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# INDIA'S URBAN TRANSITION: RURBANISATION IN POLICY AND PRACTICE

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## ABSTRACT

This issue brief, the third in SPRF's series on India's Urban Transition focuses on the process of rurbanisation. Rurbanisation has been recommended by many scholars and taken up by successive governments as a way of redistributing the effects of India's economic growth, which has been conventionally concentrated in and around major urban centres. This brief explores the progress of the Shyama Prasad Mukherji Rurban Mission or National Rurban Mission (NRuM), the most prominent policy measure to promote rurbanisation, launched in 2016 under the Ministry of Rural Development. It also identifies relevant roadblocks and provides recommendations for the same.

## INTRODUCTION

Over the years, there has been a change in the nature of India's village economies, with an occupational shift from farm to non-farm sectors and an increased emphasis on higher educational attainment. The NABARD All India Financial Inclusion Survey (NAFIS) 2017-18 revealed that less than half (48%) of rural households could be considered agricultural whereas the remaining 52% were non-agricultural in nature (National Bank for Agriculture & Rural Development 2016-17: 11).

The comparison of the 38th round of National Sample Survey (1983) to the Periodic Labour Force Survey (PLFS) for the year 2017-18 shows a similar decline in agricultural sector participation (Ministry of Statistics and Programme Implementation 2019: v). The 1983 survey findings note that 77.5% of men and 87.5% of women worked in the agricultural sector in rural areas; while the PLFS 2017-18 revealed that only 55.0% of men and 73.2% of women continued to work in agriculture. Overall, there has been a workforce participation decline of 22.5% for rural males and 14.3% for rural females working in the agriculture sector. The workforce participation rate increased in the restaurant, trade and hotel sectors during the same period.

Sociologist Dipankar Gupta notes a similar change in the education sector, as rural people are more motivated now to educate their children and look for better educational opportunities for them through private schools in nearby towns and cities (Gupta 2015: 41). The Annual Status of Education Report (Rural) 2019 also found a directly proportional relationship between the percentage of enrollments in private schools and age. As per the survey, only 1.9% of 4-year-old children were enrolled in private schools, but the percentage of enrollments rose to 36.7% for 8-year-olds (ASER 2020: 51).

The findings of the surveys mentioned above indicate what researchers and policymakers have called 'rurbanisation', or the process of rural areas taking on urban characteristics, whether through conscious government policy action or gradual dispersal of economic growth. While in the west, 'rurban' areas are characterised as places that are rural in nature but geographically situated closer to urban areas, in India, rurbanisation refers to the process of providing urban amenities to rural areas (Sidhwani 2014: 1). The 'rurban' design seeks to integrate the elements of the urban in the rural by providing rural areas the opportunities and infrastructure hitherto restricted to urban areas (Ibid.). In a nutshell, as also articulated by Prime Minister Narendra Modi, rurbanisation seeks to connect the rural to the urban "where the rural soul is bent with a touch of urban" (Modi 2012).



## RURBANISATION IN POLICY

In recent decades, rurbanisation has been recommended by researchers and taken up by successive governments as a way of redistributing the effects of India's economic growth, which has been conventionally concentrated in and around major urban centres.

Provision of Urban Amenities in Rural Areas (PURA) — introduced in the 2003 book 'Target 3 Billion' by Dr A.P.J. Abdul Kalam — was a program for sustainable growth centred on the idea of development at the village household level. The program, later taken up by the central government as a pilot, included the development of village clusters to bring about integrated development of villages with a focus on employment generation (Kalam and Singh 2011: 25). PURA 2.0 was launched in 2012 by the Ministry of Rural Development as a Central Sector scheme through Public-Private Partnership (PPP) among the State and Central governments, as well as the private sector and gram panchayats. It included not just livelihood generation and economic and skill development but also infrastructure provisioning. The scheme hoped to make use of the private sector to provide unique and successful implementation results across rural villages in India (Ministry of Rural Development 2012: 3).

