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Transforming Rural Tamil Nadu: The Government's Bold Vision for Progress Vazhndhu Kattuvom Project

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Rural development plays an essential role for improving the socio-economic conditions of people living in villages. In Tamil Nadu, Tamil Nadu Rural transformation project (TNRTP) Vazhndhu Kattuvom Project, supported by the government of Tamil Nadu and the World Bank had created new opportunities for farmers, women, youth and self help group members through skill improvement training, entrepreneurship support and financial assistance. The project encourages rural communities to start small business, improving agricultural technology and strengthen market connections. Programme such as Community Skill School, Producer Groups and Nano Enterprise Financing Fund have helped many families increase their income and better livelihoods. The initiatives have also supported economically weaker sections and encouraged rural entrepreneurs give self confidence. This article discusses the major activities, achievements and positive changes created by the project in transforming rural communities across Tamil Nadu.

Keywords: Rural livelihoods, Women Empowerment, Skill Training, Self Help Groups, Rural Transformation, Sustainable Development.

Introduction

Rural development is the process of improving the **quality of life** and economic **well-being** of people living in **rural areas**, often relatively isolated and sparsely populated areas. Tamil Nadu has demonstrated a strong and sustained commitment to rural development through a range of initiatives aimed at enhancing infrastructure, empowering communities, and promoting sustainable livelihoods. According to World Bank rural development is a strategy designed to improve the economic and social life of a specific group of people by extending the benefits of development to the poorest among those who seek livelihood in the rural areas. Tamil Nadu, is one of India's most progressive States and is among the top three States on several economic and social indicators. The State contributes 8.55 percent to India's Gross Domestic Product (GDP), making it the second largest contributor to India's GDP during 2017-18. Small and Medium Enterprises sector in Tamil Nadu is one of the strongest in the country and provides an efficient supplier eco-system for the major industries. It was all over Tamil Nadu, including the Delta region of Tamil Nadu, a transformative approach has been taken by the Government of Tamil Nadu. This initiative aims to empower local communities by enhancing their livelihoods, improving infrastructure, and promoting sustainable practices. By focusing on education and skill development, the project seeks to create a self-sufficient environment that fosters economic growth and social well-being in the region. It is a turning point for the rural entrepreneur across the state and unlocks dreams through subsidizing, training, and monitoring them. The project has been instrumental in uplifting the voices of marginalized communities, particularly women and young entrepreneurs, who are now seizing the opportunity to lead and innovate. The Vazhndhu Kattuvom project was implemented in 2019 by the Department of Rural Development and

Panchayat Raj. Earlier, it called as Pudhu Vaazhvu Project (PVP). The Vazhndhu Kattuvom Project 3.0 is an upcoming initiative has taken, because of the successes of the predecessors.

Vazhndhu Kattuvom: Cultivating Skills, Harvesting Hope"

- The Tamil Nadu Rural Transformation Project – Vazhndhu Kattuvom is driving real change in rural communities. Through the TNVKP initiative, it empowers women and youth by actively involving them in entrepreneurs development program.
- By providing hands-on training, the project equips farmers with practical skills to boost productivity, ensure sustainability, and improve livelihoods. Farmers are also supported in connecting with markets, helping them enhance their income and build resilient rural economies.
- This initiative is not just about farming—it's about transforming lives through skill-based learning, entrepreneurship, and opportunity.

About the scheme: It operates in 31 districts of 120 blocks with 3394 Panchayats. It mainly focuses on Village Women Self-Help Groups, self-help group households, Scheduled Castes, Scheduled Tribes, disabilities, youth, and aspiring entrepreneurs. The project duration is about 6 years. Thus, the scheme promotes rural entrepreneurship, strengthening market linkage, valuable prices for the produce, training, subsidy, financial support, market support and linkage, empowering women entrepreneurs.

Funding pattern: The project is co-financed by the World Bank and the Government of Tamil Nadu in a ratio of 70:30, with an overall funding allocation of 919.73 crores.

