

Rural-urban continuum and the lessons for India

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Initiatives like Smart Cities Mission, AMRUT and Swachh Bharat, apart from meeting infra challenges, could help reduce inequality in urban and rural areas

Economic development, the world over, has followed a similar path—a shift from an agrarian-based rural society to an industrialised, urban-centric one. Cities provide an environment for a multitude of employment and business opportunities that lead to economies of scale and thereby enhance productivity and economic growth. The major cities of India have always attracted people from all over the country and have seen explosive growth within and around in the last four decades. Our conservative estimates suggest that 45% of the Indian population would be living in cities by 2050; the increase could account for a fifth of the increase in the world’s urban population. These cities would also generate as much as 85% of total tax revenues and benefit 200 million rural Indians who reside on the fringes of the 70 largest cities. In fact, the destiny of rural people is closely linked to that of urban India.

This is already evident from the fact that towns which have cropped up near the highways are more prosperous than those located at a distance from the major roads. In a paper titled “Transit networks and regional development in India”, Gaurav Khanna writes: “Transits networks help encourage economic activity not just between the large cities, but also among the small towns they happen to connect on the way. And this activity spreads from one district to the next, allowing poorer regions to catch up with the rich. Access to better infrastructure, therefore, can have significantly large impacts on the overall development of the region.”

Economic clusters and development			
Economic clusters	Census 2011	ICE 360 Survey 2014	
	Development score based on 21 development indicators (All India=100)	Share of salaried households (%)	Annual household surplus income (₹) 2013-14
Metros	220	50%	94,972
Boom towns	193	35%	63,784
Niche cities	182	38%	37,763
Other urban towns	168	29%	31,083
Urban (total)	184	35%	49,896
Developed rural	119	25%	54,283
Emerging rural	71	13%	27,372
Under-developed rural	36	9%	19,770
Rural (total)	60	13%	27,633
All India	100	20%	35,101

This is also a reason for the emergence of the Developed Rural district clusters. Our findings show that there are nearly 150 such districts across India, of which 41% are located close to metro cities. Thus, Bangalore, Delhi, Gurgaon, Chandigarh all have Developed Rural enclaves within their boundaries. Others

like Meerut, Kozhikode, Bathinda, Jamnagar are in close proximity of large cities. The characteristics of households in such clusters are predominantly rural as defined by the Registrar General of India (RGI), but with a generous dollop of urban sensibilities. Given their proximity to the large metros or Boom Towns, these households are fast catching up on 21 developmental indicators from Census 2011—including demographic, basic amenities, financial inclusion and consumer durable ownership. For instance, the overall development score (all India = 100) of Developed Rural households (having an index score of 119) with the average annual household surplus income (income minus expenditure) is significantly higher than those of their Niche City counterparts (i.e. predominantly urban conglomerations with populations of 1 million to 2.5 million) at Rs 54,283.

The push towards urbanisation has, however, taken a massive toll on infrastructure. Cash-strapped municipal authorities have been struggling to cope with the pace and intensity of rapid population growth. Overcrowding is the bane of most of the metros, leading to scarcity of housing and nightmarish living conditions. As of 2011, Census India recorded a total of 246.6 million residential houses in India. Nearly 32% (25.3 million) urban families were living in one-room houses. The problems of urban sprawl, slums and squatter settlements have been exacerbated as employment and job opportunities have not grown rapidly enough to absorb this massive growth of urban population. The largest concentrations of slums are to be found, according to the Census (2011), among metros: Mumbai has the highest proportion of slum-dwelling households (41% of its households) followed by Kolkata (nearly 30%) and Chennai (29%). Delhi with 15% and Bangalore with slums are slightly better off.

As for the well-being indicators, nearly 70% of slum households get their water from a tap but only half of them have the luxury of running water in their homes. Over 90% have electricity connections and most use LPG for cooking; 70% have televisions and 10% even own computers. The Census data seems to indicate that there are “more cellphones than toilets” but the truth is not quite so stark. Two out of three slum households in urban India have a toilet within the premises, while slightly fewer have a mobile phone.

Huge diversification is observed in terms of how households earn, spend and save across clusters. For instance, while half of the ‘Metro’ households earn from a salary, the percentage is hardly 8% in ‘Under-developed Rural’. If we rank the clusters on the basis of the proportion of rich households, the top rural cluster—the Developed Rural cluster—is observed to be at the same level as ‘Boom Towns’ and ‘Niche Cities’; again, the share of poor is less in the ‘Developed Rural’ cluster than in ‘Niche Cities’ or ‘Other Urban Locations’. The economic scenario in the ‘Under-developed Rural’ is ‘Dark Rural’, wherein around 75% of the households belong to the bottom three quintiles.

For most lower income urban households, the quality of life continues to be extremely poor in terms of access to safe and comfortable public transportation, pollution-free environment, and a well-functioning law and order system. The result is that while the top 20% households can expect a reasonably high quality of life, the inequality gap in terms of access to infrastructure is continuing to grow exponentially.

Another facet of the urban sprawl is the sanitation situation, which threatens the health of a vast majority of people. According to one estimate, nearly 40 million urban dwellers resort to open defecation, both due to inadequate number of public toilets or non-usage. Our findings reveal that only 60% of Developed Rural households have in-house toilets compared to 85% in metros.

Such inequality can have a debilitating impact on the well-being of households and communities. It, in turn, can undermine the gains of overall economic growth of the nation. What is needed is planned,

sustainable growth of cities (smart cities) and villages (smart villages), so that the benefits of urbanisation and infrastructure growth are experienced by all the segments of society in an inclusive manner. Given this daunting challenge, the government's initiative on the platforms of Smart Cities Mission, AMRUT (Atal Mission for Rejuvenation and Urban Transformation) and Swachh Bharat could provide the much needed push to stem the decline of our urban spaces as long as it is aimed at inclusive betterment of all its citizens.

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