

Source and Composition of Urban and Rural Poverty in India: Trends and Implications

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Abstract: Rural development is the backbone for any country's economic development and its helps the economy to grow and sustain .Rural development is the axis of the economy involving the labor ethics impacting the potential of business in big way. It is a popular belief that economic development takes place because of rapid industrialization The Indian rural economic development is an important part of the Indian economy where the government has to foster growth by providing employment and business opportunities to the people The government has realized that they need to put their resources in front to support a strategic changes happening in the economic environment. The economic business development is a comprehensive approach which provides seamless integration of every area of rural society.

Key Words: Rural Developments, Rural Poverty, Industrialization, Gross Domestic Product.

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I. INTRODUCTION

One-third of the world's poor live in India, and there are more poor people in India alone than in the whole of Sub-Saharan Africa. Over 70% of the population lives in rural areas. Agriculture and related activities in rural India contribute to 33% of the Gross Domestic Product, and is responsible for the employment of over 60% of the workforce. Hence, when one talks of socio-economic progress in India, what is mostly relevant is how the lives of the rural people have changed. Overall statistics such as the national GDP could mask the reality in the rural life.

STUDY ON POVERTY: AN INDIAN SCENARIO:

Studies on poverty in India began with the pioneering work of Dadabhai Naoroji in the later part of the 19th century. Naoroji had traced out the mass poverty to the British colonial rule which drained out systematically economic amounts of wealth through unequal trade interest and dividend salaries and pensions In 1930's and 40s. Indian scholars, Prof. Radha Kamal Mukharaji, Gyanch and and Wadia and Marchant had drawn attention to the massive and object poverty of the Indian people. However they did not attempt at any scientific measurement of poverty and its extent in the country. Their studies were not directly related to poverty as such but to problems like food and population or economic and public policies.

Rural development

Rural development is the backbone for any country's economic development and its helps the economy to grow and sustain .Rural development is the axis of the economy involving the labor ethics impacting the potential of business in big way. It is a popular belief that economic development takes place because of rapid industrialization. But the industrial development itself cannot take place without agriculture. Specifically, agriculture contributes to economic development by product contribution and market contribution. Agricultural sector is the long-term strategy for the economic development. The agriculture is volatile and fluctuating industry because it depends on the monsoon and the weather conditions. This sector of development of the economy is important to feed the nation and country though people have become modernized in the urban sector depending more on non-vegetarian food for their survival needs. The people in the rural sector are facing the problems of poverty and exploitation which is impacting the total productivity of the Indian agriculture.

THE POSITIVE IMPACTS OF RURAL DEVELOPMENT

Development is a way of doing economic activities in the modern era of technological connectivity in an organized manner to build a network of working relationships. The development and growth has many advantages and it supports the functions of the society in the following ways:

- Allowing the formation of employment oriented relationships with the rural society to improve the standard of living of the people.
- Asserting the origination to improve the investment profile, getting the funds from the government and the other financial institutions for the rural sector.
- Helping the government to manage policies and design clear goals and objectives to generate quality services to the rural society.
- Providing a secured and growth oriented environment for the rural people so that they can lead better life with quality service related to life and creation of facilities that can impact the details of all human emotions for better sustainability and reflect the Indian ethics in a better way.

CHALLENGES OF THE RURAL ENVIRONMENT

The business is facing massive challenges in today's highly competitive market and to acquire the maximum possible market share in an overcrowded market. The following are the threats that force the business to design and implement better solutions and services to the customers,

- The nature of competition has become global.
- The rate of change is accelerating out of control.
- The rural people have been impacted by the changes through the media
- The rural economy is expanding.
- The internet is transforming the business landscape.
- Industry barriers are collapsing enabling major brands to enter new markets of rural sector through market penetration strategies.

THE PERSPECTIVES OF THE RURAL ECONOMIC DEVELOPMENT

The Indian rural economic development is an important part of the Indian economy where the government has to foster growth by providing employment and business opportunities to the people. The government is in pressure to provide high quality services in the global environment of high competition. The service providers on the part of government can design the package to form the value chain which generally governs the economies of the scale. The basic objectives of the rural economic development are as follows:

1. **Human Perspective:** The economic development of the rural sector has to look after the individual needs of the farmers because if he is given attention he will give better products and enhance the productivity and efficiency of the rural economy.
2. **Social Perspective:** For every sector of development, the social issues are important because we are existing in this society which is the web of human emotions and feelings. The rural people have to be respected, their social and cultural values are important.
3. **Economic Perspective:** The society or any economy can only be successful if the design, implementation and feedback are according to the specific needs of a particular section of the society. Every policy related to the economic development requires a unique profit oriented strategy for growth and sustainability.
4. **Global Perspective:** The government policy has to focus on the global issues because now we are connected to the world through the technological up gradation happening in the world. The economy is liberalized where global influence cannot be ignored.

