



NDAVSBHARAT

Is Rural-Urban divide a reality or a metaphor?

INTRODUCTION

India has a dichotomy wherein it is marching along with the developed nations as well as counted among the poorest nations having highest number of people living in poverty. The twin identities are reflected in the contrasting nature of development from ever growing megapolis to the poor villages.

COVID pandemic has again highlighted the stark differences between the urban and rural counterparts of India be it in the extent of disease spread, reach of online education, availability of quality healthcare or vaccine take up.

But at the same time, there are also significant synergies between many rural and urban interests. The linkages and interactions between the two have become ever more intensive and important component of livelihoods and production systems in many areas – forming a bridge over rural-urban divide where much is neither "urban" nor "rural", but has features of both.

In this scenario, it is important for us to understand how the concept of rural-urban divide evolved and how it manifests; what are the consequences of the prevailing rural-urban divide for the growth and development of the nation; Are rural and urban areas mutually exclusive or are they interdependent; Can SDG localisation aid in rural revitalisation and removing the rural urban disparities; what steps have been taken by the government in this direction and how rural and urban India can be reconciled for a better development of the country. In this edition, we will try to provide answers to these questions.

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Throughout the historical ages, Indian villages remained a unique and remarkable social-economic organization and represented an economic stability resting on a balanced system of agriculture, village industry and local trade. Villages thus remained the basis of the rural society and economy and enjoyed a self-contained and self-sufficing existence.

The urban tradition ran parallelly as a cultural phenomenon and many a times happened due to political development because of the rise and fall of new dynasties and kingdoms. Evidently, Indus Valley Civilization saw the birth of the earliest planned urban settlement. In sum, there existed a harmonious relationship between the rural and urban counterparts.

But gradually, the concept of Rural-Urban divide and then rural-urban disparity took birth in India as a result of constant disregard for village areas that begin under the British rule.

🕞 British era: With the initiation of British rule, the new land tenures, new land ownership concepts, tenancy changes and heavier state demand for land revenue triggered far-reaching changes in rural economy and social relationships.

- Elements like languishing of agriculture, collapse of rural cottage industries due to imported goods and coming of the industrial revolution changed the prevalent rural-urban dynamics.
- Post-Independence era: When India attained independence in 1947, it was a predominantly rural and agricultural. Policy makers however emphasized capital-intensive industrialisation and urban infrastructure, based on the philosophy that benefits of India's high growth and expansion of industrial 🛛 🌞 An urban area is either a statutory town (ST) or a urban centres would automatically percolate down to the rural areas. This however lead to unequal growth of rural areas, resulting in urban-rural imbalance.

Post 1980s: India began the process of economic development with a sequence of reforms starting in the mid 1980s. The process of economic development tends to generate large scale structural transformations of economies.

These transformations generate potentially important implications for the evolution of economic inequality and rural-urban interplay.





DEFINITION OF URBAN AND RURAL AREAS IN IND

- Census 2011 adopts three criteria to define an urban area:
 - A minimum population of 5,000;
 - At least 75% of the male main working population engaged in non-agricultural pursuits, and
 - O A density of population of at least 400 persons per sq km
- Cities, towns and suburbs are classified as Urban areas.
- census town (CT).
 - O Statutory Town: Any place with a municipal corporation, municipal council, or cantonment board.
 - O Census Town: It can be any place with "urban characteristics", i.e. fulfils the above three criteria of urban areas. These are also known as Peri-Urban Areas (discussed in detail in the upcoming sections).
- *** Rural area** or countryside is any geographic area that is located outside towns and cities.

