

# Spatial Diversity and Inclusive Development

Dr. Reena Parti

Associate Professor (Economics), G. G. S. C. W Sector-26, Chandigarh

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## ABSTRACT

India's vast spatial diversity, has led to pronounced disparities between rural and urban regions. The paper *Spatial Diversity and Inclusive Development* traces the genesis of spatial diversity, emphasizing the rural-urban divide, which has been central to India's socio-political discourse, particularly since the time of Gandhian philosophy advocating rural development. Despite policies targeting rural empowerment and inclusive growth, significant inequalities persist. The study explores poverty and inequality through various indicators, such as land distribution, consumption patterns, and the Monthly Per Capita Consumption Expenditure (MPCE) in rural and urban India. A comparative analysis of poverty and inequality across time periods would be made. This paper concludes that, despite efforts to address spatial diversity and promote inclusive development, post-reform policies have resulted in widening inequalities, necessitating focused interventions to bridge the rural-urban gap and foster equitable growth across regions.

**Keywords:** Inclusive Development, Rural-Urban Divide, Spatial Diversity, Poverty, Inequality

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## INTRODUCTION

India's vast and diverse landscape, both in terms of geography and socio-economic conditions, has led to significant spatial diversity across its regions marked by varying levels of development, infrastructure, education, healthcare, and income, posing a key challenge to India's development. Inclusive development aims to bridge the gap between regions with varying levels of development and ensure that all sections of society—across different geographical areas—have equal access to opportunities and benefits, crucial for achieving sustainable and equitable growth for all. The roots of India's spatial diversity can be traced back to colonial rule, which structured the economy around resource extraction and focused on developing specific regions (e.g., port cities for trade). As a mark of, this sort of development an emphasis was laid on various socio-economic indicators.

### Tracing the Genesis of Spatial Diversity

A very significant component of balanced development has been to put an end or to reduce the gap between the urban-rural disparities. Rural development was thus given prerogative since then and an emphasis was laid on the development of villages where the real India was contained. If India, and through India the world was to achieve freedom, then sooner or later we would have to live in villages, in huts and not in palaces.

Millions of people can never live in cities and palaces in comfort and peace...we can have the vision of that truth and non-violence only in the simplicity of villages. The simplicity resides in the spinning wheel.... The sum and substance of what I want to say is that the individual person should have control over the thing that are necessary for the sustenance of life.<sup>1</sup>

Equality in all dimensions has been a cherished ideal ever since. An effort has been directed towards the reduction of economic inequality in particular. A non-violent system of government was impossibility as long as there existed a wide gulf between the rich and the poor and there existed hungry millions.

It would one day lead to a violent and bloody revolution. Monopolization was regarded as a taboo and swaraj would come not by the acquisition of authority by a few, but by the acquisition of the capacity by all to resist authority when abused. Gandhiji put it; *Economic equality by my conception does not mean that everyone will literally have the same amount. It simply means that everybody should have enough for his or her needs and in accordance to Marx, to each according to his need.*

He further brought out that everyone must have a balanced diet, a decent house to live in, and facilities for the education of one's children and adequate medical relief.<sup>2</sup> He preached that economics that permits one to prey upon another is immoral; that which hurts the well-being of an individual or a nation is immoral and therefore sinful<sup>3</sup>, for the end sought for is human happiness combined with full mental and moral growth for which he advocated decentralization, for centralization is inconsistent with a non-violent structure of society.<sup>4</sup>

Lalaji also subscribed to Gandhiji's view that economic equality is a must to avoid bloody defiance of the oppressed. Economic equality however did not imply equality of income for all. It is permissible within a definite range. If any member of a social group makes more wealth or comes into possession of it by the sweat of its brow, he is welcome to have it, enjoy it if thereby he inflicts no wrong on others jointly or severally.<sup>5</sup> With great fervor and zeal, it was aspired that the long tale of exploitation and repression brought out by the capitalist mode of production would be done away with by guaranteeing "equal opportunity and equal justice to all" and envisaged a society free from starvation and ignorance. Bread as a price of political submission and loss of individual freedom was not worth having.