BENEFITS OF ECONOMIC DEVELOPMENT TO THE RURAL SOCIETY

Managing economic development has great impact on the rural society and economy. It helps in the better understanding of the people's requirements and helps them to understand where the government can form better policy issues to define prosperity and profits.

URBANIZATION AND URBAN POVERTY

Although trends in urbanization are discussed in Chapter 2, here an attempt is made to study urban poverty trends in relation to that of urbanization itself. Urbanization as a process characterized by more and more people living in the urban areas is one of the most dramatic transformations the world has witnessed in recent decades. The world has experienced unprecedented urban growth in recent decades. In 2010 about 52% of the world's population lived in urban areas, i.e. about 3.8 billion. There are more than 400 cities with a population of over 1 million. More developed nations are 76% urban as compared to 40% in developing countries. However, urbanization is occurring rapidly in many less developed countries. It is expected that 60% of the world population would be urban by 2030, and that most urban growth will occur in

less developed countries. India is an integral part of the process. Urbanization is an integral part of the process of economic growth. As in most countries, India's towns and cities make a major contribution to the country's economy. With less than 1/3 of India's people, its urban areas generate over 2/3 of the country's GDP and account for 90% of government revenues.

CHALLENGES

Planning:

- Many urban governments lack a modern planning framework
- The multiplicity of local bodies obstructs efficient planning and land use
- Rigid master plans and restrictive zoning regulations limit the land available for building, constricting cities' abilities to grow in accordance with changing needs.

Housing:

- Building regulations that limit urban density - such as floor space indexes – reduce the number of houses available, thereby pushing up property prices
- Outdated rent control regulations reduce the number of houses available on rent – a critical option for the poor
- Poor access to micro finance and mortgage finance limit the ability of low income groups to buy or improve their homes
- Policy, planning, and regulation deficiencies lead to a proliferation of slums
- Weak finances of urban local bodies and service providers leave them unable to expand the trunk infrastructure that housing developers need to develop new sites.

Service delivery:

- Most services are delivered by city governments with unclear lines of accountability
- There is a strong bias towards adding physical infrastructure rather than providing financially and environmentally sustainable service.

Infrastructure:

- Most urban bodies do not generate the revenues needed to renew infrastructure, nor do they have the creditworthiness to access capital markets for funds
- Urban transport planning needs to be more holistic – there is a focus on moving vehicles rather than meeting the needs of the large numbers of people who walk or ride bicycles in India's towns and cities.
- The deteriorating urban environment is taking a toll on people's health and productivity and diminishing their quality of life.

WORLD BANK SUPPORT

The World Bank will look to support policy reform in critical areas such as land use planning and municipal finance, as well as institutional reform. It will work with all three tiers of government in designing programs to address slums, housing and urban infrastructure requirements.

PER CENT CHANGE IN NUMBERS OF THE POOR OVER TIME YEAR

Table No: 1 National poverty estimates (% below poverty line) during 1993-94 to 2011-12.

Year	Rural(%)	Urban(%)	Total(%)
1993 – 94	50.1	31.8	45.3
2004 – 05	41.8	25.7	37.2
2009 – 10	33.8	20.9	29.8
2011 – 12	25.7	13.7	21.9

COMPONENTS OF RURAL AND URBAN POVERTY :

At the outset it has been mentioned that the poverty and inequality are complex. phenomena; they cannot be captured fully by any single measure. Differently put, poverty has a multivariate nature for which a single variate approach is inadequate. Hence we felt that a set of measures is necessary to define and analyse poverty. So it is decided to explore poverty with the help of a vector of components. As will be evident in the analysis in sequel, some of these components are quantifiable while others can be treated qualitatively only.

Occupation:

To find out the kind of occupation the poor are engaged in and its tenure; reasons for choosing the way of entry to this occupation, occupational mobility; and the level of satisfaction with the work.

Unemployment:

To ascertain the extent of unemployment among educated and uneducated members and number of earners in the poor's family.

Income:

To find out the income of the poor from all sources together with the flow of income in terms of constancy and irregularity as well as reasons assigned by them for their inadequate income.

Land Holding:

To ascertain the ownership of land and pattern of its distribution.

Livestock:

To know about animals kept or raised by the poor, reasons for up-keeping them, and monthly gains and expenses

Food Consumption:

To find out types and quantity of food they consume; reasons for the kind of food they consume, and expenditure involved on the food consumption.

II. CONCLUSION

The government has realized that they need to put their resources in front to support a strategic changes happening in the economic environment. The economic business development is a comprehensive approach which provides seamless integration of every area of rural society. The economic development touches the life of people and integrates the people, process and technology, taking advantage of the revolutionary impact of the internet. The government is facing massive challenges in today's highly competitive market and strives to acquire the maximum possible development. The economic development can be successful if the design and implementation of the government's processes are according to the changes happening in the environment. The economic development of the rural environment can be by the government through the establishment, development, maintenance and optimization of long term mutually valuable relationships between the business and macroeconomic environmental variables.

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