Under the present government, the Saansad Adarsh Gram Yojana (SAGY) was introduced in 2014 to maintain the rural soul of the villages while improving access to basic amenities and opportunities. The scheme aimed at developing model villages by 2016. One village would be assigned to one government legislator in order to undertake the development process for which the Gram Panchayat would be the elementary unit (Saansad Adarsh Gram Yojana n.d.). Although it was introduced back in 2014, the Mission has not lived up to its expectations as reports show that a majority of the legislators have still not chosen their supervisee Gram Panchayat, putting the development of the villages on hold. Out of 543 Lok Sabha and 245 Rajya Sabha members, only 225 and 58 members respectively have adopted a village (Sharma 2020; Mishra 2020).

The most prominent policy measure to promote rurbanisation, however, was launched in 2016 in the form of the Shyama Prasad Mukherji Rurban Mission or National Rurban Mission (NRuM) under the Ministry of Rural Development. The Mission aims at developing villages by ensuring access to equitable and progressive services, which would ultimately reduce the gap between rural and urban areas. The initial goal of the Mission was to develop approximately 300 rurban clusters over a period of three years. A 'rurban cluster' would be classified based on population — 25000 to 50000 people in plain areas and 5000 to 15000 in tribal, desert or hilly areas (Shyama Prasad Mukherji Rurban Mission n.d.). Additionally, Critical Gap Funding (CGF) was to be provided to clusters which lacked any funding through previous government schemes in place.

States are asked to take up and lead the Mission with an earmarked budget of INR 5124 crore. Each cluster is supposed to have an Integrated Cluster Action Plan (ICAP) consisting of a list of parameters that the states can use to select the villages as part of the Mission. ICAPs are also supposed to spell out the strategies for development of the clusters. The Mission hopes to preserve the rural characteristics of the village and make it urban in terms of the jobs and facilities (Shyama Prasad Mukherji Rurban Mission n.d.). Even basic services that were minimally provided for otherwise are to be enhanced under the Mission. The Mission recently completed its fourth year of implementation, on February 21, 2020.

## RURBANISATION AND RURAL-URBAN MIGRATION

A major consequence of rurbanisation, intended or otherwise, is that it can keep in check the high rate of rural-to-urban migration for economic reasons, particularly in a country like India. The unequal distribution of development outcomes has been a key driver of the movement of working-age individuals to urban areas (Nelakanttan R 2020). In many cases, this movement is forceful, also known as distress migration. According to Census 2011, most working-age males move to urban areas because of employment-related reasons. Additionally, despite marriage being the primary reason for women's migration to urban areas, there is a larger percentage of females who end up joining the urban workforce in cities (56%) in comparison to males (33%) (Bisht 2020: 3). Over a period of time, such movement puts pressure on the capacity of urban areas to provide opportunities and access to civic services to an ever-growing population.

Underpaid work, poor housing, and low access to services characterise the life of rural migrants in cities, making them one of the most vulnerable groups during civil emergencies such as natural disasters and epidemics. This was clearly visible during the national lockdown put in place in response to the COVID-19 pandemic in March 2020. Implemented suddenly, it left migrants in a situation where they not only lost their jobs but also had no means of travelling back to their hometowns. Surveys conducted in March-April 2020 indicate that around 92.5% of migrant workers incurred a loss of income of around INR 4000-10000 per person due to job loss (Jan Sahas 2020). More than 65% of the respondents claimed to have not been able to sustain themselves and their families for even a week during the lockdown, resulting in their much-documented barefoot migration back to villages (Ibid.). Given the fact that migrants make up 28.3% of the total Indian workforce, it is essential to address the structural reasons for their migration out of villages, now more than ever (Bisht 2020).

Rurbanisation, as a process and a policy measure, has the potential to reduce rural-to-urban migration by bridging the gap between the urban and the rural. In this context, the NRuM, with its aim to bridge the rural-urban divide through investments in economic and technological services in villages, carries far-reaching implications (Ministry of Rural Development 2015: 3). More opportunities, skill-based training for jobs, and technological advancement in rural areas would take away some of the need for people to migrate to towns and cities. Indeed, a reappraisal of the Mission is due now that the issue of migrant workers and their economic precarity has received widespread coverage as well as immediate policy responses under the central government's Atma Nirbhar Bharat scheme. The next section takes a look at the performance of NRuM and tries to identify the implementation challenges it has faced until now.

