

An Overview on Rural – Urban Economic Imbalance for Sarigam, Gujarat

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Abstract—This paper examines the exceptional discrepancy in Sarigam's economic inequality in terms of wealth, gender, population, reserved categories, education, and other factors. Rising economic inequality has been a problem for developing countries like India where income inequality and economic growth go hand in hand. The vast majority of people are in need since just a small number of people have benefited from the Policy. It shows that those who need them the most have not yet benefited from globalization and liberalization. The current study's objectives are to determine the disparity in economic opportunity between rural and urban areas of Sarigam due to a variety of variables and to look into potential remedies.

Keywords— Economic Inequality, Rural Urban, Education, Social.

I. INTRODUCTION

India is classified into 450 districts and approximately 6,30,000 villages, which can be further segmented on different parameters such as literacy levels, accessibility, distribution networks, income levels, market penetration, distances from nearest towns, etc. The Indian rural market comprises of around 840 million people which generates around 50 per cent of the country's Gross Domestic Product (GDP). This population is always ignored by private sector due to its low -income level, low literacy rate and high cost because of improper infrastructure facilities. The rural market was never looked upon as a profit center due to unavailability of proper distribution channels and media, low awareness and high competition from unorganized players. However, as the growth of urban market started stagnating, the need for exploring new market became essential. There has been improvement in living standards of rural population since last few decades. Rural poverty has declined by eight percentage points from 41.8 per cent to 33.8 per cent, and urban poverty by 4.8 per cent from 25.7 per cent to 20.9 per cent over the period 2004-05 to 2009-10 (Bhalchandra,K., Rural Poverty,2011). Rural Indian households are spending more on consumer goods like durables, beverages and services than five years ago. In fact, when the global recession hit urban demand few years ago, it was strong rural demand that rescued the economy (Economic Times, 2011). It has become a powerful economic engine due to rising income levels, changing lifestyle, habits, 2 taste, increasing literacy level and increasing expectations of rural consumers. As a result, the consumption habits of rural consumer are gradually mirroring those of their urban counterparts. However, still the composition of the Indian rural market is different from urban market on number of aspects such as the physical environment, marketing environment, the consumer profile, etc. Today almost all leading FMCG brands are available in rural parts of India and rural consumers are using it regularly. Therefore, there is a need to study the factors contributing to the gap between rural and urban consumers such as socioeconomic environment, marketing environment etc.

India is divided into 450 districts and about 6,30,000 villages. These villages can be further divided based on factors like literacy rates, accessibility, distribution networks, income levels, market penetration, distances from nearby towns, etc. Around 840 million individuals make up the 840 million-strong rural market in India, which accounts for almost 50% of its GDP (GDP). Due to their low level of income, poor literacy rate, and high cost because of improper infrastructure facilities, this community is consistently disregarded by the private sector. Due to a lack of appropriate distribution methods and media, limited awareness, and intense rivalry from unorganized businesses, the rural market was never considered a source of profit.

II. LITERATURE

Economic inequality has grown to be a serious problem on a global scale. Inequality in wealth and income has risen in almost all countries over the past few decades. The case of wealth inequality in India where 77% of the nation's wealth is held by 10% of Indians. There is an Exceptional income disparity in India discuss Income share, Income disparity in gender, and Carbon of top 1% and bottom 50%. How unskilled worker is having major loss after Internationalization and Informal jobs. Given policy suggestions that can be incorporated. Both multidimensional and intersectional exist in India. The interactions between several factors, such as income, employment, education, health, and household situations, highlight the severity of the deprivation. Both social and economic factors contribute to this deprivation. Boosting social security to include low-income households in the labor market so that the sources and possibilities of growth do not elude them. It has been noted that there is a correlation between income, health, and education. We have seen that the reserved category has not developed, and that the majority of its members are uneducated and underprivileged, resulting in income inequality compared to members of other castes. ('Economic Inequalities in India Dhruv Solanki AMOSM, Ahmedabad University', 2021)

1. Exceptional income disparities in India

In research from WIB (2022). The adult population of India earns an average national income of €PPP7,400 (or INR204,200). The bottom 50% gets €PPP2 000 (INR 53,610), while the top 10% make €PPP 42 500 (INR 1,166,520), which is more than 20 times. The bottom 50% share has decreased to 13%, while the top 10% and top 1% hold respectively 57 and 22% of the nation's total revenue. ('Economic Inequalities in India Dhruv Solanki AMOSM, Ahmedabad University', 2021)

