Economic Model for Jonha Rural Economic Zone

Transform Rural India

LEAP

Johns Hopkins Gupta-Klinsky India Institute

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Partners

Transform Rural India (TRI) develops multi-stakeholder initiatives to trigger, nurture, and support community efforts to transform themselves. It seeds solutions and galvanizes the collaborative endeavor of Bazzar, Samaj, and Sarkar to rapidly transform opportunities for life advancement in villages.

Leap is a catalyst organisation building the capacity of ambitious leaders to confront the complexity underlying purpose-driven initiatives. Leap co-creates programs with partners, helping them integrate design expertise into existing ways of working and translate bold visions into transformative actions.

Collaborator

The Gupta-Klinsky India Institute (GKII) at Johns Hopkins University advances U.S.–India collaborations in research, education, policy, and practice. Its flagship initiatives span infectious and non-communicable diseases, climate, women in STEMM, data science and AI, and health systems strengthening. By convening universities, governments, and industry, GKII catalyzes cross-border partnerships to tackle shared global challenges.

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Prosperous Many

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The Prosperous Many is an initiative creating pathways for local stakeholders to design flourishing localities by asking a simple questions: what systems must be designed for many to prosper in rural India?

The Prosperous Many reimagines rural development models through a systems design approach that shapes Rural Economic Zones for investing in infrastructure not just as physical assets, but as a system that supports active participation in society and increases people's ability to earn. For years, rural development has focused on delivering government schemes and services to meet basic needs. But to create lasting change, we need to go beyond, building strong foundations that help communities take charge of their own futures.

Since 2023, Transform Rural India and Leap have been working with local communities, academics, policy-makers, senior executives, and funders to co-develop this model. It sees rural people not as passive recipients, but as capable leaders of change. Instead of relying on scattered schemes, the Prosperous Many focuses on strategic, placebased investments that can unlock long-term prosperity at scale. In 2025, the Gupta-Klinsky India Institute (GKII) at Johns Hopkins University began exploring collaborations to advance its growth and research. Bringing together diverse relevant background experiences, technical expertise, and knowledge types, these organizations join forces to expand traditional development efforts centered on aid and access into one that spins around agency.

This document captures the economic model for Jonha Rural Economic Zone. This model understands that Rural Economic Zones are structured around the unique assets and capabilities of particular geographies. It posits that dominant locations with high-order functions can stimulate growth through linkages to centers with lower-order services in areas of processing, aggregation, and supply chain development.

Place and Development Objectives

Jonha Panchayat, located 37 km. from Ranchi in Jharkhand, is the focus of the Foundation supported Rural Economic Zone (REZ) initiative aimed at transforming the rural economy. This area is rich in natural resources and agriculture. The REZ model in Jonha is spearheaded by a local compact of self-help groups, panchayat leaders, youth, and administrators, following a "Whole of Economy and Whole of Society" approach. The overarching vision is to make Jonha a vibrant rural economy with accelerated growth, diversified livelihoods, and improved incomes.

The key objectives for Jonha REZ are:

High GDP Growth:

Achieve an annual GDP growth rate of 15%, more than double of Jharkhand's ~6.4% and India's ~6% growth rate; demonstrating differential accelerated growth. This implies roughly doubling the REZ's economic output in five years.

Workforce Diversification:

Reduce overreliance on agriculture (currently ~80% of households in primary sector) by expanding secondary (manufacturing) and tertiary (services) employment. Engage youth in new enterprises and services to bring the primary-sector workforce to half of present levels.

Job and Income Growth:

Substantially increase household incomes and employment opportunities. The baseline average household income is about ₹65,000/year with most families in farming. The goal is to at least double average incomes (implying ~15% CAGR, aligning with the GDP growth target) and create new jobs in non-farm sectors, creating conditions of prosperous many.

These goals align with Jharkhand's broader development aims and India's mission to boost rural incomes.

Key Assumptions and Economic Framework

To build the economic model, certain assumptions and baseline figures as provided in the accompanying table

Parameter	Value / Assumption	Source
Population (Jonha REZ)	8530 (1430 households)	Baseline survey
Avg. Household Income (2025)	₹65,000 per year	Baseline survey
Workforce in Primary (agri)	~80% of households depend on agriculture	Baseline survey
Workforce in Secondary/ Tertiary	~20% (few local non-farm jobs)	Baseline survey
GP – GDP	~₹6 crore (estimated from incomes)	(~₹65k * 1,000 households)
Target GZP Growth Rate	15% per annum (real)	Objective (vs. JH ~6–7%)
Incremental Capital-Output Ratio (ICOR)	~3.5–4.0 (initially)	Similar to India's ICOR (FY22 ~3.5)
External Investment Inflows	Needed via govt, private, CSR funds	REZ will rely on external capital infusion

Economic Framework: *We employ a growth model drawing on the **Harrod-Domar principle**, where growth is driven by investment and its efficiency. **The Incremental Capital Output Ratio (ICOR)** is a key metric, it measures how much capital investment is needed for one unit of GDP growth. A lower ICOR means more efficient use of capital (higher productivity). We assume an ICOR of ~4 for the REZ initially (given a traditional rural economy), and aim to **lower the ICOR** through efficiency gains (institutions, technology, skills, better allocation) over time, meaning the zone can grow with slightly less capital per unit of output as productivity rises.*

REZ Approach has shown efficiency gains by unlocking the power of connected institutions of Community Based Organisations – Panchayats and Local Government, better resource allocation with community-driven approaches, infusion of technology, new ideas and structural shifts to secondary and tertiary sectors.

