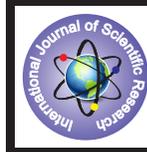


## Analyzing The Impact of Development Initiative For Enhancing the Quality of Life of Rural Consumers After Globalization



### Management

**KEYWORDS :** Consumer, development, globalization, rural

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### ABSTRACT

*Globalization is integration of nation's economic system with the international market forces. When globalization policies were introduced, one of the significant concerns of India was whether the poor in a village would benefit from the opportunities that globalization bring about. The government through several schemes has made concerted attempts to deliver basic services, build infrastructure including rural infrastructure, and generate employment opportunities. At this juncture multinational companies and big Indian corporate have entered the rural markets which have long lasting effect on the rural consumers. The present article analyses the impact of development initiative for enhancing the quality of life of rural consumers after globalization.*

### INTRODUCTION

Rural areas have been undergoing remarkable change and the picture is rosy than it was a decade ago. There are more schools, better roads and more mobile subscriber. Rural areas are the story of hope and various business organizations plan to tap this large and growing market. While agriculture continues to remain the stronghold of employment there is increasing stress by the government to raise alternative means of employment for the rural population. There has been a rapid transition from agriculture to industry and the service sector. In addition efforts are being made to increase agriculture productivity and building infrastructure in the rural areas. The need and significance of enhancing the quality of life in rural areas can appropriately be realized from this historic statement made by Mahatma Gandhi way back in 1936 "I would say if the village perishes India will perish too. It will be no more India" which clearly believe in the fact that the only way to ensure a holistic and sustainable growth in a rural nation like India eventually lies in all round prosperity of its rural population. Improving the quality of life in rural areas signifies the massive effort to raise the standard of living of millions of people settled in villages, making available and accessible the basic amenities and facilities for them to lead a good life like their urban counterpart.

### THE DEVELOPMENT INITIATIVE AFTER GLOBALIZATION

There is no denying of the fact that realizing the spirit of raising the standard of rural life a number of programs and policies has been initiated. At the same time the rural transformational strategies adopted so far since the country independence have witnessed several changes over the years in their focus, prominence and approach. Based on the available evidences it can be affirmed that with the wide range of initiatives adopted so far, the country to a great degree has been able to improve the quality of rural life but whether the speed of progress was up to the mark has always been an issue for debate and discussion. The comprehensive framework which has been adopted for upgrading the standard of living across the rural areas really deserves admiration but at the same time, deliberation upon the findings of recent development reports we cannot ignore the fact also that in spite of all such strenuous efforts the basic issues like effectiveness and functioning of *Panchayat Raj* institution, rural health care, quality of rural education, empowerment of rural women and the overall quality of rural life still cause concern for the policy makers. Significant funds have been allocated to raise the standard of living for rural population but there has not been corresponding improvement as far as the quality of rural life is concerned. The problems of widespread rural poverty, growing inequality, rapid population growth and rising unemployment rate all find their origins in the stagnation of economic life in rural areas. In spite of more than six decades of planned economic development a large part of rural population particularly segments like women, landless, agricultural laborers and marginal farmers still suffers from social and financial inclusion. Taking into account the current dynamics of rural consumers in order to improve their quality of life there is need for more synergy between public and private sectors.

Agriculture and its productivity grew sluggishly during period 1995-2005. The average annual growth rate of 3.6% during the eleventh five year plan for agriculture and allied sector fell short of the target of 4%. Low yields, low productivity, soil degradation, climate change and lack of market linkages are said to be the main factors affecting farmer's income.

Slow growth in urban employment opportunities, especially for less skilled workers has somewhat restricted rural-urban migration. Slow agricultural growth and saturated urban economy are more likely to cause rural-urban differentials in poverty, inequality, income and consumption. As per *Tendulkar* report published by planning commission in 2009, rural poverty rate declined by 8.3 percentage points [from 50.1 percent (1993-94) to 41.8 percent (2004-05)] during 1993-94 and 2004-05 whereas the urban poverty reduced by 6.1 percentage points [from 31.8 percent (1993-94) to 25.7 percent (2004-05)] over the same period. The recent estimates of Planning commission indicate that the rural and urban poverty rates have declined to 33.8 percent and 20.9 percent, respectively in 2009-2010. National Sample Survey organization in its 66<sup>th</sup> rounds of survey pointed out that the rural and urban employment rates in 2009-10 were 16 and 34 per 1000, whereas the rural average monthly per capita consumption expenditure (MPCE) (Rs 1,054/-) was Rs. 940/- less than that of the urban MPCE (Rs.1,984). Further the survey found that in both rural and urban areas the share of women in regular wage/salaried employees was lower than that of males. In rural areas, nearly 9 percent of the male workforce and 4 percent of the female workforce was regular wage/salaried employees, whereas in urban areas 39 percent of the female workforce and 42 percent of the male workforce was regular wage/salaried employees. Annual status of education report (ASER) 2012 indicates that though enrolment in schools are rising for children in the age group of 6-14 years there has been no major changes in buildings, playgrounds or drinking water availability in schools.

