

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
STARRED QUESTION NO. *393
TO BE ANSWERED ON 22/03/2018

Manufacturing Potential in Rural Areas

†*393. SHRI SHARAD TRIPATHI:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government proposes to tap the manufacturing potential in rural areas by using the raw material available there and export the finished products so that the rural people can get employment and the economy of the villages can be improved under Rural Business Hub Scheme;
- (b) if so, the details thereof;
- (c) whether the Government has signed any Memorandum of Understanding with any agency/ organization for the export of products from the rural areas;
- (d) if so, the details thereof; and
- (e) the other steps taken by the Government to encourage the rural people to improve their financial condition at the panchayati level under the said scheme?

ANSWER

MINISTER OF PANCHAYATI RAJ
(SHRI NARENDRA SINGH TOMAR)

- (a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PARTS (a) to (e) OF REPLY TO LOK SABHA STARRED QUESTION NO. 393 FOR 22.03.2018, REGARDING MANUFACTURING POTENTIAL IN RURAL AREAS

(a) to (e): The Ministry of Panchayati Raj (MoPR) had implemented the scheme of Rural Business Hub (RBH) during the 11th Five Year Plan Period (2007-2012) with the objective to promote businesses using raw materials as well as skills available in the rural areas, by linking them with industry and marketing organizations so that such products get the benefit of value addition and their marketability is increased. The entire process of RBH scheme was facilitated by Panchayati Raj Institutions (PRIs). Under the scheme, the Ministry extended financial support upto Rs.25 Lakhs for viable projects and the balance project cost had to be converged through other Central/State Government Schemes/Financial Institutions.

Under the said scheme, the Panchayati Raj Institutions (PRIs) were encouraged to identify skills and endowments of rural people as well as natural resources in the Panchayat area. Based upon the assessment, joint awareness programs could be organized to bring together the business interest and the community on a common platform and thereby facilitate acceptance of business plan by local stakeholders. PRIs could also dovetail and converge government schemes with the initiative, or provide infrastructure support to ensure better livelihood opportunities for the rural community, better incomes and better and more sustainable use of local resources.

Under the RBH, Memorandum of Understandings (MoUs) were entered into by business enterprises with PRIs in accordance with the guidelines of the scheme in such diverse fields as fruit processing, power generation and distribution, Jatropha bio-fuels, handicrafts, carpet weaving, stone carving etc. Besides, this Ministry had also a Memorandum of Cooperation (MoC) with EXIM Bank for the purpose of enhancing export possibilities of products sourced from RBHs.

The scheme of RBH was implemented during the year 2007-2012 and therefore, no steps obviously for any purpose can be taken under the above mentioned defunct scheme.

However, Under the restructured scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) appraised by Expenditure Finance Committee (EFC) for implementation in the next financial

year, there is component for assistance to States for project based support for economic development and income enhancement through Panchayats / cluster of Panchayats to create sustainable livelihood systems and income enhancement avenues in rural areas, and transform cluster of Gram Panchayats to become growth centers for local economy. Under this initiative, Panchayats may assume supportive role in providing marketing support for secondary agriculture, as well as minor produce including medicinal plants, bamboo, handloom, handicraft etc. Financial assistance will be limited to viable gap funding which is not available under any other scheme or requires more resources in critical areas.
