

Livelihood Diversification as the Foundation of Inclusive Growth in Viksit Bharat @2047

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Abstract

India's vision to become a developed nation by 2047 depends on how people in rural and informal economy are securing and reshaping their livelihoods with respect to the changing world. Depending on single occupation like in farming or wage has become increasingly alarming due to the pressure of climate uncertainty, market shifts and technological change. Building on recent research, policy debates, and real-world livelihood practices, the paper proposes a framework that places diversification at the centre of long-term development rather than at the margins of survival. Special attention is given to the role of women's enterprises, skill mobility, and supportive institutions in strengthening both household security and wider economic participation. By linking everyday livelihood strategies with broader national priorities such as productivity, innovation, and social inclusion, the study offers a grounded way of understanding how India's development goals can be realised through the economic choices made within millions of families as the country moves toward Viksit Bharat by 2047.

Keywords: Viksit Bharat 2047, Livelihood diversification, Rural and informal economy, Climate uncertainty, Market transitions, Technological change.

Introduction

India's development narrative is undergoing a quiet but important transition. With the overlook of becoming a 30 trillion-dollar economy, the economic progress of the nation cannot depend only on factories, cities, or large-scale industries. A significant share of the population close to two-thirds still earns a living through rural and informal activities, either as a primary occupation or as a critical source of support. These livelihood systems, however, are under growing strain from erratic climate patterns, unstable markets, rapid technological shifts, and long-standing social disparities [10][14].

In earlier phases of development, policy interventions such as MGNREGA played a crucial role in cushioning rural households by offering assured wage employment. While such measures provided much-needed income security, they were designed mainly to prevent distress rather than to enable long-term economic advancement. The current development challenge is therefore different. Rural India requires the ability to adopt, movement across occupations, and build resilience over time. The Vision Viksit Bharat Guarantee for Rozgar and Aajeevika Mission Act 2025 is a changing policy outlook looking towards a move from narrow job creation towards broader focusing on strengthening livelihoods.

The economy is changing, so the people's ways of earning for living are also changing. Farming families are not giving up agriculture but are finding ways to combine other works such as small businesses, local services, digital tasks, or processing and selling their produce. Households are better capable to cope with shock or uncertainty when they have income from more than one place and when their skills are spread across different activities. This makes growth stronger, fairer, and more stable.

Livelihood Diversification: Concept and Contemporary Relevance

Livelihood diversification refers to the process by which households engage in multiple economic activities to improve income stability, manage risk, and enhance well-being [4][5]. It includes on-farm diversification (horticulture, livestock, organic farming), off-farm wage labour, self-employment, services, and micro-entrepreneurship.

Recent research shows that diversification is no longer a poverty-driven survival strategy alone; it is increasingly a growth-oriented pathway [2][13]. Households that combine agriculture with enterprise, migration, or digital platforms achieve higher productivity, better nutrition, and stronger asset accumulation [14][7].

In India, diversification has also become gendered. Women are entering self-employment, SHG enterprises, food processing, crafts, and digital micro-businesses, significantly improving household resilience [9][1].

Why Livelihood Diversification is Central to Viksit Bharat 2047

India's development plans are built on the understanding that progress cannot come only from a small circle of large industries or urban service sectors. The real strength of the economy lies in the everyday work of small farmers, home-based producers, local entrepreneurs, and skilled workers spread across villages, towns, and online marketplaces.

The VB-G RAM G Act of 2025 increases the number of guaranteed workdays, but its larger significance lies in what those days are meant to produce. Instead of wages alone, the programme is designed to support asset building, skill improvement, and the growth of local enterprises, so that people are not just employed, but are able to build lasting livelihoods.

Meanwhile, many traditional rural occupations are losing ground as new technologies and cheaper substitutes replace older forms of production. In several crafts and trades, incomes are falling, making it harder for workers to stay connected to the growth taking place elsewhere in the economy. Without opportunities to learn new skills and take up additional forms of work, many in rural areas risk being left behind.

For these reasons, expanding and diversifying livelihood options is not a choice but a necessity. It is through this process that overall economic growth can be turned into development that reaches a much wider share of the population.

A Conceptual Framework of Livelihood Diversification for Viksit Bharat 2047

This study puts forward a five-part framework to explain how livelihoods can be strengthened in ways that are consistent with India's long-term development path.

Income Mixing

Rural livelihoods should rely on more than one earning like farming or daily wage. Income should now come from other sources like crop cultivation, animal rearing, small trade, services, and digital tasks, which allows families to stabilise cash flow and spread the risk. [2][5].

Movement Across Skills and Jobs

Technology is reshaping the traditional occupations; people require opportunities to develop new skills and move into other forms of work. Craft workmanship, artisans, technicians are affected by market change and automation. Developing training systems, providing apprenticeships, and enabling learning platforms for digital tools are increasingly important.[8][15].

Women-Centred Enterprise Networks

A large share of rural economic activity is driven by women through self-help groups, home-based enterprises, and care-related services. These activities, though often invisible in formal statistics, play a major role in generating income, strengthening households, and supporting local economies [8][3].

Links to Markets and Finance

Producers should be connected to farmer collectives, insurance, credit systems, and organized value chains, which aids them to invest, manage risk, and move to higher value creating activities. Such institutional ties help households step beyond subsistence toward more rewarding economic roles [13][7].

Physical and Digital Connectivity

Rural producers can effectively reach buyers and suppliers by improving the transport networks, storage facilities, internet access, and digital platforms. Where these systems function well, even small producers can participate in wider markets, both within India and beyond.

Taken together, these five elements show how diversification becomes not just a way to survive difficult times, but a route through which households gradually build security, opportunity, and long-term economic progress.

Developmental Outcomes of Diversification

Evidence from recent studies shows that families who are able to enter better-paying and more varied forms of work tend to do better across many aspects of life. They are more likely to eat well, keep their children in school, build savings and assets, and recover more easily when something goes wrong [6][12]. When women are able to take part more fully in paid and self-employment, these positive effects become even stronger [11].

At the same time, not all forms of diversification lead to progress. Households that lack education, usable skills, or access to credit often end up spreading their labour across several low-paying activities, which does little to break cycles of poverty and can even deepen existing gaps. This signifies that diversification need to be supported and guided through public policy.

Conclusion

Industrial growth by themselves are not enough to carry India toward the goals of Viksit Bharat 2047. It must be built on millions of diversified livelihoods that combine farming, enterprise, skills, technology, and social capital. Livelihood diversification transforms vulnerability into resilience, informality into productivity, and survival into prosperity.

By embedding diversification into employment guarantees, enterprise promotion, skill development, and digital inclusion, India is laying the foundation for a people-centred development model where growth is not only fast—but shared, sustainable, and secure.

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