VISIUALIZATION URBAN AND PERI URBAN AREAS



On the path of structural transformation India has experienced potential gaps and **disparities between urban and rural areas in** terms of major socio-economic growth and development indicators. These are as follows:

Parameter	Rural Area	Urban Area
Disproportionate Contribution in Economy	More than 6 lakh villages accommodating ~70% of the countries' population contributes only 25-30% in GDP.	7,935 towns and 4,041 urban areas (as per 2011 Census of India)contribute about 63% to Indian GDP (expected to rise to 75%).
Occupational choices	About 50% of the overall labour force is still dependent on primary sector agriculture that is not productive enough.	People in urban areas are mostly employed in high paying white collar jobs in the secondary and tertiary sectors.
Income Gap	Per capita income is Rs 40,925.	Per capita income is Rs 98,435.
Health Status	 Rural areas are catered by government-run dispensaries which lack in infrastructure, medicinal supply and availability of qualified healthcare workers. As a result, rural India is behind urban India in health indicators such as Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR), Fertility Rate, Life expectancy and so on. 	 80 per cent of countries' health infrastructure, medical manpower and other health resources are concentrated in urban areas. Among upper socio-economic groups in urban India new problems of malnutrition such as obesity are emerging out of increased consumption of processed and refined foods combined with sedentary life styles.
Education	38% Secondary	Rural Urban 4% 23% EXPENDITURE/STUDENT (IN Rs) Level Sr Secondary Level Urban Rural Urban Urban
Digital divide	 Internet penetration (percentage of the total population using the Internet): Merely about 33% mainly due to lack of infrastructure and awareness. Percentage of people capable of using the internet: 25.6%. 	 Internet penetration: Around 99%. Percentage of people capable of using the internet: 73.6%.
Social Institutions	Caste system, joint family system and various social customs play a major role in the day to day life of an individual in rural areas.	Relatively greater emphasis on individual's merit and qualification.

Why rural-urban disparities are proving to be a hinderance to inclusive growth and development

in the country?

- Creation of multiple identities within a nation: The rural-urban divide has led to the generation of two polar opposites- India and Bharat. It is argued that while India is urban and progressive; Bharat is rural, underdeveloped and backward. Simultaneously, Bharat is considered to represent true cultural identity of the nation, while India is claimed to be under the influence of western culture.
- Challenge to participative democracy: Voter turnout is generally higher in rural areas than in cities as the poverty struck sections residing in rural areas have higher expectations from the state. However, not all elected state governments have pro-poor policies which excludes a majority of rural society from partaking in India's journey of development, resulting in a sense of deprivation and dissatisfaction among a large percentage of population in the Indian villages. Two major reasons account for this:



- Populism, caste and identity based politics: The ascent of caste- and religion-based politics at local levels has not only given rise to aspirations and demands for inclusion by disadvantaged castes but also has allowed the political processes to be hijacked by vested interests.
- **Neoliberal ideologies** where issues such as redistribution of wealth are seen as secondary objectives for central government, limit the ability of the state to intervene to ensure better social outcomes in backward areas.

🕞 Underdeveloped human capital:

- Ensuring quality education is essential not only for developing an equitable and just society, but also for promoting national development. Lack of quality education to all in India and particularly to rural kids is hindering India in reaping the potential demographic dividends.
- On the other hand, Poor health leads to deficiency in human capabilities, shows the level of deprivation among the people and is directly linked to poverty as well.
 - Despite outpacing its South Asian neighbours in economic development, India lags behind most of them in major health indicators. For instance, IMR in India is higher than in Bangladesh and Nepal, and thrice as high as in Sri Lanka.

🚱 Rural Distress and Alienation:

- The growing inequalities between the rural and urban areas, rural poverty and exploitation have led to **peasant struggles** throughout India, latest being Madhya Pradesh farmers protest in 2017.
- Similarly, **Left-wing extremism** particularly the Maoist insurgency is also a manifestation of a huge rural-urban divide as the Maoists see urban people as invaders mining their resources.
- Unplanned growth and development: Since all central government interventions and financing for development of settlements are based on their status as either 'urban' or 'rural', settlements are converted into towns or villages by state governments irrespective of the local area characteristics they possess.
 - If a settlement is declared 'urban', it is subjected to the application of rules and regulations, building by-laws, development controls, and taxation, in order to ensure planned growth and development. For this reason, state governments generally avoid converting villages into towns to not upset their vote banks in villages.
- Development of unauthorised habitations: The disparity induced rural to urban migrations lead to the emergence of peri urban areas and slums which have their own set of issues (see box on Peri-Urban Areas).



