



## Role of Small-Scale Industries in Rural Development in India

Shree Wakhare<sup>1</sup> & Aryan Pardeshi<sup>2</sup>

<sup>1,2</sup>Student, Commerce Department, Dr D.Y. Patil ACS College, Akurdi, Pune

Corresponding Author – Shree Wakhare

DOI - 10.5281/zenodo.18887613

### Abstract:

*This paper looks at the economic development of tribal communities in India. It compares historical conditions with current realities and suggests ways to improve them in the future. The study examines the socio-economic challenges faced by tribal groups, reviews government policies from Tribal Sub-Plans to recent programs like the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan, and discusses outcomes related to education, market access, and job opportunities. Despite policy commitments and increased funding, issues such as land loss, poor market connections, and low use of welfare programs continue.*

*The research uses secondary data from government reports and academic sources to highlight both progress and persistent gaps. Key recommendations include improving education and skills, building better infrastructure, promoting tribal entrepreneurship, enforcing land and forest rights, and ensuring development models that respect local culture. These strategies aim to bring tribal communities into the larger economy while maintaining their identity and independence.*

**Keywords:** Tribal Development, Scheduled Tribes, Economic Change, Policy Evaluation, India.

### Introduction:

Tribal communities, officially known as Scheduled Tribes (STs) in India, include some of the most economically disadvantaged groups in the country. Historically, they have depended on subsistence farming and forest resources. Tribal economies have faced ongoing challenges like land loss, limited market access, and social exclusion. These factors restrict their chances for economic growth and stability. This paper looks at how tribal economic conditions have changed over time, evaluates the current situation across key indicators, and suggests focused strategies for future improvement.

### Literature Review:

Early strategies for tribal development in India mostly focused on welfare or assimilation. They aimed to provide basic services rather than change economic opportunities. More recent

approaches stress empowerment, inclusive growth, and development that respects local culture. However, the success of these strategies varies because of gaps in implementation and cultural obstacles. Government programs such as the Tribal Sub-Plan (TSP) and Development Action Plan for Scheduled Tribes (DAPST) mark a shift towards more coordinated investments. Still, structural challenges persist.

### Methodology:

This research relies on secondary data from academic studies, government statistical reports, and recent policy reviews. Data sources include reports from the Ministry of Tribal Affairs, national surveys, and peer-reviewed literature. A comparative analysis looks at earlier conditions (before major national development programs) against recent trends under current policies.

### Tribal Economic Conditions – Past vs Present:

**1. Past Situation:** Traditionally, tribal communities relied on subsistence livelihoods, including shifting cultivation, gathering forest products, and small-scale farming. Their limited involvement in markets and lack of access to formal education kept many areas economically stagnant. Land loss caused by colonial laws and development projects after independence led to

displacement and the loss of traditional livelihoods.

**2. Present Situation:** In recent years, the economic conditions of tribal communities have improved in some ways due to policy interventions, expanded education, and welfare programs. However, many tribal regions are still underserved, with poverty rates above the national average, ongoing land rights issues, and restricted access to infrastructure and markets.

Indicator	Historical (Pre-2000)	Recent (2020s)
Poverty Rate (approx.)	Very High, widespread	~45% (remaining high) ( <a href="#">Adult Education Quest</a> )
Land Rights Implementation	Minimal	Expanded via Forest Rights Act (uneven) ( <a href="#">Adult Education Quest</a> )
Access to Education	Limited	Improved via EMRS and scholarships ( <a href="#">indiancentury.in</a> )
Market Connectivity	Low	Improved but infrastructure gaps remain ( <a href="#">CSR Education</a> )

### Analysis:

The government is really trying to help the people and they are putting a lot of money into it.. Even with all this the tribal welfare is still having a lot of problems because of money issues. The economic barriers are still a problem, for the tribal welfare.

When people are forced off their land it is really tough for them to make a living in the way they used to. Land alienation and displacement are problems that reduce access, to traditional livelihoods. This means that people who used to farm or do things on their land cannot do that anymore. Land alienation and displacement also weaken autonomy, which is the ability of people to support themselves and make their own financial decisions. So land alienation and displacement are making it hard for people to be independent and take care of themselves.