Everyone would have to do body labour<sup>6</sup> and if everybody lived by the sweat of his brow, the earth would become a paradise.<sup>7</sup> Bread had to be earned by sweat of one's brow and stood for social and economic equality, psychological standardization and championed the right to work as a measure of guarantee of bread to everyone. The demand of right to work and adequate wages, conveniently termed as right to bread, was not a paper right unsupported by the economic fabric of society.

The long colonial rule in India had created an urban-rural divide, and though the existence of disparity in post-colonial country is not unusual, and it is not possible to bring it to an end, it is possible to reduce it to a tolerable level. It is significant to accost to existing spatial diversity in independent India, to address to the needs of rural development. The urban-rural disparity in all spheres of human life, i.e. economic and non-economic has been a cause of great concern for the policy makers in post-colonial India. Gandhiji emphasized on rural growth and pleaded for village swaraj. He believed that rural democracy cannot be worked by twenty men sitting at the center. It had to be worked from below by the people of every village.<sup>8</sup>

He wanted the engine of India's development to start rolling down from the village. Disparity has continued to exist in India within different regions and the country as a whole. The Great India-Bharat Divide. 'India' notional entity, largely Anglicized and relatively better-off, rich and educated one which obtained the colonial legacy, of colonial exploitation from the British; while the 'Bharat' is largely rural, agricultural, poor and backward, uneducated and is subject to colonial-like exploitation even after the end of the Raj.<sup>9</sup> It is simply an idea of neo-colonial exploitative relationship between the two notional entities of 'India' and 'Bharat'.

Not only there exists a horrendous cleavage between the two notional entities, but there also exists a wall of apathy, indifference, unconcern and insensitivity on part of the predators that had hardened their hearts to the miseries of their prey. Given the situation, what is called for is an effective design to reduce this disparity (in terms of availability of basic needs and poverty differentials, inequalities in the society, and on various fronts of human development such as education, health facilities and employment opportunities) to a desirable level as it cannot be eliminated. For the paper however, the scope revolves around:

- An assessment of Poverty and Inequality to mark out urban-rural disparities.
- An examination of the extent of poverty-absolute and relative overtime.
- An examination of the extent of inequality in land distribution and consumption overtime.

### **Trends in Poverty and Inequality**

An assessment of situation would be made by an examination of poverty and inequality overtime. Over 70% of India's population resides in rural areas, making the socio-economic progress of rural communities central to understanding the nation's development. Poverty, especially in rural areas, has been a long-standing issue. Early studies, like those by Dadabhai Naoroji in the 19th century, attributed mass poverty to British colonial rule, which drained wealth through unequal trade and policies. In the 1930s and 40s, scholars like Prof. Radha Kamal Mukherjee and others highlighted India's widespread poverty, although scientific measurement was lacking at the time.

Despite India's success in food production, especially after the Green Revolution, the rural sector's contribution to the nation's economic growth hasn't significantly improved the lives of the 300 million poor in villages. Many live on less than a dollar a day, with low social status. Poverty, as a concept, is complex and multifaceted, influenced by socio-cultural, socio-political, and economic factors. While its definition may vary, it generally refers to inadequate consumption levels, meaning a lack of sufficient food, clothing, and shelter.

**Table 1: Indices of Poverty and Inequality Overtime**

Year	Poverty Ratio			Poverty Gap Index			Squared Poverty Gap Index			Lorenz Ratio	
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1973-74	56.4	49	54.9	16.56	13.64	15.95	6.81	5.26	6.48	0.27581	0.30125
1977-78	53.1	45.2	51.3	15.73	13.13	15.15	6.48	5.25	6.21	0.33861	0.34481
1983-84	45.7	40.8	44.5	12.32	10.61	11.96	4.78	4.07	4.61	0.29759	0.33027
1987-88	39.1	38.2	38.9	9.11	9.94	9.32	3.15	3.60	3.26	0.29826	0.35369
1993-94	37.3	32.4	36	8.45	7.88	8.30	2.78	2.82	2.82	0.28190	0.33940
2004-05	41.8	25.7	37.2	5.8	6.20	7.0	1.76	2.00	2.00	0.30500	0.37600
2009-10	33.8	20.9	29.8	8.3	7.88-	8.0	2.78	2.82	2.8	0.28	0.33