REDEFINING THE SLUMS

There has been growing recognition among governments and international agencies that 'slums' are actually centres of economic innovation and dynamism and (more) affordable homes for most of the city's low income population. Thus their interest has switched to improving conditions in them (and working with their inhabitants to do so) rather than seeking to eradicate them.

To encourage this shift, Michael Mutter, from the UK Government's Department for International Development, proposed a redefinition of slums as **Strategic Low-income Urban Management Systems (SLUMS).**

- Cultural Divide hampering National integration: There exist a remarkable difference between rural and urban cultures where rural life is typically reflected in the simple way of living, dressing, food habits, shelter etc. and urban life as complex and complicated. This develops a perception in the minds of urban people that people from rural areas are generally un-civilised and un-progressive which ultimately prevents the intermingling of the two.
- Unnoticed growth and acceptance of crime against women: Social norms such as traditional mentality of patriarchy, subordination of women and gendered division of labour are prevalent in rural areas. This, while making social crimes such as violence against women acceptable, also prevents women empowerment and inclusive development of the nation.

The other side of the coin however tells a different story. With strong and ever growing linkages and interactions between the urban and rural areas, the notion of a "divide" is gradually becoming a misleading metaphor, one that oversimplifies and even distorts the realities.

Rather than looking separately at urban and rural areas and what matters to each of them, it is therefore vital to look at the linkages between them.

A divide within a divide: Peri-Urban areas and their associated challenges

- Peri-urban areas can be described as fringe areas of cities or adjoining rural areas, which are intrinsically linked with the city econ omy, experience constant transformation, and are characterised by a mix of rural and urban activities. This transformation is creat ing various challenges-
 - Gaps in governance: Unlike statutory towns, which are governed by urban local governments (i.e., municipalities), the census towns are administered by rural local governments (i.e., *panchayats*) which are ill-suited to address the needs of an urban environment.
 - Population displacement: Due to the growing demand for housing, planned townships adjacent to large cities are being built up. This practice often displaces the native population comprising small farmers and landless labourers, and causes unemployment due to changing land uses.
 - Unregulated development: These areas account for haphazard development of built structures (residential, commercial, industrial) that fail to meet building safety norms. The local administrative agencies are neither vigilant, nor equipped to prevent such violations.
 - O The National Capital Region (NCR) plan for 2021, for example, refers to non-existence of proper legislation, planning and a development controls in rural areas close to Delhi, which has led to unauthorised conversion of rural land to urban use, and the growth of unplanned urban/industrial activities.
 - Abysmal water, sanitation and environment: Peri-urban areas generally remain uncovered by formal water service delivery systems (piped and metered supply). On the other hand, surface water sources have become receivers of untreated domestic, sommercial and industrial liquid and solid waste from the nearby urban areas leading to damage caused to their agricultural lands, food crops and health.
 - O In Delhi, for instance, disposal of the city's untreated sewage and effluents in river Yamuna causes major harm to peri-urban poor communities that are dependent on the river for a variety of purposes.
 - Poor mobility and connectivity: Due to their peripheral location, the areas are not served adequately by convenient, safe and comfortable public transport services. These are important reasons for the phenomenal growth of private motor vehicles, in turn causing traffic congestion and air pollution. The traffic police, responsible for traffic management, mostly remain absent in peri-urban areas.

How the rural and urban areas are interlinked and why these interlinkages matter?

Rural and urban livelihoods are interconnected economically, financially, and socially. Rural-urban interactions include:

🕞 Linkages between sectors (for example, between agriculture and services and manufacturing).