Growth Path and Investment Requirements

Table below outlines the projected Gram Panchayat GDP growth path for Jonha REZ over the next 5 years, along with required investment estimates based on the assumed ICOR. The projections are in real terms (constant prices). The base GDP is estimated at ₹6 crore in 2025 (index 100), and a 15% annual growth rate is applied.

Table : Projected GDP Growth and Investment Needs (Jonha REZ, 2025–2030)

Year (FY)	GDP (₹ crore)	Annual Growth (%)	Increment (₹ cr)	Est. Investment Required* (₹ cr)	Investment (% of GDP)
2024-25 (Base)	6.0	–	–	–	–
2025-26	(index 100)	15%	+0.9	~3.6 (ICOR 4.0)	~52% of 6.9
2026-27	6.9	15%	+1.0	~4.0	~50% of 7.9
2027-28	7.9	15%	+1.2	~4.8	~53% of 9.1
2028-29	9.1	15%	+1.4	~5.6	~53% of 10.5
2029-30	10.5	15%	+1.6	~6.4	~53% of 12.1
5-year Total	12.1	–	+6.1	~24.4 (cumulative)	–

Assuming an average ICOR ~4 in early years (investment = 4 * increment). Investment % will decline as ICOR improves with efficiency gains.

By 2029-30, the zone's output roughly doubles from ₹6 cr to ~₹12 cr (real terms). Achieving this requires cumulative new investments on the order of ₹24+ crore over five years. Initially, the annual investment needs are extremely high relative to local GDP, underlining the need for significant external funding (government schemes, development programs) to kickstart growth. This includes capital for infrastructure (irrigation, orchards, solar grid), enterprise development funds, and credit for businesses.

Importantly, as productivity improvements kick in (reducing ICOR), the dependency on brute-force capital investment eases. The model anticipates that improvements in efficiency (through technology adoption, skill training, and better resource utilization) could lower the ICOR closer to 3.0 by the latter half of the plan. Jonha's workforce shift to processing, trade, services and high value agriculture, diversification into livestock will mean more output per investment rupee. The target is an ICOR of 2.5 by year 5, then sustaining 15% growth would require ~50% investment/GDP instead of 60%. This gain in efficiency is vital for the sustaining high growth which is required for Jonha to catch with Rest of India. In practice, the front-loaded heavy investments (eg. building irrigation facilities, orchards, establishing enterprises) will pave the way for later growth with lower additional capital.

Investment Allocation by Sector

To drive balanced development, the investment needs are distributed across three focus sectors – Agriculture, Rural Enterprises, and Services aligned to their roles in the local economy. Table below presents an indicative allocation of the total ₹24 crore investment requirement by sector over 5 years, along with key investment components in each sector along with sources

Table 3: Investment Allocation by Sector (5-year total)

Sector	Estimated Investment (₹ Cr)	% of Total	Key Investment Components
Agriculture & Allied	8.0	~33%	Irrigation infrastructure (community wells, drip systems); orchards, protected cultivation, farm equipment & mechanization; high-yield seeds and inputs; formation of producer groups; orchards & agro-forestry development; storage/warehousing facilities, Nurseries and Farmer Field School, Clusters around Goat rearing, Dairy.
Mini/Nano Enterprises	10.0	~42%	Establishing small manufacturing units (food processing, bio-fertiliser production, dairy plant, lac processing); common facility centres with machinery; govt investments and credit for SMEs; training and incubation for MNRE startups; market linkage infrastructure (aggregation, packaging).
Services & Infrastructure	6.0	~25%	Service Station to deliver in-GP services, Market stand to create market of Jonha Produce, Tourism facilities (Jonha homestays); Digital service hub (e.g. WOW – Work Opportunities Wellbeing Hub), skill development at the Hub; renewable energy (solar mini-grid) as enabler; improvement of roads and transport connectivity; expansion of education and healthcare services (as enablers).

Note: Cross-cutting social infrastructure (strengthening Virasat Samiti, Youth Club+YAC) and physical infrastructure (roads, electricity, broad-band, waste segregation) is included under Services/Infra as it enables all sectors. Figures are approximate; actual allocations will be adjusted based on detailed project reports and absorptive capacity each year.

This allocation reflects a strategic focus: while agriculture involves the majority of people, over 60% of funds are directed to non-agricultural sectors (enterprises and services) to catalyze diversification. Agriculture gets one-third of investment to significantly raise productivity and incomes for existing farmers (so they can earn more with less labour). The largest share (~42%) goes to rural industrialization – mini and nano enterprises – as this is crucial for creating new jobs and value addition locally including setting need COPE (Community Owned Private Enterprises) with co-investments of Gram Panchayat and Cluster Federation. About a quarter of funds bolster services and critical infrastructure, which not only generates service-sector jobs (e.g. tourism, skill training) but also supports agriculture and industry (via roads, power, digital & logistics connectivity, etc.).

This balance ensures that while immediate livelihood improvements happen in farming (the current backbone), the high-growth momentum will come from emerging enterprises and services. It also aligns with the observation that services and technology-driven activities typically have lower capital intensity (lower ICOR), making them efficient engines of growth once initial investments in human and digital capital are made.