**Source:** GOI, Planning Commission, Ninth Five Year Plan 1997-2002, Vol.-I, Economic and Political Weekly February, 10, 2007 and Poverty Estimates, 2009-10, MOSPI

The table apparently brings out the decline in the percentage of population below the poverty line at both the rural and the urban levels. Decline in rural poverty has been by 22.6 percent overtime and that of urban poverty by 28.1 percent. The percentage share of decline in poverty has been greater for the urban areas. Another fact that emerges is that if decline in pre-reform and post reform period is observed, the decline in poverty in rural India was more than the urban India in pre-reform period, i.e. 17.3 and 10.1 percent respectively. Post-reforms the trend reversed. Decline in rural poverty was by 3.5 percent and that of urban by 6.2 percent. Thus, reforms slowed down the decline in the rural India.

### Inequality

Even if every member of the community enjoys reasonable minimum standards of living and there is no problem of poverty to be faced, it proceeds not only to raise the lowest levels of income but also to reduce the highest level and to reduce the gap between the two, necessary to maximize welfare. Poverty is not the only goal, but the other goals pointed out in the ingredients of the philosophy of the Welfare State are the removal of inequalities or rather excessive inequalities in income and consumption.

As for the rural India it is significant to assess the inequalities in terms of consumption and in agriculture sector. With the right of the agriculturalist to cultivation being a part of their fundamental right to livelihood (under Article 21 of the Constitution), inequalities in agriculture in respect of distribution of land, distribution of ownership and operational holdings and average size of land need to be addressed, to ensure them life with dignity. The absolute landlessness was 11.68 percent in 1961-62, among peasant households, 9.64 in 1971-72, 11.33 in 1981-82, 11.25 in 1991-92 and 31.12 in 2003-04 and 25.6 in 2009-10.

Another category of farmers defined by National Sample Survey (NSS) has been that of near landlessness-about 37.9, 37.42, 39.93, 42.4, 29.82 and 20 percent respectively during the same time period. The landless and the near landless households amount to nearly 61 percent of the rural households, reflecting the true extent of landlessness in the country, and also a major precipitator of poverty. There has been however been observed a decline in the large holdings from 2.8 to less than one percent, i.e. 0.9 percent in 2009-10.

Further an examination of the Gini coefficient in the operational holdings revealed that there has been a progressive increase in inequality in operational holdings from 0.583 in 1960-61 to 0.62 in 2009-10, exhibiting a high level of inequality in land distribution, where a large proportion of land is held by a relatively small number of agricultural households, and a significant percentage of rural households own very little or no land.

### Consumption

In India, consumption estimates are considered a better indicator of economic well-being than income estimates, particularly given the country's high population, low per capita income, and a large portion of the population living below the subsistence poverty line. Regional and economic disparities further complicate income data, as factors such as commodity prices, income levels, tastes and preferences, geography, occupation, urbanization, and infrastructure all influence consumption patterns. These factors, which vary over time, result in changes to consumption habits across different regions and sectors (rural and urban). Therefore, consumption data provides a more accurate reflection of people's living standards than income data in a diverse society like India.