Four prominent types of relationships exist between rural and urban economies:

- Production relationships: Urban expansion has a significant impact on farming systems in the surrounding peri-urban and rural areas. Increasing demand from urban markets and consumers stimulates the intensification of production, especially high-value and perishable horticulture. As a result, agricultural productivity grows, narrowing the productivity and income gaps between rural and urban areas.
 - Additionally, rural economy is no longer limited to agriculture but has expanded to non-farm activities as well — bringing India's cities much closer to their hinterlands.
- Consumption relationships: Rural households depend on urbancenters or small towns for various services (e.g., hospitals, schools, banks, and government offices) and for the provision of various private and public goods. Access to urban markets on the other hand is key to increasing incomes for rural and peri-urban farmers.
- Financial linkages: It includes, remittances from migrants to relatives and communities in rural areas; transfers such as pensions to migrants returning to their rural homes; and investments and credit from urban-based institutions.



Livelihood diversification and migration: Diversification can be described as a survival strategy for vulnerable households and individuals who are pushed out of their traditional occupations and who must resort to different activities to minimize risks and make ends meet. In peri-urban areas, for instance, diversification overlaps with dynamic processes of transformation in land use and labour markets

Mobility and migration are closely interrelated with livelihood diversification. Access to affordable transport expands the opportunities for employment or for engaging in income-generating activities through commuting.

Studies show that a 10% increase in urban expenditure is associated with a 4.8% increase in rural non-farm employment. On the other hand, every \$1 billion increase in rural manufacturing output produces a 16% increase in urban jobs..

FACTORS IMPACTING RURAL-URBAN LINKAGES

- Global level- Liberalization of trade and production: The increased availability of imported manufactured and processed goods affects consumption patterns in both rural and urban settlements; but since these are often cheaper than locally produced goods, local manufacturers and processors can be negatively affected.
- National level-Macroeconomic policies linked to reform and adjustment: For I instance, the increased emphasis on producers' direct access to markets, in the I recently enacted Farmers' Produce Trade and Commerce Act can strengthen I the links with urban centres. However, inadequate infrastructure and storage I and processing facilities can hamper increased returns for producers.
- Local level: The nature and scope of rural-urban interactions is influenced by several factors-
 - Geographical and demographic characteristics-the nature of agricultural land, population density and distribution patterns
 - O Farming systems -land tenure and access to natural resources
 - Availability of roads and transport networks linking local settlements to a number of urban centres where markets and services are located.

Integrated urban and rural areas thus can boost each other's economies, with ripple effects of that success felt throughout the region and state. A viable path toward long term growth, then, is to bridge the gaps and strengthen these urban-rural economic interdependencies.

Long term Impact of COVID on rural areas

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The pandemic has witnessed mass exodus of labourers from cities to rural areas. This reverse migration will have a number of impacts on the rural economy and way of life:

Pressure on the commons: With more people back in the villages, there will be greater demand for agricultural work. Existing agricultural land may see intensification, with new investments in irrigation. In remote areas, there might be pressure on forests to make land available for agriculture.

Additionally, in the absence of Pre-COVID-19 remittance incomes from migrants in the cities there will be heightened demand for major agricultural reforms to boost income; stability in farm income through increased irrigation, insurance, and climate adaptivity.

- Rise in Social crimes: More mouths to feed, and more people sharing living spaces may result in greater frustration, domestic violence, and child abuse.
- New aspirations and opportunities: Trade proficiencies acquired by labourers in urban centres might help them create and find new opportunities in their local markets, such as knowledge of the digital ecosystem (Uber or Ola drivers), engagement in services and utilities (electricians or gym instructors) etc.
- Rise in demand for basic amenities: Given the scare with COVID-19, and the awareness it has generated, rural people will demand better education, public healthcare, and social security.
- Boost to local value additions: Disruption in supply chains, with inter-state logistics still not having smoothened out, could result in shorter, hyper-local supply chains. This could provide the impetus for agro-processing to happen closer to production centres.

