



RESEARCH ARTICLE

COMPARISON BETWEEN RURAL AND URBAN INDIA A CRITICAL ANALYSIS

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ABSTRACT

We find huge divisions in India; most prominent being the divide of Bharat and India i.e., the nation of rural people and India represents urban people. The major part of the poor consists of rural poor. The benefits of Economic successes have not percolated down to all parts of the society and the reason is that all sectors have not yet been integrated in the loop of economic growth. India's economic growth is urban-led, with the gaps in living standards between the cities and countryside widening the recent years. An important aspect of generating "inclusive growth" is shifting the target of government aid to rural areas. Typically, large projects such as power generation, roads whereby freight can travel, and airports receive the lion's share of government subsidies, while rural infrastructure receives comparatively little. Rural infrastructure, which serves 70 percent of the population, doesn't get the attention it deserves. There is an increasing feeling that only few sections of the population such rich and middle class particularly in urban areas, corporate sector, foreign institutional investors, IT sector have benefited from the economic reforms. But there is an important element of inclusive growth, which is related to whether the benefits of overall productivity expansion result in higher private earnings for all groups within the economy. In short, to what extent will individuals in rural areas and, within rural areas, those not endowed with substantial land or other physical resources, benefit from expanding productivity through access to better paying and more secure employment? This is an active and growing area of research that is also of substantial interest to policy makers. The key components of the 'inclusive growth of rural India' strategy requires a sharp increase in investment in rural areas, rural infrastructure and agriculture, spurt in credit for farmers, increase in rural employment through a unique social safety net, and a sharp increase in public spending on education and health care. The high growth rates witnessed in recent years would become unsustainable if growth is not made inclusive and uniformly spread across the country. The urban-rural divide has to be bridged and rural areas integrated with the economic processes to ensure equitable and inclusive growth in rural India.

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INTRODUCTION

The advocates of economic reforms argue that the new India is where things are happening. We see all-round progress. Our per capita income has increased, poverty levels are down, life expectancy has doubled, infant mortality, child mortality and maternal mortality rates are down, education levels are up, death rate are in the range of developed countries and birth rate are in control, we are on the verge of getting demographic dividends. But there is a negative side of this story also. Regional disparities, income inequality are on rise. India remains low on human development and the Human Development Index ranks us 130 HDR 2014. We still have starvation deaths and farmers suicides. What is the true picture?

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The answer is that the Indian development model has been lopsided and while a lot of good has been happening, the fact that 68.7% of the population earns less than \$2 a day is a dark reality. While the government has a lower number, it cannot be denied that we are low on development. Over 600,000 villages in India are home to nearly 840 million people, the majority of whom live below poverty levels, are malnourished and merely survive. Merely transferring resources from one head to another, which has been done, cosmetically sometimes, by politicians has not changed much. They must be given the option of living and working on jobs in non-agricultural sectors, jobs that guarantee the basic subsistence for themselves and their families. So what can be done. A question that India's government will have to grapple with, much like that of any emerging market, is whether to continue to focus on GDP growth in the face of soaring income inequality. An important aspect of generating "inclusive growth" is shifting the target of government aid to rural areas.

Comparison of rural areas and urban areas

a. Growth in income

In an article in *Alternative Economic Survey*, Kripa Shankar has shown that it results in the further widening of the divide, as the following data relating to agricultural and non-agricultural gross domestic product (GDP) at 1980-81 prices indicate. The GDP per agricultural worker was Rs.2,442.49 in 1950-51, followed by Rs.3,196 in 1970-71 and Rs.3,627 in 1995-96. The GDP per non-agricultural worker rose sharply from Rs.4,469.63 in 1950-51 to Rs.9,179 in 1970-71 and to Rs.16,715.08 in 1995-96. There has been a further steep rise after the Central government accepted the Structural Adjustment Programme. While the GDP per agricultural worker rose from Rs.3,544.98 in 1990-91 to Rs.3,627 in 1995-96, the per non-agricultural worker rise was from Rs.14,660 to Rs.16,715.08 during the same period. The data tend to show that the ratio between the agricultural output per farm worker and the average output per non-farm worker, which was 1:1.83 in 1950-51, rose to 1:4.6 in 1995-96. Another way of looking at this situation is the share of rural and urban sectors in total GDP of India. In 1970-71 share of rural economy was 62.4% and that of urban economy was 37.6% and by 1999-2000 this has become 48.3% and 51.7% for rural and urban sectors respectively

Prof. Amartya Sen in his book 'An uncertain glory: India and its contradictions' compares primary, secondary and tertiary sectors of India. And results are very interesting. He considers an index=100 for all sectors and captures the changes in index over a time period of 60 years. Index for primary sector has increased from 100 in 1950-51 to 545 in 2010-11, 5.45 times. While in the same time period index for secondary and tertiary sectors have increased to 3113, 31.13 times and 3426, 34.26 times respectively. This shows the negligence and backwardness of rural sector as most of the secondary and tertiary sectors are in urban areas.

