc.

**Key words:** Economic policy, rural development, challenges and opportunities, industry etc.

### **Introduction:**

The most important issue in financial security is fiscal deficit. The deficit was expected to be 4.6 percent, but it is actually going to go higher than that. The fiscal deficit increased last year due to the global economic slowdown and the special packages that Indian industries were given to deal with the recession. Of course, the government had understood this decision. Last year the expected

revenue was collected less than 20 to 25 thousand crores. As the global economy was buoyant, the government had decided to raise money by selling shares in some public sector enterprises. It could not materialize. Obviously, to cover this entire deficit, the government had to raise 90 thousand crores from the financial market. This will have a major impact on next year's budget. All efforts to reduce government spending have failed without reducing subsidies. The subsidy on petroleum products and fertilizers is so huge that it affects the entire economy. Petrol is widely used by common people. The question is constantly being asked why diesel subsidy should be continued after its removal.

### **Problems of the Study:**

Indian economy and rural development in the country are very closely related. In this, if the rural areas are to be developed in the true sense, it is very necessary to provide a large amount of work to the youth of the country to strengthen the Indian economy. Also, in order to strengthen the Indian economy, it is very important from the point of view of a developing country like India to increase entrepreneurship in the country and to make efforts to strengthen the Indian economy by providing loans to small and large enterprises through banks and credit institutions. But in the current situation, there is a discrepancy between the Indian economy and rural development, so if the infrastructure of the Indian economy is developed, this rural economy is responsible, so it is very necessary to set up maximum industries in the rural areas and make efforts to strengthen the country. As unemployment is a major problem facing the Indian youth, there is a huge mismatch between the Indian economy and rural development, so this is a problem facing the Indian youth forever.

### **Objectives of the Study:**

The main objective of the current research is to study the Indian economy and rural development and the researchers have studied the challenges and opportunities facing the Indian economy and some specific objectives have been given by the researchers as follows.

1. To Study the Indian Economic policy.
2. To Study the economic development and rural development.
3. To challenges and opportunities before Indian economy.

**Significance of the Study:**

Indian Economic Policy and Rural Development a very important part of rural development depends on Indian economic policy. This research is a great benefit of the country's youth, wage earners, poor farmers, laborers and the people who are the basis of our daily livelihood, the people of small land, low income group, women and children. The said research is very important for the development of rural areas and is very important in terms of economic development of the country and also in terms of reducing the unemployment rate among the Indian youth. The said research is very important from the point of view of providing employment to the Indian youth as well as promoting entrepreneurship and small and large enterprises in rural areas in order to strengthen the country's economy.

**Scope of the Study:**

The scope of the said research is the whole of India and in this the researcher has included the unemployed youth of India, wage earners, farmers, poor small businesses etc. Opportunities and challenges facing the Indian economy as well as rural development index are a scope of the research. While studying the opportunities and challenges facing the Indian economy, the researcher states that the Indian economy can only eradicate poverty in the country as part of the scope of this research.

**Period of the Study:**

While studying the challenges and opportunities facing the Indian economy, the researcher has studied the development of all types of factors in the rural areas, while the researcher has included some of the factors related to the Indian economy in 2020 and the factors related to the rural areas. Researchers have included in this the relationship between the Indian economy and rural development in 2020.

**Limitation of the Study:**

While studying the Indian economy and rural development, researchers have studied the poverty of wage laborers, farmers, smallholders, and people from low income groups. From this, researchers have studied the Indian economy and rural development, but it has not included the fact that not only the Indian

economy is responsible for the development of rural areas, but many factors in the country are responsible, so this is a limitation. Although Indian economy and rural development are somewhat related, the entire economy depends on the rural areas of India, while some urban areas are responsible for it. Hospitals, roads, transport, industrial sectors, leading people in skills, many others are related to strengthening the Indian economy. This is a limitation which is not mentioned by the researchers.

#### **Research Methodology:**

Although the Indian economy and rural development are closely related, researchers have studied the challenges and opportunities facing the Indian economy in this regard. Because rural development tools are a challenge in front of the Indian economy, on the contrary, the researcher has used many secondary researches while studying that rural development is impossible unless the Indian economy is strong. In this, secondary research like research paper, articles, newspaper, magazines, magazines, magazines, annual reports, periodicals, videos, audio etc. has been used. While conducting this research, researchers have also used descriptive adjective method along with secondary research.

#### **Research Method:**

Although the relationship between Indian economy and rural development is very close, the researcher has completed the said research using descriptive analysis method while conducting member research.

#### **Results and Discussion:**

Human is a social animal. Man has to depend on society for his own development. India has adopted a democratic system of governance and has included the decision-making process of the last element in the rural areas. Since Vedic times, rural people have been directly involved in village development through Gramsabha. Mahatma Gandhi proposed the concept of Gramswarajya for the self-sufficient development of villages in the post-independence period. In the current situation, even if it is interpreted as the development of the rural economy, that is, the economy of the country is strong, it will be correct. Various

non-cooperative government welfare schemes are valuable for the overall development of the rural society.