Prosperous Many : Sectoral Strategies to Boost Productivity and Incomes

Each of the three sectors has a tailored strategy under the REZ to achieve high growth and improve incomes. The approach is holistic – boosting productivity, creating new ventures, and ensuring market linkages – to maximize output and welfare.

1

Agriculture and Allied Activities

Although agriculture currently engages ~80% of households in Jonha, it is largely subsistence-oriented (single rainfed crop, low yields). The strategy is to transform agriculture into a **modern, income-generating sector** through intensification, diversification, and value addition:

Irrigation Expansion:

Water access is the biggest constraint in Jharkhand's agriculture, which is predominantly rain-fed. The REZ invests heavily in irrigation – community-managed solar powered lift irrigation, homestead wells, water-enterprises – irrigation as service, and land husbandry and harvesting structures to ensure rainfall is held in sub-surface and local acquifers. **Access to irrigation will triple gross crop output** (irrigated land yields ~2.7× net income of unirrigated land backed by introduction of new crops, varietal improvements). By year 5, we aim to irrigate an additional 200–300 hectares, ensuring farmers can grow multiple crops annually instead of one. This will raise irrigation intensity, cropping intensity and overall output.

High-Value Crops & Diversification:

Farmers will be supported to shift from low-value staples to **high-value agriculture (HVA)** like vegetables, fruits, spices, and floriculture. This is backed by introduction of Protected Cultivation on large scale. HVA crops achieve 3.3 times the gross sales per ha. compared to traditional crops. Jonha's mild climate and upland are suitable for horticulture (e.g. mango orchards, offseason vegetables). By year 3, at least 50% of households should be growing some HVA crops. Additionally, Organic (under Jonha Organics brand) and allied activities like **dairy, poultry, goat-rearing,** and **fisheries** are getting launched through Producer Groups, Milk Collection Centres, Goat Collars to rapidly increase farm incomes and utilize by-products.

*Overall, the agriculture strategy aims for **annual growth ~20% in agricultural GDP**, through a combination of yield increases, cropping intensity (from 1 to 2-3 crops/year on irrigated land), and higher-value outputs. Farm household income will rise substantially, already significant annual income increases due to protected farming, nurseries, diversified cropping, new orchards, and irrigation. The engagements around agriculture and allied has shown an impressive results of increasing agriculture productivity of ~20% (varied with different crop type) and HH income increased by ~10%.This shows agriculture will rapidly shift from a subsistence livelihood to a profitable enterprise.*

Farm Productivity and Training:

Introduction of protected cultivation, new crops (strawberry), agro-ecology-fit seeds, bio-fertilizers, and farm mechanization (power tillers, drip and sprinkler irrigation) will increase yield per unit. Training programs and demonstrations will be conducted on modern farming techniques, soil health (biochar-stabilised bio-fertiliser application, Integrated Nutrient Management backed by sol testing and Soil Health Cards), and climate-resilient practices. We expect yield improvements of 20–30% in staple crops and faster adoption of multiple cropping. Extension services will ensure farmers are advised on crop planning and pest management, improving efficiency.

Aggregation and Value Addition:

To raise farmer incomes, **value chain development** is key. The REZ engages with local Farmer Producer Organizations (FPOs) or cooperative to aggregate produce. A women **agro-processing unit** has been set up to process pulses and range of market-ready dried products, etc., capturing more value locally. Similarly, a small rice mill will be established to process paddy. By reducing raw sales and doing primary processing in the village, farmers can earn a higher share of the final price. Cold storage and warehousing will be deployed to minimize post-harvest losses and capture value.

Market Linkages and Price Realization:

The REZ will link Jonha to larger markets in Ranchi and beyond. This includes augmenting weekly haat, market stand to tap tourists and highway travellers apart from attractin bulk-buyers. Ensuring farmers and processors in Jonha get better prices. In Jonha, we target at least a 20% increase in farmgate prices through better market access (via FPO, Market Stand reducing middlemen and quality improvements).

2

Mini and Nano Rural Enterprises (Local Manufacturing)

Developing rural enterprises is critical for job creation and to absorb labour released from agriculture. Mini and nano enterprises are village-based manufacturing or processing businesses – typically employing a few people and requiring modest capital. Jonha's enterprise development strategy includes:

Identification of Enterprise Opportunities:

Based on local resource endowments and skills, the following potential industries have been identified:

Food Processing: Processing of local farm produce (as noted above) – e.g., setting up a **vegetable dehydration unit**, puffed rice making, or a mini **dairy processing plant** for milk from local cattle. This not only adds value but creates non-farm jobs

Handicrafts and Traditional Products: Leverage local art or craft skills (such as bamboo craft, pottery, for producing handicrafts or artisan products to be sold to tourists or exported outside. Support will be given in design, quality improvement, and marketing for these crafts.

Construction materials or Carpentry: With infrastructure development, there could be demand for building materials – e.g., a micro brick-making unit, or carpentry/furniture unit using local timber and bamboo for rural housing and tourism facilities.

Repair and Fabrication Shops: youth to start small motor-repair workshops, metal fabrication shops (for gates, tools, etc.). These will create self-employment and also support the local economy's needs.

Renewable Energy & Environment: Enterprises around solar panel installation/maintenance, biogas units, and processing of forest produce like medicinal plants, honey, lac cultivation is planned.