G.D.P. at constant price (1950-51=100)

Sector	1950-51	2010-11
Primary	100	545
Secondary	100	3113
Tertiary	100	3426

Source: An uncertain glory: India and its contradictions by Amartya Sen & Jean Dreze

Agricultural and rural development investments account for 10 per cent of the total investments in the country. The neglect of agriculture and allied sectors is evident from the budgetary allocation. It has never been more than 20 per cent, while population residing and dependent on rural and agriculture sector has always been more than 70%. In 2011-12 the Central and State governments spent Rs.447857 crores on agriculture and allied activities and rural development which is 11.9% of total plan outlay. The agriculture sector has been neglected. The small and marginal farmers have evolved survival mechanisms and are engaged in diversified subsistence farming

b. Rural-Urban Demographic Divide

India, a developing economy of over 1.2 billion people, recorded a relatively high economic growth during 1980-2000, especially during the 1990s. From the below Table, we can

understand that rural population constitute more than two-third of the total population of India. But with respect to other development indicators rural India is far behind. This we can understand from the following socio-development indicators.

Population of India 2011

India	Total
Total	1210.2 millions
Rural	833.3 millions (68.8%)
Urban	377.1 millions (31.2%)

Source: Census of India (2011)

If we read this data along with G.D.P. contributions of various sectors, it can be easily seen why rural India is backward and poor, because it has to support a large population with a very small share in national income. In 2014-15 agriculture and allied sectors contribution in total gross value addition was 17.1 % only.

c. Sex Ratio

The sex ratio is the proportion of females to males in a given population, usually expressed as the number of females per 1000 males. In India the sex ratio as per 2011 Census is 940 female per 1000 males. In rural area this number is 947 females per 1000 males but in urban area this ratio is lower than all India average.

This obviously shows that the urbanization process in India does not bring desired social changes and did not bring any positive attitudinal change towards women. Advanced technologies influenced the urban masses to terminate the girl child in the foetus itself. High mortality of women during pregnancy is also one of the reasons for low sex ratio. This argument can be substantiated by looking at the overall maternal mortality rate in India. This coupled with gender bias at health care and less social attention to girl child results in missing women

Sex Ratio India 2011

India	940
Rural	947
Urban	926

Source: Census of India, 2011

d. Literacy Rate

Literacy is an effective tool for empowerment. The following factors like women's education, women's ownership pattern, employment opportunities and the working of the labour market are important for empowerment. If human beings are educated their productivity will increase and they concentrate on their well-being. In India, according to census 2011 only 67.77 % of people are literate in rural areas, whereas this percentage is higher in urban areas, which accounts for 84.11%.

Literacy Rate India 2011

	Total	Male	Female
India	72.99%	80.89%	64.64%
Rural	67.77%	77.15%	57.93%
Urban	84.11%	88.76%	79.11%

Source: Census of India, 2001

In rural areas percentage of male literate is 77.15 while for urban areas it is pegged at 88.76. But literacy among women in rural area is very low. This also contributed to the low development of socio-economic indicators in rural areas. In spite of several measures taken by both central and state government, literacy rate remains to be low in India, particularly in Rural India. This is reflecting in all educational indicators also.

e. Health Disparity in Rural and urban sectors

Crude Birth Rate

Crude Birth Rate (CBR) is defined as the number of live births in a given period per 1000 people in the same period; it is usually expressed per year. As per the 2011 Census of India, CBR in total is 17.6 whereas for urban it is 17.6 and for rural it is 23.3. In rural India Crude Birth Rate (CBR) has always remained higher than the urban India

Trends of CBR in India (CBR 1000 Population)

Year	Rural	Urban	Combined
1971	38.9	30.1	36.
1976	35.8	28.4	34.9
1981	35.6	27.0	33.9
1986	34.2	27.1	32.6
1991	30.9	24.3	29.5
1996	29.3	21.6	27.5
2001	27.1	20.3	25.4
2011	23.3	17.6	17.6

Source: SRS Bulletin, various years.

Crude Death Rate

The Crude death rate (CDR) is defined as the number of deaths per 1000 people in a given year. The table given below, reflects the declining trends in the CDR. The overall CDR declined from 14.9 percent in 1971 to 7.1 percent in 2011. The rate of reduction in rural areas from 16.4 percent to 7.6 percent which is higher than that in urban areas (from 9.7 percent in 1991 to 5.7 % in 2011). But the CDR figure in rural areas (7.6% in 201) is still higher than that in urban areas.

From the below table it is evident that CDR is high in rural India when compared with urban India

Trends of CDR in India 1971-2004 (CDR 1000 Population)

Year	Rural	Urban	Combined
1971	16.4	9.7	14.9
1976	16.3	9.5	15.0
1981	13.7	7.8	12.5
1986	12.2	7.6	11.1
1991	10.6	7.1	09.8
1996	09.7	6.5	09.0
2001	0.91	6.3	08.4
2011	07.6	5.7	07.1

Source: SRS Bulletin, various years.