Covid Assistance Package and the Rise of Tamil Nadu: Tamil Nadu has emerged as the second largest state in India which accounts for 6% of the nation's total population and 10.6% are urban population (Census 2011). Tamil Nadu is the second largest contributor to Nation's GDP. During Covid, it is observed that there was a decline in India's GDP accounting for 24% during April-May 2020. Rural people were very badly affected by loss of income and livelihood. To enhance Indian Economy, Tamil Nadu Government introduced Covid-19 Assistance Package to support rural economy in 120 TNRTP blocks covering 31 districts with a tune of Rs.300 Crores assisting 1,39,574 beneficiaries comprised of SHGs/SHG Households in varied categories. Towards Individual Enterprise category, a total of Rs.159.76 crore has been released assisting 49,666 beneficiaries, a sum of Rs.26.47 crore has been given to Producer Group, assisting 1765 existing producer groups benefitting 1,11,789 members. An aggregate of Rs.3.60 crore was dispersed to Enterprise Resource Group assisting 240 enterprises benefitting 4670 members, while a sum of Rs.5.00 crore has been despatched assisting 50 producer collectives benefitting 50,481 members. Around Rs. 49.92 crore has been provided as an aid to individuals and to support livelihoods of 33,617 differently abled and vulnerable sections. Start-up fund of Rs.50.10 crore was dispersed to start new enterprise by skilled youth migrant returnees assisting 5,066 beneficiaries. Thus, to kick start the Economy, CAP Scheme has paved the way and stimulated the culture of Entrepreneurship. Thus, CAP revolutionized Tamil Nadu to be ranked as the most economically Free State in India by the Economic Freedom Rankings for the States of India.

Empowering rural communities through 7 components

The people get benefited through these projects through NEFF (Nano Enterprise Financing Fund), enterprise groups, producer groups, the matching grant program, producer collectives, community skill schools, and community farm schools.

Transforming rural communities through:

Component 1.NEFF-Nano Enterprise Financing Fund: The NEFF (Nano Enterprise Financing Fund) fund is given to people who are in SHG and members of SHG HH to aid the existing and new individual enterprises through Panchayat Level federation for creating and accessing higher-order enterprise financing for productive purposes.

Component 2.Enterprise Groups : The Enterprise groups are formed with 5-30 members who have common ideas of business and are interconnected for financial assistance, resource sharing, and market access, and VKP supports them with a startup fund of Rs. 75000.

Component 3.Producer Groups: The producer groups consist of small and marginal farmers (30-60) and are formed for the purpose of strengthening the rural farmers by promoting collective production, value addition, and market linkages and finally to achieve the market with a valuable price for their produce with the middleman.

Component 4.Producer collectives: The Farmer producer collectives are organized groups of farmers who came together to enhance collective farming, production, processing, and marketing. These collectives help farmers gain better market access, reduce input costs, and improve valuable prices for their produce. The VKP project supports the PC through various funds up to 30 lakhs.

Component 5.Matching Grant Program: The Matching Grant Program offers the subsidies to rural entrepreneurs, producer groups, and farmer producer organizations with financial support of about a 30% subsidy. The beneficiary's contribution is about 10%, and the remaining 60% is availed through a bank loan. The eligible sectors are agriculture, dairy, food processing, handicrafts, textiles, and small-scale industries. The project must support 65 % Women entrepreneurs in Rural Areas. The project team make their beneficiaries in regular and Prompt Repayment so that this makes trust in bank and society about women entrepreneurs. It also confers local people get employed through this Matching Grant Program loan.

Component 6.Community Skill School (CSS): The Community Skill School (CSS) is part of the Vazhndhu Kattuvom Project (VKP). The Government of Tamil Nadu and the World Bank support VKP. It helps rural areas grow by supporting businesses, providing financial help, and creating job opportunities. Community Skill School (CSS) helps rural youth and women learn job skills. It also supports women in learning jobs usually done by men. Training includes tailoring, Aari embroidery, handicrafts, concrete work, food processing, electrical work, two-wheeler repair, jute products, and mushroom farming.

Component 7.Community Farm School: The Community Farm School (CFS) is an initiative under the Tamil Nadu Rural transformation project (TNRTP) Vazhndhu Kattuvom Project that focuses on improving agricultural skills and knowledge among farmers.