## NRUM: A REAPPRAISAL

As per information available on the official Rurban Mission website, out of a targeted 300 rurban clusters, 296 clusters and 287 ICAPs have been approved as of July 2020 (Figure 1 below). Out of the 296 clusters under development, 197 clusters have major road connectivity, and 50 clusters have port connectivity. Under the Mission, 96 potential growth clusters have also been identified but there are still a large number of states which are in the initial phase (Shyama Prasad Mukherji Rurban Mission n.d.).

**The last decade saw major urban areas face an uncontrolled influx of migrant populations looking for opportunities, as rural areas remained underserved and underdeveloped.**



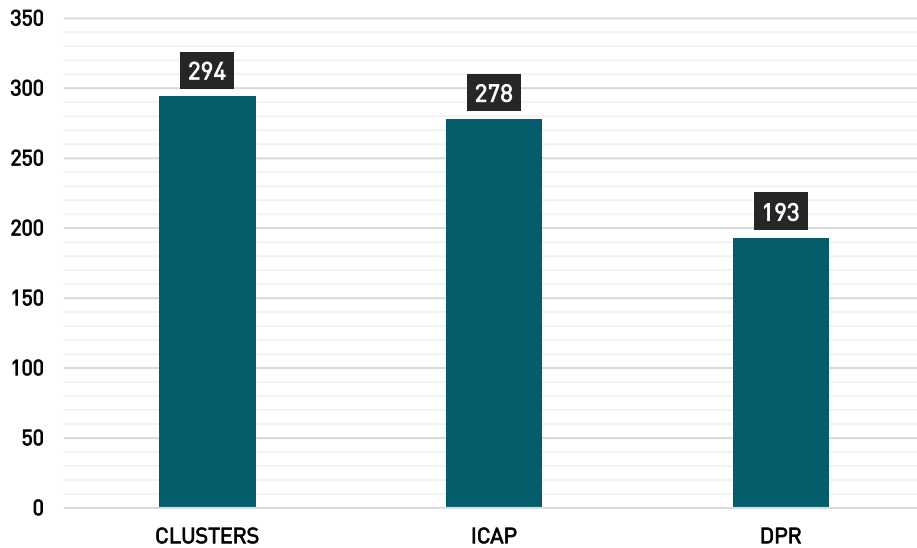


Figure 1: Number of Clusters, Integrated Cluster Action Plans (ICAPs) and (Detailed Project Reports) DPRs approved under NRuM  
 Source: Shyama Prasad Mukherji Rurban Mission Website

The status of work in the approved clusters has also been slow and skewed. A look at state-wise cluster development work status reveals that Chhattisgarh accounts for most of the clusters where work has either been started, is ongoing or completed (Figure 2 below). Comparing work status with the state-wise number of clusters, it seems that most states, including those with the highest number of allotted clusters, have not started any work (Figure 3 below).