Infant Mortality Rate

Infant Mortality Rate (IMR) is the probability (expressed as a rate per 1000 live births) of a child born in a specified year dying before reaching the age of one if subject to current age-specific mortality rates. The indicator is the number of deaths of infants under one year of age in the indicated year per thousand live births in the same year. It was 79 per 1000 live

births in 1992 and now it has reduced to 44 per 1000 live births in 2011. IMR is an explicit indicator of health status and especially the women and child care which is the direct outcome of economic well-being of the people and success of government intervention. It is affected by factors like immunization programmes, pre-natal and post-natal care facilities for institutional deliver etc.

Infant Mortality Rate (Per thousand live births)

Year	Rural	Urban	Combined
1971	138	82	129
1981	119	62	110
1991	87	53	80
1992	85	53	79
1993	82	45	74
1994	80	52	74
1995	80	48	74
1996	77	46	72
1997	77	45	71
1999	75	44	70
2000	74	44	68
2011	48	29	44

Source: SRS Bulletin, various years.

Here is declining trends during the last 35 years. IMR in India declined from 129 per thousand live births in 1971 to 58 in year 2004. The percentage of decline in IMR in the period 1971-81 was 14.7% between 1981-91 it was 27.3%. This period was the remarkable period in the history of Indian health sector. The rural urban variations can also be seen. In case of rural areas, the IMR declined from 138 per thousand live births in 1971 to 48 in 2011 whereas the figure in the same period reduced to 29 per thousand live births in 2011 in urban areas.

Incidence of Poverty in India

The Human Development Report of India (2001) attempted to divide the rural and urban household on the basis of their incomes as shown in the table. The income status is reflected in the per capita consumption expenditure. In 1999-2000 the per capita per month consumption expenditure on the rural areas was Rs.486.08 and in the case of urban areas it was Rs.854.96, according to HDR 2001. In the Human Development Index prepared by the Planning Commission, there is a significant divide.

The value for rural areas is 0.340, in the case of urban areas it is as high as 0.511. The index is a composite of variables capturing attainments in three dimensions of human development namely, economic, educational and health. The share of expenditure on urban poverty alleviation programmes in the total budgetary allocation by the Central government declined from 1 per cent to 0.8 per cent during the period between 1990-91 and 2000-01, the per capita expenditure for urban poor increased from Rs.11 to Rs.28 during the same period. But for the rural poor, the per capita expenditure it is just one-eighth of this. The rural-urban gaps in the poverty estimates are also of interest. Looking first at the base year (1987-88), the rural-urban gap based on adjusted estimate is much larger than that based on official estimate. Indeed, the latter suggest no difference between rural urban poverty in that year. This is hard to reconcile with independent evidence on living conditions in rural and urban areas, such as a life-expectancy gap of about seven years in favour of urban areas around that time.

Estimates of Poverty

Year	Poverty Ratio (%)			Number of Poor (million)		
	Rural	Urban	Combined	Rural	Urban	Combined
1973-74	56.4	49.0	54.9	261.3	60.0	321.3
1977-78	53.1	45.0	51.3	264.3	64.6	328.9
1983	45.7	40.8	44.5	252.0	70.9	322.9
1987-88	39.1	38.2	38.6	231.9	75.2	307.3
1993-94	37.3	32.4	36.0	244.0	76.3	320.3
1999-00	27.1	23.6	26.1	193.2	67.1	260.3
2009-10	33.8	20.9	29.8	-----	----	-- ---

Source: planning commission

Conclusion

Thus we see wide level of disparity in the level of development of rural and urban India. There is need of inclusive growth with focus on rural India for an egalitarian India. This will also help in reducing pressure on urban areas also. We can do this with the change in policies. We need to have rural and poor centric policies. There is need to equip rural areas with modern facilities and infrastructure so that growth can happen in those areas. For that more budgetary allocation should be made for rural areas. But there is another element of inclusive growth, that which is related to whether the benefits of overall productivity expansion result in higher private earnings for all groups within the economy. In short, to what extent will individuals in rural areas and, within rural areas, those not endowed with substantial land or other physical resources, benefit from expanding productivity through access to better paying and more secure employment?. While some would argue that ensuring that new agricultural technologies are in the hands of smaller farmers is sufficient, others place emphasis on the growth of the non-farm sector as a source of employment in rural areas. It has been argued, for example, that in a setting in which villages are relatively isolated, agricultural productivity enhancement increases both land rents and wages and thus results in benefits to both rich and poor. On the other hand as a village becomes more integrated this may no longer be the case.

Because land does not move but workers and investment capital do move, the local wage may respond slowly if all local agricultural productivity increases and thus most benefits of such growth will accrue to land-owning households. Moreover increased mechanization may displace workers as well as decrease the cost advantage of small farms that rely primarily on family labour, thus lowering wages and the financial viability of small farms. From this perspective investment and support of employment that is not intensive in the use of land can be a key mechanism to reduce rural inequality. Investment in particular in non-farm activities that make use of local agricultural inputs may be particularly helpful as it ensures that expanding agricultural productivity (which will depress local non-labor input costs) translates into better rural jobs.

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