

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3871
ANSWERED ON:20.03.2013
CONCENTRATION OF ECONOMIC ACTIVITIES IN URBAN AREAS
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Will the Minister of PLANNING be pleased to state:

- (a) whether the economic activities are concentrated in cities than in the rural areas;
- (b) if so, the details thereof and the reasons therefore; and
- (c) the steps being taken by the Government for proportionate economic activities both in urban and rural areas ?

Answer

MINISTER OF STATE FOR PARLIAMENTARY AFFAIRS AND PLANNING (SHRI RAJEEV SHUKLA)

(a): Estimation of National Income is usually done on the basis of economic activity from where it originates i.e. agriculture, mining and quarrying, manufacturing, transport, real estate and banking, social and personal services etc. However, the Central Statistical Organization (CSO) had estimated the share of the Net Domestic Product coming from rural and urban areas for the year 2004-05, this being the latest estimate available. The CSO had estimated that 48.14 % of the Net Domestic Product comes from rural areas. It is thus clear that economic activities are almost equally concentrated in rural and urban areas.

(b): Does not arise.

(c): The growth of the rural sector vis-a-vis the urban sector is inter-linked and both have to grow in tandem in order to realize the full growth potential of the economy. The 12th Plan document has mentioned that the focus shall be on "Faster, Sustainable and more Inclusive Growth". Inclusiveness also means greater attention to income inequality. One of the ways of tackling income inequality is through implementation of employment generation programs. Some of the major employment generation programs which benefit the rural sector include the Mahatma Gandhi National Rural Employment Guarantee Act, the National Rural Livelihood Mission and the Prime Minister's Employment Generation Program.