Enterprises on Food and Beverages: to promote food trucks, vending carts, hotels, Didi Canteen, café aimed at enhancing the **culinary experience for tourists** while also serving **local citizens**

Credit and Capital Access:

REZ will leverage schemes like **Mudra loans, CM/PMEGP** and state rural enterprise missions to provide subsidized credit to aspiring entrepreneurs. From the ₹10 cr allocated to this sector, a portion forms a **revolving fund or grant support** for, say, 50–100 nano enterprises over 5 years. Each enterprise might get a seed investment of ₹5–10 lakh either as soft loan or matching grant. In addition, banks will be nudged (through SRLM, District Administration) to increase credit in this area.

*Through these efforts, the **manufacturing/enterprise sector in Jonha is expected to grow at 20%+ annually,** as it is starting from a very low base. New enterprises will contribute a growing share of GDP – rising from <10% of the economy to about 20–25% by 2030. This sector will be a major job creator: we estimate on the order of **200–300 new direct jobs** from the enterprises initiated (not counting indirect jobs). The early success is promising – already **150+ local youth have been trained and placed in various jobs** (some likely in nearby towns/industries) and **85 new entrepreneurs are active** with incubation support. Almost ~6% workforce has shifted to Secondary/Tertiary sector with average income increase of ~35%. Building on this, the REZ will continue to channel the energy of youth into entrepreneurship and skilled trades, reducing reliance on traditional farming.*

Training and Incubation:

The REZ established a **business incubation center** (integrated in the WoW Hub with Asset Leasing, Micro-equity) to support aspirant youth and women entrepreneurs across entrepreneurship journey training (business planning, accounting, marketing). **150+ entrepreneurs** are targeted to be nurtured. Technical training (e.g., food processing techniques, machine operations) will be imparted in partnership with PARFI, RSETI, ITIs and skill missions. Aim is for at least **50–100 new small businesses** to be established or expanded in the REZ by 2030, spanning the domains listed above.

Infrastructure and Common Facilities:

To overcome scale constraints, REZ will develop **common facility centers (CFCs)**, a small industrial shed with shared machinery that can be rented by local manufacturers. Agro-processing Centre, Bio-fertiliser Unit has been established. A shared craft workshop with tools and electricity that artisans share; these CFCs enable productivity and reduce the capital each enterprise needs (effectively improving ICOR in the sector). The investment plan includes these.

Market Linkages and Cooperatives:

The REZ will facilitate participation of local enterprises in trade fairs, e-commerce (selling online), and contracts with larger firms. A local **“Brand Jonha”** will be developed to market products (organic foods, handicrafts) highlighting the community story, tapping into urban consumers’ interest.

3

Services Sector Development

The services sector in a rural context includes a broad array of activities: retail trade, transportation, education, healthcare, tourism, IT/BPO services, and public services. Currently, services are underdeveloped in Jonha (apart from basic shops and the public school/health center), yet they are critical for a modern rural economy and can provide many employment opportunities (often with lower capital needs). Our strategy for services is multi-pronged:

Tourism and Hospitality:

Jonha is home to the scenic Jonha Falls and surrounding natural landscapes, which have potential to attract tourists. REZ will develop eco-tourism as a niche service industry:

- Improve the tourist facilities at Jonha Falls – build or upgrade viewpoint platforms, walking trails, sanitation facilities
- Setting up community-run homestays or guest houses in the village to allow visitors overnight stays (possibly 5–10 rooms by Year 3, run by local families or a cooperative).
- Train local youth as guides and hospitality service providers. By Year 3, we target at least 20 youth employed in tourism (as guides, drivers, homestay staff).
- Promote local cultural experiences (tribal dance, crafts) as part of the tourist offering, linking back to handicraft enterprises for souvenir sales.
- Marketing the location through Jharkhand Tourism and social media, aiming to increase tourist footfall by 50% in 5 years. Tourism can significantly boost incomes – even a few thousand tourists annually can inject lakhs of rupees into the local economy through spending on lodging, food, guides, and purchases.serving local citizens

Digital and Financial Services:

A cornerstone of the REZ is the "Work Opportunity Well-being" (WoW) Hub – a state-of-the-art facility established to provide digital access, career services, and enterprise incubation. This hub will serve as:

- A digital service center where villagers can access internet, e-governance services, and online marketplaces. It will have computer terminals and staff to assist in tasks like online applications, banking (CSC – common service center model).
- A training center offering courses in computer skills, Digital & AI, and other vocational skills to make youth employable in the modern economy. By connecting to external networks, the hub can help place youth in jobs (continuing the success of the 150 youth placed so far). We plan regular sessions on career counselling, interview preparation, etc.
- An enterprise incubator – providing space and mentorship for small startups (as mentioned under enterprises). It will host workshops and guest mentors (e.g., successful entrepreneurs from Ranchi) to guide locals.
- A financial services kiosk – facilitating bank correspondents, micro-insurance, and credit linkages so that financial inclusion improves. The goal is that by 2028, every household in the REZ has access to credit/insurance products.
- Community programs – the WoW Hub also offers recreation (sports, library) and youth engagement activities, indirectly contributing to a more vibrant, educated community ready to participate in growth.

Overall, the services sector is expected to be the fastest-growing segment, potentially 25% growth per year, albeit from a small base. By 2030, services could contribute ~30% of the REZ's GDP (up from perhaps 15% now) and provide many new jobs especially for youth and women (in education, retail, hospitality, etc.). Services are also crucial for improving quality of life – better access to information, healthcare, and finance – thus making the growth inclusive. The emphasis on collaboration, innovation and local leadership in implementing these service hubs is already evident in Jonha.