Challenges

- Managing several interconnected systems and processes demands high-level expertise and smooth coordination.
- Challenges in procurement procedures
- Developing and maintaining digital platforms
- Managing large volumes of data
- Digital skill gaps among rural entrepreneurs

Project area

The project runs on 31 district of Tamil Nadu , in Cuddalore Villages identified under the scheme of the Tamil Nadu Rural Transformation Project—Vazhndhu Kattuvom Project include

- Kurinjipadi,
- Kumara ratchi,
- Panruti,
- Parangipettai,
- Melbuvana giri and
- Anna gramam

in the Cuddalore district.

Achievements

VKP has made significant progress in improving rural livelihoods across Tamil Nadu. Key achievements include:

- Formation of numerous SHGs and federations, promoting savings and credit activities.
- Support for various micro-enterprises, leading to increased income for rural households.
- Enhanced participation of women and marginalized groups in development processes.
- Improved access to markets and financial services for rural entrepreneurs

TNRTP Stands Out

- Empower rural entrepreneurs-Entrepreneurship at the Grassroots
- Targeted Support for Marginalized groups- the focus will be on women, scheduled tribes, scheduled castes, differently abled, youth.
- Supports SHG and SHG family
- Enhancing local community livelihoods
- Website transparency in monitoring and evaluation

The program brings in digital transformation to uplift rural economies.

Beneficiary

Stability with pride



Beneficiaries- Mrs. Mahalakshmi 's husband Mr. Sivanesan (Annagaram , Cuddalore district)

Before daily wage laborer, now tea stall Owner.

My wife always dreamed of starting our own business

Before the TNVKP team came to our village, Myself and My wife worked as a daily wage laborer. Income was irregular, and our family was struggled . When My wife attended a village SHG meeting and there my wife were already member , we learned about the support TNVKP offered for starting small businesses. With their guidance, we formed a micro-enterprise group and applied for support to start a tea shop. Now we get a stable income and the project transformed our livelihood.

Capturing Success: Sudhakar's Jesus Studio Journey



Beneficiaries 2- Sudhakar (Annagaram , Cuddalore district) .

Jesus Photo Studio is more than just a business—it's a symbol of ambition, resilience, and transformation. What started as a simple idea to offer photography services has now blossomed into a thriving enterprise, thanks to the support of the Tamil Nadu Rural transformation project (TNRTP) Vazhndhu Kattuvom Project. With a total investment

of around ₹3.5 lakhs, and a grant of ₹90,000 provided under the project, the young entrepreneur behind the studio was able to bring his dream to life. The remaining amount came through bank support and personal savings. What made the real difference, though, was the training, mentoring, and business guidance offered through the initiative. With a small grant and strong community support, rural youth are proving that big dreams don't need big cities—they just need opportunity.

Real-life impact

Overall Tamil Nadu, TNRTP has helped rural areas become stronger and more independent. People in villages can improve their lives and contribute to the Indian economy. Vazhdhu Kattuvom Project (VKP) has positively impacted rural communities in Tamil Nadu. It has directly benefited nearly 400,000 individuals.

Individual Enterprises: 106,181 beneficiaries.

Enterprise Groups: 1,000 groups comprising 15,926 beneficiaries.

Producer Groups: 5,000 groups with 308,051 beneficiaries.

Producer Collectives: 53 collectives involving 57,978 beneficiaries.

Matching Grant Program: 6,648 beneficiaries.

Community Farm Schools: 182,337 beneficiaries across 6,000 producer groups.

Community Skill Schools: 51,193 beneficiaries with 2,526 enterprise groups.

Catalysts for Change, TNVKP 3.0

Training local volunteers helps collect data quickly, get fast feedback, and manage projects well. At the same time, raising awareness, involving local leaders, and including the community in planning build trust, reduce resistance, and increase participation.

Conclusion

Tamil Nadu Rural transformation project (TNRTP) Vazhdhu Kattuvom Project plays a vital role in reshaping rural development by focusing on self-reliance, skill enhancement and inclusive economic growth. By promoting entrepreneurship, skill development, women empowerment and sustainable livelihoods the project has significantly improved the socio-economic conditions of rural communities. Through initiatives like Community Skill Schools (CSS) and Community Farm Schools (CFS), the project has equipped rural populations with practical knowledge and economically stronger. By supporting local enterprises and empowering women and youth, TNRTP is fostering lasting change at the grassroots level. With continuous support, innovation and community participation, Tamil Nadu rural future appears more sustainable, resilient and prosperous.

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