

Globalization and Rural-Urban Divide: An Inquiry on the Health, Education and Basic Amenities in India

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1. **Introduction and Objective:** India had experienced major policy changes due to its liberalization, privatization and globalization process intended to make the economy globally competitive. The literature claims that the reforms and adjustment process not only prompted a major impact on the overall economic growth but also integrated India with the global economy (Joshi and Little 1996, Panagariya 2008, Ahluwalia 2016, Patnaik 2016). However, while the growth performances in India remain noteworthy, the country continues to suffer from widening economic and social disparities on account of high poverty ratios, rising income inequality, widespread unemployment, illiteracy, poor health care services, basic amenities and social exclusion. It is discernable that while the economic achievements of globalization - such as increase in per capita income or expanding foreign direct investments - are often highlighted, the poor performances in non-economic dimensions - such as in the health, education and basic amenities - are rarely mentioned. It is also claimed at times that the reason for widening economic and social divide in the country is due to the growth strategy that favored the urban India in relation to rural India. It may be mentioned in this context that while the concern for rural-urban disparity has been subjected to some critical discussions in the context of China, e.g., Kanbur and Zhang [1998], Sicular et al [2008], the same has received little attention in the academic and policy-making circles of India. This study is therefore devoted to verify the notion of rural-urban divide in the progresses made on access to health services, education and basic amenities due to the globalization process.
2. **Methodology and Plan of Study:** The main objective of this paper is to examine the rural-urban disparity on the health, education and basic amenities dimension by developing an empirical framework for describing the inequalities across different states in India. Our analysis proceeds in two steps; we first develop an empirical framework for describing the inequalities across different states, and subsequently examine the patterns of disparity across rich and poor states. To elaborate, we would use appropriate indicators to construct composite indices to undertake comparison of achievements in each of the three dimensions across states. The aggregate indices on each dimension would be constructed for 29 states and union territories by employing the principal component method to determine the set of weights for deriving the composite index. We subsequently use these cross-sectional data to examine a few hypotheses on the relationship pattern of rural-urban disparity and levels of per capita income across different dimensions in India.
3. **Data Source:** The description of the indicators that are to be used in the construction of the composite indices along with the account of their data base is provided in Table 1. Besides these,

the data on per capita state domestic product would be accessed from Central Statistical Organization, GOI.

4. Policy Implications: It is often argued that in order to have a sustainable development path, the reform process in India should be more inclusive and include a wider set of social policies in the agenda. There is possibly no developmental index that is available on India at the state-level to focus on the rural-urban disparity in these crucial non-economic dimensions. The Indian HDI involves inadequate number of indicators to capture the inequalities on health and education dimensions and further does not provide any rural-urban analysis. The results of this study bear the potentials to provide insights on this crucial topic.

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Table1: Dimensions and Indicators of Dimensional Indices.

Dimension/Indicator Data Base

Dimension: Health

1.1 Infant Mortality Rate SRS, 2016

1.2 Percentage of Undernourished Children NFHS-4, 2015-16

1.3 Mothers who had full antenatal Care NFHS-4, 2015-16

1.4 Women with below normal BMI NFHS-4, 2015-16

1.5 Men with below normal BMI NFHS-4, 2015-16

1.6 No. of Government Hospital Beds per Th. Population Dir. Gen. of State Health Services.

Dimension 3: Education

2.1 Men Literacy Rate (15+) National Family Health Survey 4, 2015-16

2.1 Women Literacy Rate (15+) National Family Health Survey 4, 2015-16

2.3 Drop-Out Rate NSS, 71st Round, 2014

2.4 Class 10 Promotion Rate DISE, Secondary Education in India, State Report Card, 2015-16.

2.5 Never Enrolled in School NSS, 71st Round, 2014

2.5 Number of Secondary Schools per Th. Population DISE, 2015-16.

Dimension 3: Basic Amenities

4.1 % of households living in a Concrete House Census Housing Tables

4.2 % of households having Electricity Connection NFHS-4, 2015-16

4.3 % of households having Improved Drinking Water NFHS-4, 2015-16

4.4 % of households having Improved Sanitation Facility NFHS-4, 2015-16

4.5 % of households using Clean Fuel for Cooking NFHS-4, 2015-16