The tribal producers do not have a way to sell their things to a lot of people. They also do not have roads and other things they need to get their products to other places. This means the

tribal producers cannot get a price, for the things they make. They also cannot sell their things to people in areas. The tribal producers are stuck. They cannot join the bigger economy. The market is limited for the producers.

People do not have the education and skills they need so they can only get jobs that help them get by. This means they cannot get jobs that pay more money. The education and skill gaps are a problem because they limit the employment opportunities for people and they are stuck in jobs that do not pay very well like the subsistence sectors. The education and skill gaps are holding people back, from getting jobs.

There are some problems when we try to make programmes work. Things, like much paperwork and people not knowing about the programmes can make them not work as well as they should. The programmes have an impact because of these issues like bureaucratic hurdles and lack of awareness, which really hurt the programmes.

**Suggestions for Future Development:****1. Making Education and Skills Better:**

Education and skills are very important. We need to make education and skills stronger. This will help people get jobs and have a good life. Education and skills are the keys to success. We have to focus on making education and skills

There are ways to make education and skills stronger. We can start by improving schools and colleges. We can also provide training programs for people who want to learn skills. Education and skills are essential for our future. We have to make sure that everyone has access to education and skills.

Making education and skills better is a task. We can do it if we work together. We need to make education and skills a priority. Education and skills will help us build a future. We have to make education and skills stronger for the sake of our children and our country. Education and skills are critical, to our success.

When we teach people about their culture and help them learn a job it is really good for them. This kind of education is very helpful. Using the language that people speak at home in school is also very good. It helps people get a job. So education that includes learning about your culture and learning a job and using your mother tongue is very helpful, for getting a job.

When people have a chance to go to college and get scholarships it helps remove the financial problems that stop them. This is because higher education and scholarships really make a difference in reducing economic barriers. Higher education and scholarships are very important, for reducing barriers.

**2. Making Our Infrastructure Better:**

This is, about making sure that the infrastructure is really good. The infrastructure needs to be improved so that it can support everything that we do. We have to make our

infrastructure better so that it can help the infrastructure work properly.

The main goal is to make the infrastructure strong and reliable. This will help the infrastructure to do its job without any problems. We want to make sure that our infrastructure is the best it can be. So we have to keep working on making our infrastructure better.

Prioritizing rural roads, digital connectivity, and energy in tribal regions fosters market access and economic diversification.

People who live in a community should have a say in how the infrastructure's improved. This way the changes will really matter to the community. Infrastructure improvements should be driven by community input to make sure they are relevant, to the community. The community knows what they need so they should be able to give their thoughts on infrastructure improvements.

**3. Promoting Tribal Entrepreneurship:**

If we support people who make crafts and those who get products from the forest and also help the businesses that the tribes are, in charge of then we can help them make more money. We can do this by helping them work together find markets to sell their things and get the money they need to run their businesses. This can really help the people who make crafts the people who get products from the forest and the tribal-led businesses.

**4. Securing Land and Forest Rights:**

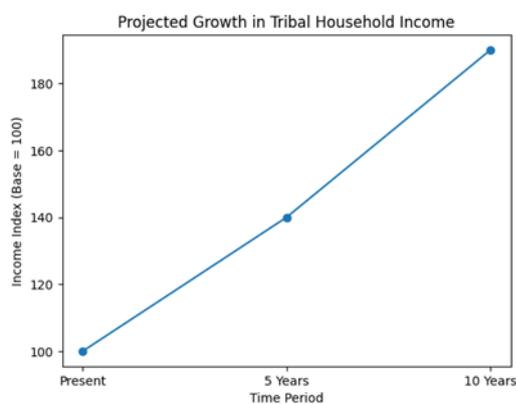
The Forest Rights Act and Panchayat Extension to Scheduled Areas, which is also known as PESA really helps the Forest Rights Act. Pesa to give tribes the power to take care of the Forest Rights Act and PESA resources in a way that is good, for the future. The Forest Rights Act and PESA are important for the tribes to manage the resources of the Forest Rights Act and PESA.

## 5. Inclusive Policy Implementation

- When we talk about programmes we need to think about how to make them work better.
- Grassroots awareness campaigns are really important for programmes.
- They help people understand what the programme is about.
- Also we need to make sure that the bureaucratic processes are simple and easy to follow for programmes.
- And we should always include people in the decision making process of programmes this is what we call governance for programmes.

