

# Budget boost for rural economy

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On the back of huge success in terms of implementation of rural development schemes in the last five years, the new government renewed its focus on 'ease of living' of the rural people. The Budget tries to scale-up most of the rural development schemes and frontload some of the targets. "Antyodaya" remains to be the core principle focusing on the overall development of the rural economy. The Budget intends to carry forward the benefits of last-mile delivery accrued in recent years by simplifying and accelerating the various rural development programmes.

Overall, the total Budget allocation for rural development is `1,40,762 crore for 2019-20, which is 4.18% more than the revised estimate of 2018-19. In order to provide better rural connectivity, the Budget proposes to enhance 3rd Phase of PMGSY with an increased allocation of `19,000 crore. The improved connectivity is expected to boost access to healthcare, education and reduce the rural-urban divide.



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The Budget also announces a road map for upgrading the rural roads by the use of green technology to meet the SDG commitment, and has committed to spend about ₹80,250 crore over the next five years for the same. On the MGNREGS, given the rural distress, one would have expected a higher allocation. However, the Budget appears to allocate a little lower than that was spent in 2018-19. With the average employment of 29 person days generated per family in 2018-19, there is a need to allocate more resources under this scheme.

The Budget, on the back of successful implementation of PMAY-G scheme, approves the second phase with the aim to construct additional 1.95 crore houses between 2019-20 and 2021-22. The coverage under Ujjwala and Saubhagya schemes has been phenomenal and it is targeted to bring all rural households with LPG and electricity connection by 2022. Another hallmark of the last five years was construction of 9.69 crore toilets since 2014. Now to take this forward, the Budget proposes to expand SBM to embark on sustainable solid waste management for transforming waste to energy in each village.

To address one of the poll promises, the Budget has given emphasis on providing safe drinking water to the rural masses by 2024. Accordingly, the allocation for Rural Drinking Water Mission is increased to ₹10,000 crore from ₹5,500 crore in 2018-19. The Budget sharply increases its allocation to Aajeevika (DAY NRLM) scheme—an increase of 56% over the previous year amounting to a total of ₹9,024 crore for 2019-20. Other proposals such as 2% interest subvention scheme, overdraft facilities of ₹5,000 and provision of institutional credit loan up to ₹1 lakh for each SHG women with Jan Dhan account along with Aajeevika is expected to bring more women under SHG framework.

This will boost rural women entrepreneurship and employment. Overall, the Budget continues to put more emphasis on the rural economy through

its flagship programs. With improved implementation and public delivery especially through DBT, the government can achieve its objective of transforming rural India and have multiplier effects on overall Indian economy.

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