

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1622
ANSWERED ON:04.08.2010
RURAL AND URBAN INCOMES
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Will the Minister of PLANNING be pleased to state:

- (a) whether it is difficult to bridge the gap between rural and urban incomes in any reasonable time by pouring money into costly rural infrastructure;
- (b) if so, the details thereof;
- (c) whether the Government proposes to focus on urbanization and to facilitate migration instead;
- (d) if so, the details thereof; and
- (e) the steps being taken in this regard for the remaining period of Eleventh Plan in urban and rural areas, respectively?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI V. NARAYANASAMY)

(a) to (e): The Central Statistical Organization (CSO), Ministry of Statistics & Programme Implementation (MOSPI) has been compiling estimates of rural and urban incomes of the Indian economy measured by per capita Net Domestic Product (NDP). These estimates are available for each revised base year of the National Accounts Statistics (NAS). The per capita rural and urban income for the years 1993-94, 1999-2000 and 2004-05 are provided in the table below:

Per-Capita Income in Rural and Urban Areas

(in Rs)

Year Per-Capita (NDP) Ratio of Rural to Urban Income
Rural Urban

1993-94 5783 13525 42.8

1999-00 10652 30095 35.4

2004-05 16327 44223 36.9

Source: National Accounts Statistics- 2007, 2010, Central Statistical Organisation

Reduction of rural and urban disparities has always been the priority of the Government's development policy. The strategy has been to generate employment opportunities in rural areas and also to develop rural infrastructure to bring a tangible improvement in standard of living of the rural masses. The Government has launched a number of programmes towards this end. The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) guarantees 100 days of wage employment in a financial year to a rural household, whose members volunteer to do unskilled manual work. Swarnajayanti Gram Swarozgar Yojana (SGSY) is a holistic self employment generation programme under which rural poor are organized into Self Help Groups (SHGs) and are provided assistance through a mix of credit and subsidy to set up self employed units. The rural poor are also provided financial assistance for construction of houses under Indira Awas Yojana (IAY). Building rural infrastructure through Bharat Nirman primarily aims at improving the living conditions of rural masses. The unorganized sector, which constitutes about 93 percent of the workforce based mostly in rural areas, is provided with skill development and self employment programmes through Prime Minister's Rozgar Yojana (PMRY), Khadi and Village Industries Commission (KVIC) and Krishi Vigyan Kendra (KVK). In Urban areas, poverty alleviation schemes like Jawaharlal Nehru National Urban Renewable Mission (JNNURM), Swarna Jayanti Shahri Rozgar Yojana (SJSRY) are in operation.