Education and Healthcare Services:

Improved human development is both a means and end of economic growth. The REZ plan includes strengthening the local school (upgrading it with digital classrooms via CSR funding), already community libraries and in partnership with Anudip Foundation a vocational training center has been established. In partnership with Godrej Industries at the PARFI centre a machine-tools training facility has been established. Healthpreneurs have been launched and the local HWC is being supported to ensure a healthier workforce. These investments aren't directly counted in GDP growth but improve productivity and welfare (and create some skilled jobs).REZ by 2030, spanning the domains listed above.

Transportation, Logistics and Trade Services:

With better roads there is opportunity to grow transport services – e.g.e-rickshaw, mini-transport vehicles operated by locals for ferrying goods and people. As the local market grows, retail trade will expand – more shops, eateries, etc. We anticipate 20+ new small shops/eateries opening as incomes rise (some run by those returning from outside jobs).

Employment Generation and Workforce Diversification

A core outcome of this economic model is a transformed workforce structure in Jonha. In 2025, about 80–85% of households depended on agriculture, indicating an over-concentration of labour in low-productivity farming. By 2030, we target a much more diverse employment distribution, as summarized in Table below.

Table: Projected Workforce Distribution by Sector – Jonha REZ

Sector	Approx. % of Workforce in 2025 (Baseline)	Target % of Workforce in 2030	Jobs Growth (2025→2030)
Primary (Agri)	~80% of households (informal family labor)	**~55–60%**	family labour reduces slightly as some shift; productivity gains mean fewer people can produce more).
Secondary (Manufacturing)	~10% (very few local industries)	**~20%**	~200→ ~700 jobs. New jobs from ~50+ micro-enterprises (2–5 jobs each) and agro-processing units, plus construction jobs during infra projects.
Tertiary (Services)	~10% (shops, teachers, etc.)	**~20–25%**	~200→ ~800+ jobs. New jobs as teachers, healthcare staff, tourism (50+ jobs), transport, retail (20+ shops), digital/IT services, and placements in external firms via skill programs (e.g., youth placed in city jobs).
Total Workforce (approx.)	~2000-2500 workers (un/ underemployed and migration)	**~3500 full workers**	Net addition of ~1000 employed persons as youth enter workforce and migration out is reduced.

Note: These are rough estimates for illustration. Many farm workers are seasonally underemployed, so a key change is shifting a couple of family members per farm to new occupations, rather than everyone leaving farming. The labour force may grow slightly due to population growth and increased female participation (which is being encouraged via SHGs and micro-enterprises).

By 2030, we expect hundreds of new jobs to be created in non-farm activities – at least 500–6fra00 in enterprises and services each, as detailed above. This will absorb new entrants (youth joining workforce) and allow some existing farm workers to transition. The target is to reduce agricultural workforce dependence to ~60% or below. This does not mean a collapse in farming – rather, farming becomes more efficient and often part-time or combined with other income sources. For example, a household might continue farming on their improved irrigated land (with one member managing it) while another member works in a processing unit or a shop.

Crucially, those who remain in agriculture also benefit: with better techniques and market linkages, farmer productivity and income per worker rise, so fewer people can produce the same output. This is evidenced by the REZ pilot – even though 85% of households were still engaged in agriculture after initial interventions, their incomes had significantly increased due to productivity gains. We anticipate a similar pattern: agriculture's share of employment drops modestly, but its share of income might not drop as much because each farmer is earning more.

Youth Employment: A special focus is on engaging youth in skilled jobs. The REZ's training and placement efforts aim to place at least 250+ youth in gainful employment over 5 years – some locally (in new enterprises, schools, clinics, tourism) and some in nearby urban centers (leveraging the digital hub's connections). The earlier phase already placed ~150 youth, so building on that momentum, we expect many of the new service jobs to be filled by local young men and women, including those who might otherwise migrate out.

Women's Participation: The model also seeks to increase female workforce participation through SHGs and women-led enterprises (handicrafts, food processing, dairy, goat, food-processing and sale). This willraise the effective labour force and incomes (which is part of inclusive growth).

In summary, by 2030 the Jonha REZ will showcase a structural transformation on a micro-scale: from an almost exclusively agrarian economy to a more balanced rural economy with a significant non-farm sector. This diversification is essential for resilience and higher incomes.

Implementation Timeline and Milestones

The REZ development plan will be implemented in phases over the five-year horizon. Table below outlines a timeline of key initiatives, investments, and expected milestones by year:

This timeline ensures that foundational investments (infrastructure, institutions) occur early, yielding results in later years, while each year also brings new initiatives on board. By sequencing in this way, quick wins (like skill training placements) are achieved to build momentum, medium-term projects (like processing centers) come in by mid-plan, and refinements happen in later years. Regular monitoring and an adaptive management approach are built in to keep the program on track.