### **Challenges before Indian Economy:**

The major challenge facing the Indian economy is economic inequality and the Indian economy is suffering because of the huge economic inequality in India. In Indian society we can see three types of classes from the economic disparity in which the rich class is classified into three categories namely the middle class and the poor class. Rich class is getting richer In India nearly 10% of the population owns 57% of the country's total national income. While the middle class is doing their jobs and living their lives, the poor working class is struggling a lot to survive the day to day. If we want to experience living, after going to the slums of the city and the homes of the laborers in rural areas, we actually experience poverty, that is, economic disparity is a major challenge facing the Indian economy. India is known as the country of youth. India has a large youth population. In the future, when the percentage of unemployment starts to increase, it will be important for India to progress to reduce unemployment and provide employment to the youth. Unemployment leads to huge economic disparity and the possibility of unemployed youths turning to immoral paths cannot be ruled out, so reducing unemployment is the need of the hour. India's graph in Human Development Index will be a factor because earlier India's rank was 131 out of 195 countries in the world but in the current scenario that rank has fallen and currently we are at 132. There are many reasons for the increase in economic disparity, including terrorism, religiousism, regional disputes, linguistics, etc., which have also become a major challenge to the Indian economy.

### **Opportunities before the Indian Economy:**

Indian economy has huge opportunities in future. Indian economy can fare very well in future. Although the Indian economy has huge opportunities, the fact that the Indian economy is known as a country of youth is a major advantage. In the current situation, if we consider a developed country like India, we can see that the population of the developed country is getting older. The average age of the population in a developed country is 45 years while India

is known as a young country in the world. The average age of Indian youth is 29 years and we can say that India's youth generation will lead the economy of the world in the future. The Indian economy is going to have great days in the future as India has a large proportion of the population that is maintaining a family which contributes a lot to the economic development of the country. Statistics of working population in India has increased significantly so India has the potential to lead the world economy in the future as India is known as a country of youth. Although India is known as a young country, the bulk of the Indian population has a large number of duty personnel. Considering the fact that the young population of India is an asset of India, foreign investors are currently investing heavily in India. Due to the high rate of unemployment among the Indian youth, other countries are making huge moves to invest in India as India is set to become the world's economic leader.

#### **Industrial Development impact on Indian Economy:**

Industrial dynasties had considerable influence in India's private sector enterprises before economic reforms. To compete with foreign industries, these industrialists need to maintain relations with politicians and take concessions from them for industries. Since the opening of the economy, the availability of such special concessions or subsidies has decreased.

#### **Independence and Development:**

The unfortunate partition of the country, the slaughter of lakhs of people in violent riots, the invasion of Kashmir by Pakistani gangs, the issue of merger of institutions and the India-China war of 1962 etc. Considering the enormous difficulties, the economic progress of the country cannot be said to be unsatisfactory. After World War II, many countries that became independent adopted a mixed economy for economic development. Pandit Jawaharlal Nehru abandoned his initial insistence on socialism and tried to create a 'welfare state' within the framework of parliamentary democracy.

#### **Importance of Rural Development:**

The facility of health sanitation clean water supply in the rural areas improves the development and also shows the high standard of living and creates an important stage of rural development. Increasing the literacy rate of rural

areas is essential to bring about social and economic change. Rural literacy rates play an important role in reducing this gap in rural development as there is a huge disparity between rural and urban areas. Women's economic empowerment is achieved through many factors such as reducing gender disparity through rural development, meeting diverse needs of women, increasing women's contribution to social development programmes.

### **Poverty Alleviation and Infrastructure:**

Rural development helps to increase the standard of living and income of the individual and it is possible to eradicate poverty in the rural areas. Improvements in infrastructure can be made through rural development, such as electricity supply, road development, irrigation facilities, etc. Institutions that provide financing through rural development can be increased. Primary Co-operative Societies, Co-operative Banks etc. make it possible to provide credit to farmers at concessional rates. The rights of the disadvantaged sections of the society living in rural areas can be protected and law and order can be properly enforced.

### **Conclusion:**

In order to improve the economy, it is very necessary to improve indirect taxes. The scheme introduced by the government called Goods and Service Tax has been hit by opposition from other political parties. The government should discuss this plan in detail with all the major opposition parties including the BJP without taking a rigid stand in this regard. The government had to withdraw its decision regarding foreign investment in the retail sector. This has sent a wrong message to foreign investors. The government should take this decision as an excuse and discuss foreign capital with all parties. Because we need such foreign investment for the improvement of the economy. It should be noted that along with this investment comes new technology, advanced storage and transportation systems, which are used in other sectors as well. The challenge of food security has also been linked to the security of the economy. While the overall economy is growing at a rate of 7 %, agricultural production is stagnating at less than 4 %. Although there is a continuous increase in the production of food grains, it is not sufficient in terms of food security. For that, there is a need

for 'green revolution' once again. More vigorous steps have to be taken in the field of research and food management. While removing subsidy on fertilizers, consideration should also be given to substituting expensive chemical fertilizers with cheaper biological fertilizers. This can be done only by making substantial provision in the budget.

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