The accepted wisdom that 'India banayega Bharat (India will create Bharat)' has been upended by this crisis. Therefore, there is a need to repurpose rural strategy with a focus on place-based economic opportunities, better services, better rural infrastructure, and ensuring security and dignity of labour.

How can rural and urban India be reconciled for better and inclusive growth of the country?

Effective decentralised governance: Local government and other local actors are best placed to identify local needs and priorities and provide an adequate response to them. Substantial efforts are therefore necessary to ensure the legitimacy and the capacity of local institutions in India to carry out their functions.

For instance, West Bengal, Jalpaiguri has enabled participatory decentralised planning where the people themselves prepared village registers, creating a database important for the development planning exercise.

- MGNREGA needs a reboot: Instead of labour-oriented job creation, the MGNREGA should push knowledge-led job creation, for example the programme should encourage farmers to learn about technology to increase their earning capacities.
- Filling the demand- supply gap in labour market: Vocational training to educated and semi educated rural youth in collaboration with industry with reasonable assurance of job opportunity will bridge the demand and supply gap.
 - Also, an ecosystem of innovation in rural areas needs be created through cooperation between university and firms to generate innovations that can be used by regional industries. It could also foster the creation of a start-up industry in rural areas which attracts the young to rural areas, thereby creating a more favourable demographic outlook.
- Focus on sustainable settlement planning: State governments must develop their state-specific policies and regulations for the development of basic amenities based on their urbanisation patterns whilst ensuring environmental sustainability and protecting vulnerable groups and their socio-cultural practices and economic activities.
- Effective policy for Peri-Urban Areas: This includes planning for peri-urban areas; providing a rational regional land use pattern; formulating an effective regulatory regime; constitution of Metropolitan Planning Committees (MPCs); provision of affordable housing, basic services, regional transport corridors and facilities etc.
 - The state government of Uttarakhand, for example, is taking steps to merge peri-urban areas with urban local bodies with the support of Asian Development Bank (ADB) and the Indian government.
- Campaigns for social change in rural areas with rewards and incentives: A special focus of the campaigns like, Swatchh Bharat, Beti Bachao Beti Padhao, Fit India Movement on rural India are steps in the right direction in bringing the required social change in the rural mindsets.
- Promoting rural tourism: That showcases the rural life, art, culture, and heritage at rural locations, thereby benefiting the local community economically and socially as well as enabling interaction between the urban and rural areas and adding new perspectives of understanding the ethos of Rural India.
- 🚱 Overhauling of agriculture:
 - Adoption of advanced agriculture technology through machines and equipment that use data analytics, Internet of Things and robotics can help optimize inputs and enhance yields.
 - **Farm-sector driven industrialisation:** Strong linkages between farm and non-farm sectors need to be developed to augment rural income, create , help the farm sector to produce market-driven commodities, reduce transportation costs, receive remunerative prices at farm gate, and minimise farm waste.
 - Amul is an excellent example of farm-led processing, branding and marketing of milk for various dairy products.
 - Leveraging FPOs for value-added agriculture: FPOs can tie up with business schools to build the knowhow for developing a robust entrepreneurial ecosystem to supply to a ready urban market, thus ensuring a long-term, sustainable source of income for the farmers that leads to the creation of a vibrant rural economy.
- Exeraging the Rurban Strategy: Census Towns have been emerging as nodes for servicing rising rural demand and have become a marketplace for production linkages with neighbouring villages. Possible supply chain reconfiguration demands-
 - Duilding on the rurban strategy as propounded under the Shyama Prasad Mukherjee Rurban Mission (SPMRM),
 - E Focusing on agri- and allied processing facilities, supporting micro, small, and medium enterprises (MSMEs), and
 - DCreating a space for more financing institutions and non-banking financial companies (NBFCs), to strengthen local economy.
- **Digitization and Technological innovation:** As per the TRAI report, share of rural internet subscribers account in the country increased to around 38% in 2020 from about 32% in March 2017. Dedicated investment in digital infrastructure is needed to fully harness the potential of the digital revolution in rural areas with significant gains in the field of- disaster management, rural connectivity, social justice and empowerment, climate change and natural resources management, e-governance, agricultural extension services and marketing, healthcare and education.
 - For example, eVidyaloka, a non-profit organisation based in Bengaluru, has collaborated with volunteer teachers across the world, local NGOs and Panchayats in targeted areas in order to improve the quality of education in remote rural schools by using a synchronous e-learning environment (connecting students and instructors live and online at a predetermined time using video-conferencing).