Implementation Timeline for Jonha REZ

Year	Key Initiatives & Investments	Expected Milestones/Outcomes
Year 1 (2024-25)	• Detailed baseline survey and planning exercise • Formation of Locality Compact (Virasat Samiti), Youth Club and sector-specific working groups • Launch of irrigation works (dig 50 wells, begin check dam construction, solar lift irrigation) • Set up WoW Hub with computer center and start skill training programs • Identify 10 pilot micro-enterprises and extend seed funding (through SHGs or youth groups) • Improve access road by leveraging PMGSY funds	• Baseline data established; Community institutions in place. • Irrigation extended to 50+ hectares (dry season crop possible). • WoW Hub operational – first batch of 50 youth trained in digital and vocational skills. • 10 new enterprises (e.g. agri-processing, tailoring unit) started, creating ~30 jobs. • Road connectivity improved, reducing travel time to Ranchi market by 20%.
Year 2 (2025-26)	• Complete first phase of irrigation (2 small check dams operational, 100 wells total) • Formation of Youth club to ensure youth participation in planning process and economic activities • Introduce high-value crops (vegetable and fruit orchard campaigns covering 100 farmers) • Establish Agro-Processing Center (processing unit for pulses, spices, rice etc.)) as a common facility • Establishment of 'Panchayat invested' Bio Fertilizer manufacturing private company • Setup Hi-tech nursery and Farmer Field School • Launch homestay/tourism initiative: train 10 families, upgrade tourist site amenities • Expand enterprise support: additional 15 micro-enterprises receive credit/ incubation (including dairy cooperative and craft units)	• At least 150 ha brought under irrigation, enabling multi-cropping. • Youth Club in place • Dozens of farmers start market-oriented HVA crops (e.g. 50 acres of vegetables planted). • Agro-processing center running – local value-add begins (by year-end, 20% of produce processed). • Bio Fertilizer unit operational- creating revenue share for the panchayat • Tourism: 5 homestays established; tourist facilities upgraded (expected 25% increase in visitors next year). • Total ~25 new enterprises running; ~80 non-farm jobs created cumulative.

Year	Key Initiatives & Investments	Expected Milestones/Outcomes
Year 3 (2026-27)	• Scale up diversification: more farmers join FPOs, additional 100 acres of HVA or orchards planted (possibly with govt horticulture scheme support) • Village marketing infrastructure: establish weekly farmers' market and an e-market portal for Jonha products • Manufacturing hub: set up small industrial shed housing 5–6 workshops (carpentry, welding, etc.) with shared utilities • Push on skilling: trade apprenticeships started (in carpentry, electricals, etc.), second batch of 50 youth placed in jobs via WoW Hub • Health/Education: Upgrade local health sub-center, introduce digital learning tools in school (with CSR funds) • Market stand: providing a common space for local sellers, tourist to get services and products, tourists support services • End-to-end entrepreneurship support system for aspirants- 3	• Agricultural output surges (~15% growth) as irrigation and HVA expansions bear fruit; noticeable rise in farm incomes. • FPO formed and directly marketing produce – farmers' share of consumer price up by 15%.* • Industrial shed completed – by year-end, 5 new workshops operational employing 20+ people. • Skilled workforce growing: another 50 youth in formal jobs or self-employed trades. • Improved health and education services leading to better human development indicators (e.g. reduced sick days, higher school retention). • Established market stand providing access to local product and services to consumers • 85 Entrepreneurs running enterprises, creating additional employment
Year 4 (2027-28)	• Consolidation and growth of enterprises: some successful micro-units scale up (from nano to mini enterprise, hiring more staff); provide second-round funding to high-performers • Expand tourism offerings (develop trekking route, local museum showcasing culture, etc.) to lengthen visitor stay • Achieve full village electrification and broadband connectivity (possibly through solar micro-grid and government fiber scheme) • Financial inclusion: ensure all families linked to banks, introduce crop insurance and livestock insurance widely • Mid-term evaluation and course-correction workshop with all stakeholders	• Non-farm sector now robust – ~50+ enterprises thriving; some have grown to employ 5–10 people each. • Tourism footfalls doubled from baseline; ~50 people derive income from tourism and allied activities. • Infrastructure near complete: reliable power and internet available, boosting efficiency for all businesses and services. • Financial safety nets in place (80% farmers insured; credit flow to MSMEs increased by 50%). • Review shows GZP growth on track (~15%); minor strategy tweaks implemented for lagging areas.
Year 5 (2028-29)	• Final push to achieve targets: focus on quality and sustainability • Continue investment in any remaining gaps (e.g., marketing tie-ups for products, advanced training for entrepreneurs) • Document the Jonha REZ model for replication in other panchayats • Transition plan: hand over many initiatives to local institutions (panchayat, cooperatives) for long-term management • Grand exhibition/event showcasing the 5-year outcomes (invite policymakers, investors for future support)	• Targets achieved: ~15% annual GDP growth sustained; economy ~2x larger than 5 years ago. • Household incomes doubled on average (from ₹65k to ~₹130k in real terms). • Workforce diversified: ~40–45% now in non-agricultural work (up from 20%). • Panchayat and community bodies are capable of sustaining the growth (institutional capacity built). • Model ready for scale-out – neighbouring areas already adopting elements of Jonha's REZ strategy.

Prosperous Many Outcomes

At the end of five years, the Jonha Rural Economic Zone is envisioned to be a **model of rural prosperity** characterized by:

Exponential Economic Growth:

A local economy growing ~15% annually, effectively doubling its size in five years, far outpacing state and national growth rates. (For context, Jharkhand's own vision is to become a ₹10 trillion economy by 2029-30, requiring ~14% nominal growth – Jonha's achievement in real terms would be outlier microcosm of such ambition.) The high growth is underpinned by both capital investments and sharp improvements in productivity, resulting in a much lower ICOR over time – meaning Jonha can continue growing without unsustainable capital needs, thanks to innovations and efficiencies introduced.