The Eleventh Plan (2007-2012) recommended an inclusive approach by encompassing equitable and comprehensive individual health care, improved sanitation, clean drinking water, nutritious food, hygiene, good feeding practices and development of delivery systems responsive to the needs of the people.

According to the 68<sup>th</sup> round of national sample survey organization, 13.9 million jobs were created in two years from June 2010 till January 2012. Significant finding is that rural women are shifting towards self help groups and self employment which is clear from the percentage of women taking up self employment rising to 59 percent in 2011-2012 from 56 percent in 2009-2010. Non farm employment opportunities are very important for increasing the income of people in rural areas. India's rural markets are poised to become the powerhouse in the future as it accounts of about 50 percent of India's GDP and the rural population is witnessing sharp increase in income growth which is also affecting their consumer behavior.

The SHG (Self help group) movement has taken off on a huge scale in Indian villages and has become the approach of numerous rural development projects of Indian Government and banks. With 500 SHGs in 1992 to more than 6.8million SHGs linked to banking system over the last 18 years, the growth of SHGs is astonishing. However only those groups which initiate entrepreneurial activities - resource based and demand based activities- seem to be treading towards sustainable development. While SHGs can promote sustainable development of local resources, local resource-based activities are elemental for sustainability of SHGs. SHG movement had its origin in the context of non-access to credit facilities from commercial bank for the marginalized section at the grassroots, particularly the women who are otherwise careful in their spending, diligent in their saving habits, prudent enough to understand the productive links with various agencies and above all, have the responding capacity to the emerging needs of the consumers and the market.

The cascading effect of the savings and credit operations is witnessed in the emergence of a strong SHG base in rural areas, capable of addressing their own credit needs under the guidance of reputed and well tested NGOs and also capable of gradually moving into higher order business operations as micro entrepreneurs.

But the SHGs are also faced with the problem of stiff competition from Multi National Corporations (MNCs) and corporate retailers. The MNCs, who have well recognized the potential of these SHGs, lured them away from their original field of micro credit and micro-enterprises into the field of marketing of the products of MNCs, thus paving the way for supplanting them from their avocation of producing items with traditional skills and also resulting in non utilization of local resources.

Improvement in quality of life greatly depends on good governance, which requires meticulous planning. The development planning of rural India largely remains top-driven in practice. Decentralized development planning involving *Panchayat* raj institutions and the *Gram Sabha* can pave the way for participatory governance while addressing the sustainability issue. The benefits of ambitious rural poverty alleviation programs can reach out to the needy only when *Gram Sabha* performs vibrantly. It can act as a learning platform of participatory governance.

In the aftermath of the global meltdown, the consensus of informed opinion has switched to the view that consumption demand from rural India has been the great stabilizer for industry. The impetus for that rural consumption demand has to come from rising productivity in agriculture.

In turn rising productivity can only come if adequate investment is made at all stages of agricultural operation. Not surprisingly the push for these improvements has come from one of the longest spells of rise in prices of food products—the persisting inflation in food that has just begun to soften. So we have a fortuitous combination of circumstances that, if harvested, can create huge value up gradation for the Indian agriculture sector and in turn for the entire economy. The components of these improvements are well known like seed technology, better management of post harvest operations like preservation of produce in warehouses and of agricultural marketing.

Education plays the role of foundation stone in the overall socio-economic development of a country. It is an effective tool for the empowerment of a community. The rural literacy rate which was 44.01 per cent in 1991, improved to 68.91 per cent in 2011.

### CONCLUSION

Analysis of overall trends in the rural market is important as it enables the marketer to have a general idea of the directions and composition of growth in a given market. Sector wise analysis can provide a clearer picture of pockets of opportunity in some product areas and declining preferences for the others. An understanding of these trends can also lead the marketer to an assessment of the underlying causes of the existing scenarios and the direction in which these underlying variables can take the market. Rural Markets in India are vast, geographically dispersed and diverse. The growth in rural incomes and the higher purchasing power have made rural markets as the new destination of marketers interested in improving their market shares. The opportunity, however, is not free from several daunting challenges. It is well understood that as a relatively untapped territory, the markets would reward the early entrants, especially those who move in with some understanding of the rural consumer and markets.

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