2. Indian income inequality was historically high (1858–1947)

During the British colonial administration, with a top 10% income share of over 50%. Following independence, socialist-inspired five-year plans helped lower this share to 35–40%. Since the middle of the 1980s, deregulatory and liberalizing policies have resulted in one of the sharpest rises in income and wealth disparity ever recorded. Economic changes have mostly benefited the top 1%, but growth among low and medium-income groups has been rather sluggish, and poverty has persisted Basic physical infrastructure facilities, services, and installations needed for the functioning of a community or society are water supply, sewerage, storm water lines and solid waste management, etc. ('Economic Inequalities in India Dhruv Solanki AMOSM, Ahmedabad University', 2021)

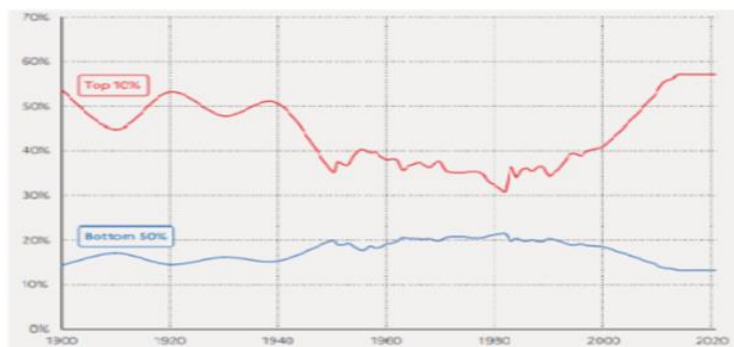


Figure 1 Top 10% and bottom 50% income share in India 1900-2020

3. Population

The rural market in India is much larger than the urban market in terms of population and number of households. The rural market consists of approximately 179.5 million households. For the first time since independence, the absolute increase in population is more in urban region. The urban population grew by about 32%, almost two-and-a-half times the rise of rural population (13%).

Table 1 Population of rural and urban India

	2001	2011	Difference
India (in Crore)	102.9	121	18.1
Rural (in Crore)	74.3 (72.19%)	83.3 (68.84%)	9
Urban (in Crore)	28.6 (27.81%)	37.7 (31.16%)	9.1
Towns	5161	7935	2774
Villages	638588	640867	2279

Source: 2011 Census data

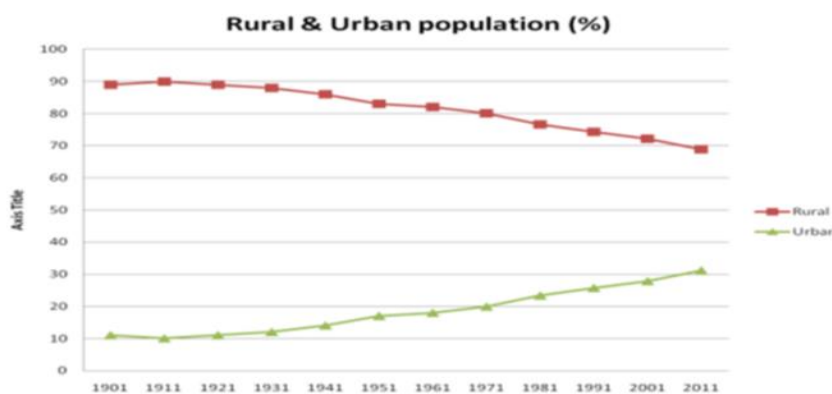


Figure 2 Rural and Urban Population percentage change

Source: www.census.gov.in

The proportion of rural population has declined from 72.19% to 68.84% whereas urbanization has increased from 27.81% to 31.16 % between 2001 to 2011. It is mainly because of increase in migration (rural to urban) of population from 20 to 24%. Approximately, 30 million rural people added to urban area in last decade.

4. India Settlement pattern

Urban: The city settlement pattern is compact but it is spread over a larger area. Land use is for residential, commercial, roads and streets, institutional and community facilities. The Structure of house is permanent and mostly more than one story. Housing on rental is highly prevalent. Clustering pattern is more on the basis of social class. According to census data, there are 53 urban agglomerations in India with a population of 1 million or more as of 2011 against 35 in 2001. About 43 percent of the urban population lives in these cities.

Rural: Villagers use land for human settlement and cultivation purpose. The settlements are predominantly clustered, but in some areas households settle on respective cultivable Landholdings. Houses earlier were largely semi-pucca or Kachha, but now there are more pucca houses and they are owner occupied. Houses in villages are clustered according to kinship, caste or religious groups. ICE 360 study (2014) findings reveal that a significant majority (36%) rural people live in medium-sized villages (with populations of 2,000- 5,000), 27% live in village sizes of population 1,000-2,000 and only about 8% live in large villages with a population of over 10,000. Households that are located in the largest villages have an annual surplus income (income minus expenditure) of Rs 62,425, which is more than twice that of house-holds living in medium-sized villages (Rs 25,408) and a little more than three times that of family units in the smallest villages (Rs 20,489).

