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## Many rural Indias

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Sun, Aug 15 01:48 AM

"India lives in her villages", a maxim attributed to Mahatma Gandhi, rings true when we see rural India retaining its old domination of the national population and economy even after six decades of a development model that cherishes urbanisation and industrialisation. Close to 69% of

Indians—743 million people or 138 million households—live in rural areas, generating 56% of the national income. This disproportion expectedly plays out at the individual level. What's more, a significant proportion of salaried (38.7%) and non-agricultural self-employed households (46.1%) are located in rural areas. While an overwhelming share of illiterate households are based in rural areas (88.5%), there are also 36.1% households whose chief earners are graduates. The average household income of the large farm-owning households is about four times that of the landless households. Landless households end up spending more on medical expenses (28.7% of all non-routine expenditure) and less on education (4.5%) compared to their richer counterparts who spend 15% and 8%, respectively.

If independence day is a time for stock taking, let us not shy from acknowledging that the urban-rural disparity is but a symptom of a deeper malaise—the widening divide between the top and bottom income quintiles. This is true for both rural as well as urban. Yet, the overarching truth, that rural India is behind in terms of almost every parameter, cannot be denied. Many would claim that 'market reforms' have led to discrimination against the rural consumer citizen. This is not borne out by data because the post-1991 expansion of the economy has certainly augmented the flow of social sector funds. However, learning from the past 25 years reveals that an increase in urban household consumption of Rs 100 leads to an increase of Rs 39 in the rural households. Indian urbanisation needs to attempt a reflect of a widespread notion that 'India is transforming fundamentally from a rural nation'.

The Union government's overall expenditure on social services such as expenditure on education, health and water supply and sanitation for rural areas has been significantly buoyant. Despite this, the expectations of people of rural India for higher income levels are low. The restructuring of the rural economy has led to a gradual drop in the share of agriculture. Over 42% of rural households now draw their incomes from non-farm sources, particularly traditional services. Official data suggests that about 280 million people, two-thirds of them living in rural areas, are self-employed. This means that they don't have a fixed employer and lack the security which comes with it. The NSS data revealed that in rural India 10% of male workers and more than 25% of females would be satisfied with monthly incomes of less than Rs 1,000. When the survey asked whether those in self-employment found their work to be sufficiently remunerative, more than 30% said they don't manage to make even Rs 1,000 per month.

The run up to independence day this year was marked by political discourse on caste-based census and its efficacy. In my seminal study, 'Caste in a Different Mould: Understanding the Discrimination', I have pointed out that the caste groups that are well represented in the faster-expanding sectors of the economy are those which have cornered the biggest share of the gains of the Indian growth story. This corresponds directly with what was conveyed through data published in How India Earns, Spends and Saves: Unmasking the Real India, the maiden publication of the Centre for Macro Consumer Research (NCAER-CMCR), to the effect that the biggest gainers among rural households are those whose chief earners are employed in the 'modern services' sector. These include transportation, construction, transport, communication, real estate and retail trade. So, homing in on the 'caste factor', we see that in overall terms, the average upper caste Indian household earns more than double (Rs 86,690) that of the Scheduled Tribe (Rs 40,753) and about 46% more than the average OBC (Rs 59,741) household.

As a result, ST households account for just 5.2% of the country's personal disposable income even though they make up over 8% of the population.

Similarly, the Scheduled Castes constitute 16.7% of the national population, but hold hardly 12% of the total personal disposable income. The largest segment, the OBC, makes up 41% of the population, but earns 37.7% of the disposable income. As for the forward castes, they comprise 34% of households, but earn 45%. Let us, therefore, dedicate this August 15 to evaluate how much we have succeeded (and failed) the Mahatma's vision.

—The writer is director, NCAER-CMCR