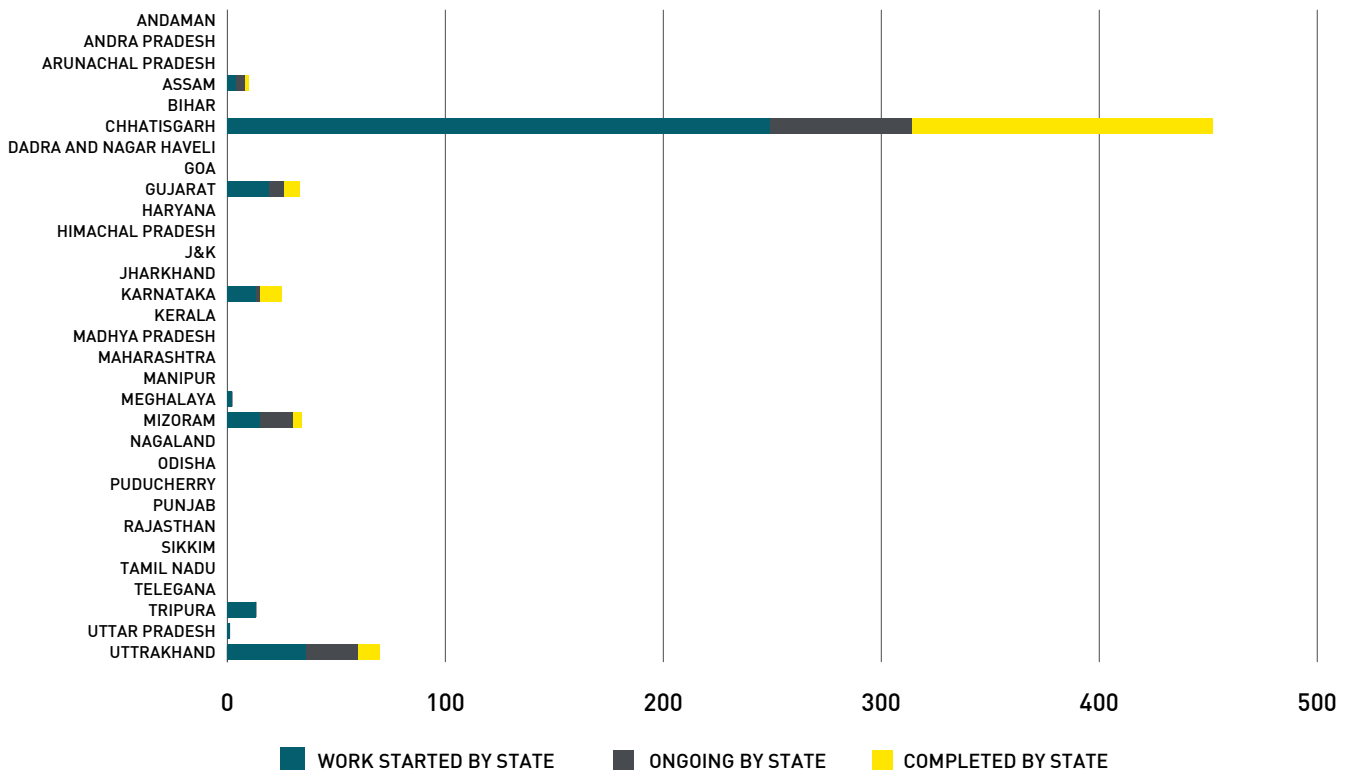


Figure 2: State-wise status of work in clusters  
 Source: Work Status Cluster Wise Report, Shyama Prasad Mukherji Rurban Mission Website