**Table 2: AGR real MPCE Pre-Reform and Post-Reform Period in Rural, Urban and all- India**

	Pre-Reform	Post-Reform	Over All
<b>Rural</b>	1.52	1.16	1.17
<b>Urban</b>	0.98	1.47	1.35
<b>All-India</b>	1.52	1.44	1.4

**Source:** Taken From Ghosal, R. 2014, Calculated using data from NSSO data. Pre-reform-1972-73 to 89-90, post-reform-1993-94 to 2009-10, Over-all-1972 to 2010

As far as the growth rate of real MPCE of rural, urban and rural-urban combined sector of the states is concerned, table-2 gives us a clear overview on the same. If we look at the national average annual growth rate of real MPCE during the pre-reform period (1972-73 to 1987-88) was 1.52%. But the same has declined to 1.44% p.a. during the post-reform period (1993-94 to 2009-10). The annual average growth rate of real MPCE during the period of our study has been 1.4% which is lower than the same for the pre-reform period. Similar trend has been observed at the rural level though at the urban level the growth rate has been higher in post reform period. Thus, where there has been a decline in the growth of MPCE in rural India post reforms there has been an increase in poverty for the same. It holds vice-versa for the urban India, indicating that rural urban disparity has been widened post reforms.

An attempt has been made to study the inequality in consumption for which first, Gini coefficient as a measure of overall inequality which does not focus on the relative positions of different classes has been used. Second, to view the relative inequality we have computed the shares of the bottom and top 30% of the population in total MPCE for each period of the large sample quinquennial surveys of NSSO.

**Table 3: Trends in Consumption Inequality in India during 1972-73 to 2009-10**

Year	Rural			Urban		
	Gini Coefficient	Share in consumption expenditure (%)		Gini Coefficient	Share in consumption expenditure (%)	
		Bottom 30% population	Top 30% population		Bottom 30% population	Top 30% population
<b>1972-73</b>	0.302	15	50.9	0.341	13.9	54.3
<b>1977-78</b>	0.337	14.3	53.9	0.345	13.5	54.9
<b>1983</b>	0.298	15.2	50.9	0.330	13.9	53.7
<b>1987-88</b>	0.291	15.8	50.4	0.352	13.4	55.3
<b>1993-94</b>	0.281	16	49.9	0.340	13.6	54.7
<b>1999-2000</b>	0.260	16.7	48.3	0.343	13.4	54.7
<b>2004-05</b>	0.297	15.5	51.6	0.373	12.4	56.9
<b>2009-10</b>	0.291	15.62	51.06	0.382	11.83	58.27

**Source:** GOI, Various NSSO Rounds

### Key Insights

The data indicates growing inequality in both rural and urban areas, with urban regions seeing a more pronounced increase in the concentration of consumption among the wealthier segments of the population. An examination of the same from table 3, brings out a decline in the Gini coefficient for the rural India indication towards a decline in inequality and vice-versa for the urban India.

A significant feature that has emerged is that as far as relative inequality is concerned, though there has been an increase in the share of top 30 percent at both the urban and rural levels, yet rural India witnessed an increase in share of bottom 30 percent too, not observed so in the urban India. Further if the ratio of top 30 percent to bottom 30 percent is taken, the figure throughout is greater than 'One', indicating greater extent of inequality both for the rural and urban India. But the fact that needs to be mentioned is that the share of top 30 percent to bottom 30 percent has registered a decline in rural India overtime, but that of urban India has recorded an increase.

## CONCLUSION

The existence of urban-rural disparity besides being a guiding force of the struggle for independence was one of the aspirations to be achieved in independent India and formed the basis of the policy framework. Despite the concerted efforts it is quite apparent that there has been a decline in relative inequality in rural India and in greater proportion than urban India, indicating towards an increase in the gap between the rich and the poor in urban India. The urban-rural divide remains one of the most significant challenges for India's balanced development. A more equitable approach to development, one that ensures the growth of both urban and rural areas, is essential to reducing this disparity. India must focus on policies that promote rural development, enhance access to education and healthcare, and ensure better distribution of resources like land. A decentralized approach that empowers rural populations to contribute to and benefit from national development is critical for bridging the urban-rural gap. Addressing urban-rural disparities will not only promote economic growth but also foster social harmony and national unity. A balanced approach to development, grounded in Gandhian ideals, is necessary for India to achieve sustainable and inclusive growth.

## Notes

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