Diversified and Resilient Livelihoods:

No longer is the community almost solely dependent on low-productivity farming. By 2030, a significant portion of income comes from small industries and services. Agriculture itself is more profitable and resilient (due to irrigation and crop diversification), while a large number of families have additional income sources in enterprises or salaried jobs. The workforce is more skilled and adaptable, with youths taking on roles as entrepreneurs, technicians, guides, and digital service providers. Such diversification enhances resilience against shocks – if a drought hits agriculture, many households still have non-farm income to fall back on.

Improved Incomes and Living Standards:

The average household income is projected to increase 2–2.5 times from the baseline (real incomes doubling, and possibly even tripling in nominal terms if inflation is counted). Poverty rates would drop significantly. The saturation approach to development – ensuring every household is reached by one initiative or another – means the growth is inclusive. Already in the pilot phase, household incomes showed significant annual increases due to the REZ interventions, and this will compound over five years. Higher income has translated into better living standards – housing improvements, more children in school, better nutrition – creating a virtuous cycle of development.

Institutional and Social Development:

A perhaps less quantifiable but crucial outcome is the strengthening of local institutions and social capital. Through the REZ initiative, the community has organized into SHGs, cooperatives, and the Virasat Samiti (compact) to take charge of development. There is greater convergence of efforts (breaking silos between different programs). The panchayat's capacity to plan and execute projects has improved, which bodes well for sustaining progress beyond the project period. Youth and women are more engaged in leadership roles (e.g., running hubs, enterprises), ensuring whole-of-society participation. The Jonha experiment places a strong emphasis on collaboration and local leadership, leaving behind empowered stakeholders who can continue the momentum.

Blueprint for Other Gram Panchayats:

Jonha REZ will serve as a demonstration model that can be replicated in other rural areas of Jharkhand and India. The integrated approach – combining economic activities with community well-being and infrastructure – has shown promise in Jonha. Documentation of this model will provide a template on how to accelerate rural growth by focusing on key sectors, leveraging design and innovation, and mobilizing investments. In a state where over half the labor force is in agriculture and incomes are among the lowest, scaling such models could be transformative for many communities.

The 5-year economic model for Jonha REZ is a comprehensive plan of local community institutions (SHGs, PRI), smart investment-driven growth (infusion of technology) with structural change in the rural economy. By channeling resources into agriculture, enterprises, and services in a balanced way, and by underpinning these with improvements in human capital and infrastructure, the model achieves a rapid and sustainable growth trajectory. The result by 2030 will be a Jonha that is not only economically stronger (15% growth p.a.) and more diversified, but also socially and institutionally advanced – truly a "vibrant village" showcasing what rural transformation can look like in the 21st century.

Financial Analysis: Jonha REZ Investment

The economic transformation initiative in Jonha Panchayat was catalyzed by strategic philanthropic investment by the Pirojsha Godrej Foundation. Over two years, this investment helped mobilize ₹57.6 crore in total resources—including public, private, and community contributions and expanded additional ₹7 crore in annual income capacity across enterprises and value chains.

Public investments mobilised is provided in the table below;

Source of Investment (Govt.)	2024-25	2025-26
MGNREGS	₹3,150,000	₹9,220,000
Irrigation	₹3,750,000	₹1,500,000
15 Finance Commission	₹2,100,000	₹2,000,000
Wells	-	₹12,455,000
Entitlements	-	₹18,000,000
SHG Grants	-	₹10,540,000
Plantations	-	₹18,578,950
Agro-processing unit	-	₹3,000,000
Total	**₹9,000,000**	**₹75,293,950**

The engagement has unlocked an investment of Rs. 7.5 cr from public programmes in Jonha for agriculture infrastructure, rural infrastructure, direct Benefit transfers and enterprises.

Philanthropic Grants	Economic Diversification	Catalytic Physical Infrastructure	Total Leverage
GODREJ	₹20,09,660	₹12,786,547	₹14,796,207
Others	₹1,745,000	₹3,087,000	₹4,832,000
		Total Grant	₹19,628,207

The philanthropic investment of Rs.1.9 Cr. has catalysed Rs.10.1 Cr in total in Jonha with a leverage ratio of 1:5. 932 HH in engaged in Primary sector (HVA), 401 HH engaged in secondary/tertiary sector (in jobs and enterprise). 160 youth supported through skill trainings and 150+ are engaged in employment has supported 85 entrepreneurs through capacity building, linkage to finance and market. Female labour force participation has increased from 45.8% to 49.8% in a year of REZ engagements. REZ has established an income potential of 7 Cr.

Applying a 10% discount rate to ₹7 crore of annual net income over 5 years yields an NPV of approximately ₹29 crore, indicating substantial long-term value creation on the philanthropic investment. The Internal Rate of Return, based on the same cash flow, is estimated at well over 100%, indicating that the donor investment achieved extremely high economic productivity and returns.

Impact Return on Donor Investment:

The Godrej Multiplier

From an impact perspective, the Godrej Foundation's support demonstrated extraordinary leverage, it has;

Activated economic infrastructure (e.g., value chain actors, service hubs)

Established institutional ecosystems (e.g., Virasat Samiti, Youth Clubs)

Generated recurring incomes

Demonstrated a systems-based rural transformation model

Investing In More Prosperous Futures

This initiative marks the beginning of a new paradigm in rural development—one that is less about what rural areas are and more about what they might become.

