

Call to Focus on Infrastructure in Rural India



*L-R: **Adarsh Kumar**, Executive Director, All India Artisans and Craftworkers Welfare Association; **Manoj Kumar**, CEO, Naandi Foundation; **Yashashree Gurjar**, Group Head, Corporate Social Responsibility, Avantha Group; **Abhijit Bannerjee**, Foundation International Professor of Economics, Massachusetts Institute of Technology (MIT), USA; Moderator: **Anand Shah**, Co-Founder and Executive Director, Indicorps*

There is an urgent need to focus on improving infrastructure in rural areas and to have a re-look at the loan process to bridge the gap between rural India and rest of the country as the nation's future is linked to the rural population. This was the consensus at the session on '**Rural Development: The Challenge of Livelihood and Poverty**' during 'Ideas India 2008' being organized by the Aspen institute, India here.

Mr Abhijit Bannerjee, Foundation International Professor of Economics, Massachusetts Institute of Technology (MIT), said that there was a vast difference in living standards between rural India and the rest of the country. "There is a deep divide that doesn't get articulated," he said. Suggesting ways to bridge this divide, he said that small towns and villages should be made skill suppliers to the rest of the economy. "Infrastructure development should be accorded the top priority," he said adding, "there is a need to develop small town strategy and build 1,000 high quality towns for 50,000 people in the country." He felt that "it was time to go back to old-fashioned choices – investing in human capital and better infrastructure."

Stressing on learning from experiences, **Mr Adarsh Kumar, Executive Director, All India Artisans and Craftworkers Welfare Association** said, "We need to marry rural productivity with mainstream retail strategy." He also called for monitoring the loan process. "Only giving loans was not enough, we need to see where the investment is being made and what the poor are getting out of it," he said adding that there was a need to look at successful programmes in the past like the Green Revolution and Milk Revolution while making active efforts. Mr Kumar also suggested going for ownership models where poor are involved and made active participants in a programme.

Ms Yashashree Gurjar, group Head, Corporate Social Responsibility, Avantha Group, said the inability to provide jobs in rural areas leads to "a boiling point of aggression and dissatisfaction." She advocated a fresh look at the loan process, pointing out that loans are mainly spent for consumption needs and microfinance is looked on as a source of income. "We need to move to income-generating models as microfinance is not solving the livelihood needs," he said, adding that "public private partnership (PPP) needs to be explored in the social sector and there is a need for collaboration with the corporate world to bring in the much-needed changes in the sector."

Focusing on problems being faced by farmers, **Mr Manoj Kumar, CEO, Naandi Foundation**, said that in India about 85 per cent of farmers are small or marginal and possess small land holdings. "In Australia they use a helicopter to spray pesticides, in America the farmer is heralded as a celebrity, but in India the state of the poor farmer is just the way it was – poor," he lamented. He said the farmer has to go through middlemen to get to the consumer and that eats up a major chunk of his profits. This, according to him, needs to be corrected. He said, "Given a choice, a farmer's child would not like to follow in the footsteps of his father; choice of vocation is by a compulsion and not a conscious decision." He suggested "two radical ideas" to ensure that the rural populace doesn't get bogged down. "One, there is a need for reservations for the rural population and two, there is need to invest in quality education in the rural sector so as to create a rich harvest of human resource in the next 25 years."

The session was moderated by **Mr Anand Shah, Co Founder and Executive Director, Indicorps**, who said that it was necessary to ensure that "we do not equate rural with poor." It was necessary, he said, to give rural India the same access to progress as given to urban areas.

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