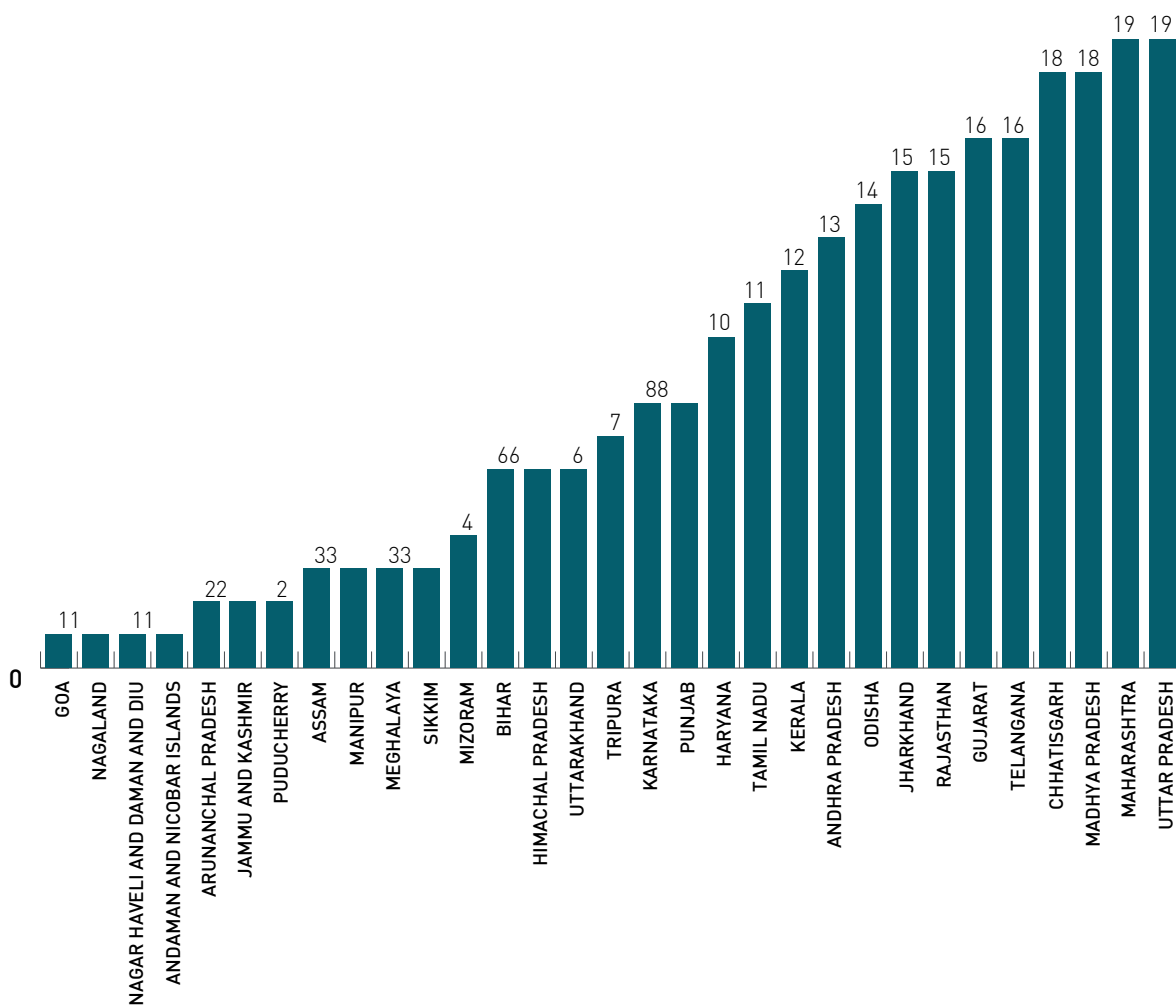


Figure 3: State-wise status of work in clusters  
 Source: Work Status Cluster Wise Report, Shyama Prasad Mukherji Rurban Mission Website