III. STUDY AREA PROFILE

In the Umbergaon taluka of the Valsad district, Sarigam is a city with an Industrial Notified Area designation. According to the 2011 Population Census, Sarigam city is home to 290 families in total. The average sex ratio in Sarigam is 629 since there are 925 people living there, 568 of them are men and 357 of whom are women.

In Sarigam City, there are 128 children under the age of six, or 14% of all residents. Between the ages of 0 and 6 years, there are 58 female children and 70 male children. According to the Census 2011, Sarigam's child sex ratio is 829, which is higher than the national average of 629.

According to the Census of 2011, Sarigam has an 88.3% literacy rate. As a result, Sarigam has a better literacy percentage than the Valsad district's 78.6%. In Sarigam, the literacy rates for men and women are, respectively, 92.57% and 81.27%. Sarigam Industrial Notified Area oversees 290 homes in total, providing them with necessities like water and sewage. Additionally, it has the power to levy taxes on the properties that fall under its purview and construct roadways within the boundaries of an Industrial Notified Area.

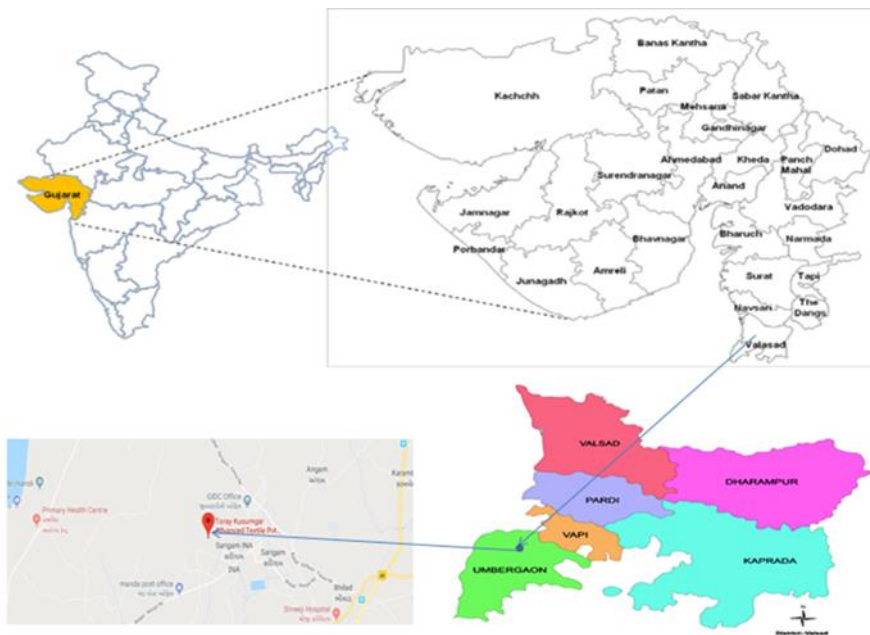


Figure 3 Location of Study Area

1. Sarigam Industrial Notified Area

Table 2 Sarigam Industrial Notified Area

	Total	Male	Female
Children	128	70	58
Literacy	88.3%	81.2%	68.1%
Scheduled Caste	32	14	18
Scheduled Tribe	12	6	6
illiterate	221	107	114

Source: Census India, 2011

2. Caste-wise Population – Sarigam

Schedule Caste (SC) constitutes 3.5% while Schedule Tribe (ST) were 1.3% of total population in Sarigam.

Table 3 population in Sarigam

	Total	Male	Female
Schedule Caste	32	14	18
Schedule Tribe	12	6	6

Source: Census India, 2011

3. Literacy Rate – Sarigam

The total of 704 literates, there were 461 men and 243 women; the male literacy rate in Sarigam was 92.57%, and the female literacy rate was 81.27%; this puts Sarigam's overall literacy rate at 88.33%, higher than Gujarat's average literacy rate of 78.03%.

Table 4 Literacy Rate in Sarigam

	Sarigam	Gujarat
Female	81.27%	69.68%
Male	92.57%	85.75%
Total	88.33%	78.03%

Source: Census India, 2011

4. Sarigam Wards

A ward is a local authority area that is frequently utilised for elections. Elections are held every five years in Sarigam's 1 more wards.

Table 5 Election ward

	Ward	Population	Literacy	Sex Ratio
1	Ward No - 1	925	76.1%	629

Source: Census India, 2011

IV. CONCLUSION

According to the study's findings, economic achievement rose in both rural and urban in terms of average years. with an equivalent rise in average years. The relative schooling attainment gap between urban and rural areas has shrunk throughout this time. The study by gender reveals that over the time periods, females had higher average years of education attainment than males. The gender gap in educational achievement between urban and rural areas has shrunk.

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