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**Bharat Choudhary**

UPSC Educator & Content Creator

[in linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

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Accelerating Rural Transformation

 **Kurukshetra** Chapter 1 4 min read

Author: Dr. Vijay Agrawal (AFEIAS, Bhopal) | **Published:** Kurukshetra, March 21, 2026

Rural India is undergoing a multi-dimensional transformation driven by improved infrastructure, digital connectivity, welfare convergence, and devolution of funds to local bodies. This article examines the structural levers and policy reforms accelerating this transformation.

THE RURAL LANDSCAPE: WHERE INDIA STANDS

India's rural population constitutes approximately **65% of the total population** and contributes nearly **46% of national income** when agriculture and allied sectors are combined. Yet rural areas continue to lag on key indices:

INDICATOR	RURAL	URBAN	GAP
Per capita income	₹80,000/yr	₹2.85 lakh/yr	~3.5x
Internet penetration	37%	67%	30 pp
Piped water access	71% (JJM target)	90%+	Improving
Pucca housing	~48%	90%+	Large

KEY POLICY PILLARS FOR RURAL TRANSFORMATION

1. Employment and Livelihoods

VB-G RAM G (Viksit Bharat Guarantee for Rozgar and Aajeevika Mission Gramin)

- Announced in Budget 2026-27 as the successor to MGNREGA
- Guarantees **125 days of employment** per household per year (vs. 100 days under MGNREGA)
- Adds a **skill-linked component**: 25 extra days tied to technical/vocational training
- Enhanced wage rates indexed to the Consumer Price Index for Agricultural Labourers (CPIAL)
- Digital attendance + DBT wage payment to eliminate delays and corruption

Self-Help Groups (SHGs) and Rural Livelihoods:

- **10 crore women** mobilised under DAY-NRLM
- Rs 6 lakh crore in cumulative credit mobilised (2014–2025)

- SHE Marts: dedicated market platforms for SHG products in Budget 2026-27
- Convergence of NRLM with PM Vishwakarma, PM Awas, and Jan Suraksha schemes

2. Rural Infrastructure

PM Gram Sadak Yojana (PMGSY):

- Phase IV launched — focus on **multimodal connectivity** linking villages to agricultural mandis, schools, and health facilities
- Target: connect all habitations with population > 250 in hilly/tribal areas; > 500 in plains
- **Electronic monitoring** via OMMAS portal + satellite imagery for quality assurance
- Over 7.5 lakh km of rural roads constructed since 2000

Jal Jeevan Mission (JJM) Phase II:

- JJM Phase II extends focus from **connection to functionality** — ensuring water actually flows 24×7
- Addresses water quality testing, source sustainability, and grey-water management
- Village Water & Sanitation Committees (VWSCs) empowered for O&M
- Convergence with watershed development and groundwater recharge programmes

PM Awas Yojana – Gramin (PMAY-G):

- 3 crore additional houses sanctioned under Budget 2026-27
- Average house size increased to **25 sq m** with dedicated kitchen space
- Convergence with Ujjwala (LPG), Saubhagya (electricity), and JJM for “saturation” approach

3. Digital Rural India

PM Wani (Wi-Fi Access Network Interface):

- Promotes **Public Data Offices (PDOs)** in rural areas for affordable broadband
- Works alongside BharatNet Phase III (target: 6.4 lakh villages)

E-governance at Gram Panchayat Level:

- Common Service Centres (CSCs) now operational in **5 lakh+ villages**
- DigiPay, UMANG, and mSeva for digital delivery of government services
- Geo-tagging of assets for better accountability

4. Panchayati Raj: Devolution and Accountability

15th Finance Commission Awards:

- ₹4.36 lakh crore to PRIs (2021–26) — highest ever
- Tied grants (60%) for sanitation, drinking water; untied grants (40%) for local priorities
- Performance-based additional grants linked to revenue mobilisation and open defecation free (ODF) status

Model ‘Gram Swaraj’ Framework:

- 7-point saturation agenda: electricity, piped water, toilets, housing, financial services, nutrition, roads
- 65,000+ villages declared fully saturated across all 7 indicators

CHALLENGES IN RURAL TRANSFORMATION

CHALLENGE	DETAIL
Migration	10–12 lakh seasonal migrants from Bihar, UP, MP annually; drain on rural labour
Land fragmentation	Average farm size declined to 1.08 ha; uneconomic holdings limit mechanisation
Credit exclusion	Only 30% of rural credit need met through formal channels
Climate vulnerability	60%+ of cultivated area rain-fed; 1°C rise costs India 4–5% of agricultural output
Governance gaps	Weak gram sabha attendance; elite capture of PRIs in some states

UPSC RELEVANCE

GS2 — Polity, Governance, Welfare:

- Devolution to PRIs: 3Fs — Funds, Functions, Functionaries
- Rural poverty measurement (Multidimensional Poverty Index vs. income thresholds)
- Social audit mechanisms under MGNREGA and their extension to VB-G RAM G

GS3 — Economy, Agriculture, Infrastructure:

- Multiplier effect of rural infrastructure spending (roads yield 6–8% return on investment)
- Digital public infrastructure for rural financial inclusion
- Challenges of climate-resilient rural development

FACTS CORNER

- VB-G RAM G: 125-day employment guarantee, replaces MGNREGA’s 100 days

- DAY-NRLM: 10 crore women in SHGs; ₹6 lakh crore credit mobilised
- PMGSY: 7.5 lakh km+ rural roads; Phase IV focuses on multimodal links to markets
- JJM: 15.4 crore households with piped connections as of early 2026 (target: 19.4 crore)
- 15th Finance Commission: ₹4.36 lakh crore to PRIs over 5 years
- India's rural–urban income gap: ~3.5x (per capita basis)



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