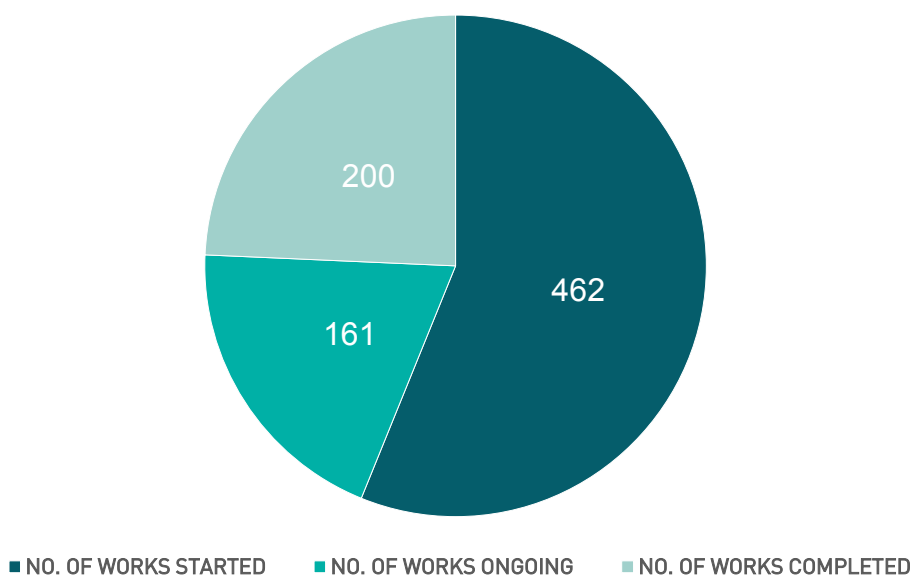


Figure 4: State-wise status of work in clusters  
 Source: Work Status Cluster Wise Report, Shyama Prasad Mukherji Rurban Mission Website



**Recent studies reveal that India spends only a minimal sum of \$17 per capita per year in urban infrastructure as against a recommended sum of \$100 based on the requirements of the urban space.**



As of July 3, 2020, the total number of works listed on the mission website was 823, out of which only 200 (24.3%) were listed as complete, while the rest were either marked 'started' or 'ongoing'. The website, however, does not clearly state what the difference between 'ongoing' and 'started' is, as the categories do not seem mutually exclusive. This categorisation seems vague, to say the least.

Given the scope of the Mission as well as the number of ministries involved, the reason for the poor implementation could well be a lack of coordination between the various ministries. The Mission website does not provide any information on the reasons for the slow progress or list major difficulties faced during implementation, but an analysis of existing literature on urban and semi-urban development could yield possible answers.

The implementation of the Mission takes place through the PPP model, which poses its own challenges. Private sector organisations need to be encouraged to invest in rural areas; it may not always be profitable for businesses to invest in underdeveloped markets and so they may choose to not participate (Ramesh 2018: 1945). Findings also indicate that projects funded through the PPP model are approved at a slower rate in comparison to other projects since there is a lack of policies and guidelines available. Hence there is a need for better coordination among the central, state and local governments in order for implementation of PPP models to take place more effectively (Singh and Khan 2015: 171).

Another possible hindrance could be the governance structure prevalent in villages. There is a difference in the administrative structure of statutory towns (or cities) which are administered by Urban Local Bodies (ULBs) and villages which are administered by village councils or Gram Panchayats. This difference plays a decisive role when it comes to providing urban services to rural or semi-urban areas. Village clusters have a higher combined population and density as compared to a single village. Providing networked urban services in clusters might require greater resources as well as planning, for which a gram panchayat might not have the necessary capacity (Ibid.).

Then there is the issue of replicating the current urban development model for the development of village clusters. The Rurban Mission seeks to develop rural clusters by taking the urban figure as an example (Shyama Prasad Mukherji Rurban Mission n.d.). But urban infrastructure development in India still faces issues of finance and investment. Recent studies reveal that India spends only a minimal sum of \$17 per capita per year in urban infrastructure as against a recommended sum of \$100 based on the requirements of the urban space. Comparatively, countries like China and the United Kingdom spend \$116 and \$391 per capita per year respectively on urban infrastructure (HUDCO 2016: 24). Thus, using the urban spending figure as a model to prepare development plans for villages might lead to under-funding.

## CONCLUSION

Promoting rurbanisation is a key structural policy measure to redistribute the fruits of India's economic growth among small towns and villages.

As we gradually enter post-COVID India, the Rurban Mission has the potential to transform India's rural-urban landscape comprehensively. It could very well hold the key to resuscitating India's rural economy by encouraging investments in hitherto untapped rural markets, and, in the process, create jobs for people who otherwise have to move out of their villages in search of them.

However, given the stalled progress under the Mission, the governments at the centre and the state level need to identify the roadblocks. Besides, a holistic approach needs to be adopted towards the development of rural clusters based on their characteristics and specialities instead of replicating urban financing models. The government could divide rural clusters based on a product-led approach, as is the case in the UP government's One District One Product scheme which seeks to encourage industrial units, artisans and associations related to specialised and indigenous products in every district of the state (One District One Product n.d.). Alongside, there needs to be robust monitoring and evaluation mechanisms at the district and state level.

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