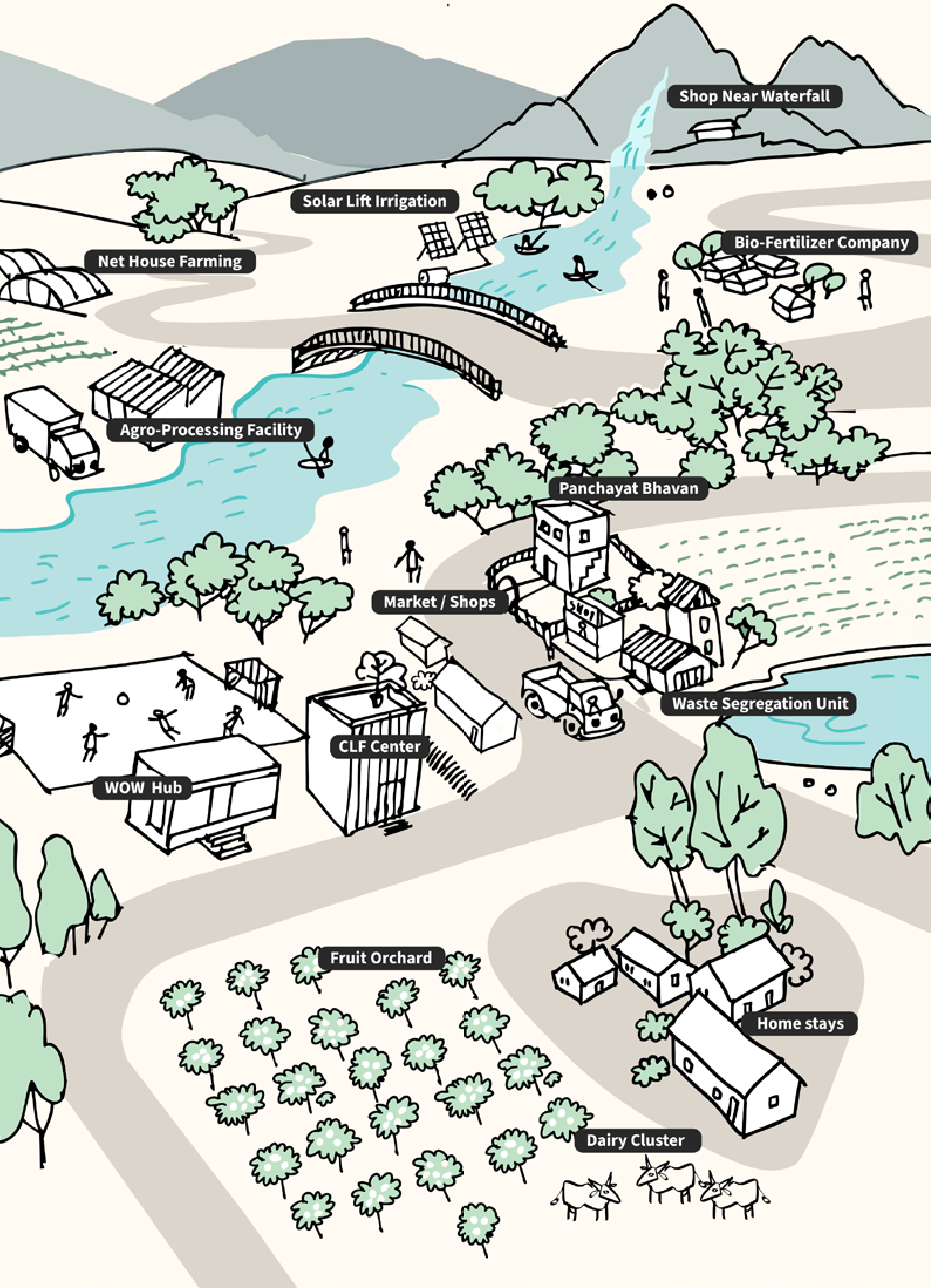
The Jonha REZ pilot provides a template for scaling collective agency approaches across different contexts. The documentation of processes, institutional arrangements, and economic outcomes creates a knowledge base that can inform similar initiatives in other locations.

This has significant implications for rural development policy and investment, suggesting that sustainable development requires building local capabilities for resource generation and coordination rather than simply delivering services through external programs. Several leaders in the private sector have begun to join forces around this emerging paradigm. For example, the Promote Giving initiative.

The future of rural India—and indeed the future of India itself—depends on our willingness to embrace these new paradigms and act upon its transformative potential. The path forward requires continued commitment to this multidisciplinary approach, recognition that prosperity emerges from the interaction of multiple capitals, and the amplification of the capacity rural communities have in shaping their own futures.

As the nation moves toward its 2047 vision of shared prosperity, the shift from serving the prosperous few to creating conditions for the prosperous many requires exactly this kind of systemic approach—one that recognizes rural communities as agents of their own development and creates the infrastructure necessary for them to exercise that agency effectively.

In this sense, we are witnessing the emergence of a new way of thinking about the relationship between people, place, and programs. We owe it to future generations to act upon this new way of thinking, to scale these approaches, and to create systemic change that enables millions to prosper or leave a “virasat”, word so appropriately chosen by Jonha community.



Shop Near Waterfall
Solar Lift Irrigation
Bio-Fertilizer Company
Net House Farming
Agro-Processing Facility
Panchayat Bhavan
Market / Shops
SHOP
Waste Segregation Unit
CLF Center
WOW Hub
Fruit Orchard
Home stays
Dairy Cluster