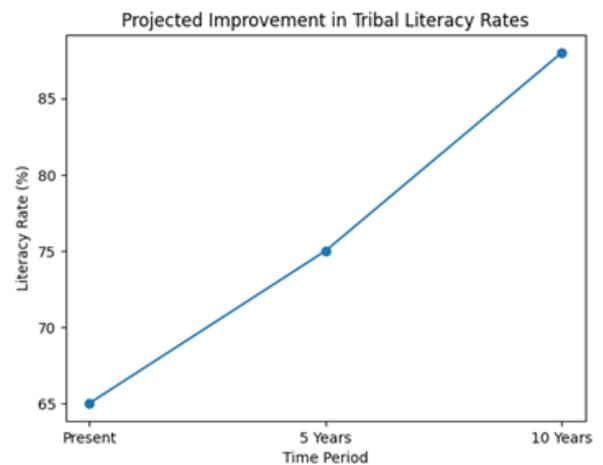
All these things together will make the programme outcomes stronger, for the programmes.

### Assumed Progress Report:



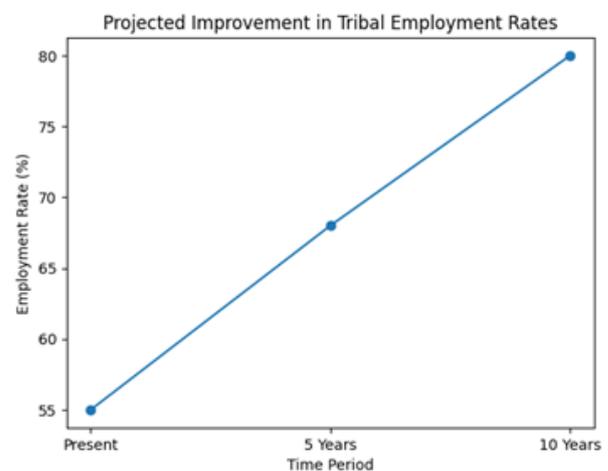
### Projected Growth in Tribal Household Income:

- The income index assumes 100 as the present baseline
- With skill development, entrepreneurship support, and market access:
  - ~40% rise in 5 years
  - ~90% rise in 10 years
- This reflects better wage employment, value-addition to forest produce, and MSME participation



### Projected Improvement in Tribal Literacy Rates:

- Present literacy ~65%
- Improvements driven by:
  - EMRS expansion
  - Scholarships
  - Mother-tongue education
- Literacy can realistically reach ~88% in 10 years



### Projected Improvement in Tribal Employment Rates

- Employment rises due to:
  - Skill training
  - Local enterprise development
  - Infrastructure growth
- Employment rate increases from 55% → 80% over a decade

**Conclusion:**

Tribal economic development in India has gotten better in some ways.. It still has a lot of problems. These problems have been around for a time and are because the tribal people have not had the same opportunities as others. They also do not have access to the resources they need.

The government has not always done a job of helping the tribal people. So we need to come up with plans for tribal economic development in India. These plans should include ways to improve the economy, education and infrastructure. We also need to make sure that the government listens to the people and respects their way of life.

Tribal economic development in India needs partnerships between the government, the tribal communities and other organizations. If we work together we can make progress and create a better future for the tribal people. Tribal economic development, in India is very important. We need to get it right.

**References:**

1. Adult Education Quest. (n.d.). The Ministry of Tribal Affairs: A Key Player in India's Tribal Development. Retrieved from ...
2. Adult Education Quest. (n.d.). Development vs. Deprivation: Challenges Facing India's Scheduled Tribes. Retrieved from ...
3. IndianCentury. (2024). Empowering Tribal Communities. Retrieved from ...
4. PolSci Institute. (n.d.). Regional Development and Tribes in India: Balancing Growth and Identity. Retrieved from ...
5. Shirsath, S. T., & Kumare, S. S. (2024). Integration of Entrepreneurship in Tribal Communities. Indonesian Journal of Sustainability Policy and Technology.
6. Purnima. (2023). Approaches to Tribal Development Models in India: Its Implications and Prospects. RESEARCH REVIEW.