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- Many of the SDG targets are within the purview of 29 functions that are endowed to Gram Panchayats under the Eleventh Schedule of the Constitution. Effective implementation of these functions can ensure local economic development and social justice in the rural areas so as to uplift them and bridge the prevailing rural-urban gap.
- For localisation of SDGs, the Ministry of Panchayati Raj (MoPR) has also prepared a 'Draft Vision Document for Achieving SDGs' to map the roles of Panchayats in terms of SDGs and centrally sponsored schemes (CSS). (See appendix)

CONCLUSION

Sustainable growth hinges on the connectedness of places, not necessarily their designation as urban or rural. The consequences of failing to think beyond conventional notions of "urban" and "rural" will limit the ability of state and local leaders to encourage sustainable growth.

While unregulated and poorly planned urbanization by itself is no guarantee for success, the consistent backwardness of rural areas and the resultant rural-urban disparities is also not helping the cause. It's thus time for the narrative to shift from urban vs. rural to a shared economic future. Bridging the socio-economic divide between urban and rural areas will require states, regions and localities to understand and bolster the relationship between urban and rural areas complemented by a policy shift at the national level in economically meaningful and strategic ways.

Rural revitalisation along with well-integrated urban and rural areas can galvanise the efforts for achieving the twin objectives of becoming a \$5-trillion economy as well as Atmanirbhar Bharat.

APPENDIX

SDG TARGETS FOR RURAL DEVELOPMENT	RELATED SCHEMES
End poverty in all its forms everywhere (SDG 1) Towards a Poverty Free Village	 Deen Dayal Antyodaya Yojana (DAY-NRLM), Mahatma Gandhi National Rural Employment Guarantee Scheme(MGNREGS) Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) National Social Assistance Programme (NSAP) Financial inclusion through Aadhaar
End hunger, achieve food security and improved nutrition and Promote sustainable agriculture (SDG 2) <i>Hunger free Village</i>	 Rashtriya Krishi Vikas Yojana (RKVY), Integrated Watershed Management Programme(IWMP), National Mission for Soil and Agriculture (NMSA) Public Distribution System(PDS) Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), National I Health Mission (NHM), Integrated Child Development I Scheme (ICDS) Reforms like e-markets, farmer producer organizations I (FPOs) and the Model Contract Farming Act, 2018 for value addition in agriculture.
Ensure healthy lives and promote well-being for all at all ages (SDG 3) <i>Towards a Healthy Village</i>	 Janani Suraksha Yojana (JSY) , National Health mission (NHM) Rashtriya Swasthya Bima Yojana (RSBY)

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Developing an ecosystem of innovation in rural areas along with vocational training to fill the demand- supply gap in labour market.

- ★ Focus on sustainable settlement planning
- € Effective policy for Peri-Urban Areas
- Campaigns for social change in rural areas with rewards and incentives
- 😧 Promoting rural tourism that can add new perspectives of understanding to the ethos of Rural India
- ★ Overhauling of agriculture
- Deveraging the Rurban Strategy to reconfigure supply chains
- Dedicated investments in rural digital infrastructure