Impact of Globalization on Rural Vs Urban Business Models

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ABSTRACT
This paper focuses on people's perception and expectations from schooling in rural and urban areas in discipline, rights and responsibility. Life insurers for rural growth, urban and rural transit systems, and also rural-urban disparities are exploring in this paper.

This paper is analyzing rural routes Vs city carriers i.e., five-day Vs seven-day delivery and also property line mailbox initiative in postal services.

The paper also looks at creating rural Vs urban business hubs i.e., grassroots trading network, concept / mission achievement, rural entrepreneurship, expanding business in rural markets, consolidator model for SGMH and ITC, two India existing as one, right models for right business

PRELUDE

The Indian rural business with its vast size and a large demand base definitely offers huge opportunities to marketers. We have two thirds of the consumers in the country living in rural areas generating almost half of the national income. It is thus quite natural that rural businesses assume an important role when compared to the total business of India. India is classified in around 450 districts comprising approximately 6.3 lakh villages, which can later to sorted out on different parameters namely literacy levels, accessibility, income levels, penetration, distance from nearest towns etc.

Urban business activities wholly depends on rural business. The success of a brand in the Indian rural business is as unpredictable as expecting rain from the skies now-a-days. It has always been a difficult task to gauge the rural business. The rural business has been grown steadily since the 1980s and is now bigger than the urban business for both Fast Moving Consumer Goods (FMCG) and durables.

The annual size of the rural business, in value terms is currently estimated at around Rs.50,000 crores for FMCGs, Rs.5,000 crores for durables, Rs.45,000 crores for agri-inputs and implements and another Rs.8,000 crores for automobiles.

Business is the age of information technology, which facilities development of communication as an integrating process of civilized societies. It is improving the quality of life of people in various parts of the world. It growing sophistication in technology, the improving maturity in the thinking and living habits of people and also raising levels of standard of living.

People's Perception and Expectations from Schooling in Rural and Urban Areas

The urban parents lamented that their children have become spoilt the rural parents expressed their despair in much stronger terms by stating that their children have been completely ruined by this education system. This signifies that the impact of modern education in rural areas is much more devastating than in urban areas perhaps because in urban areas a certain amount of damage has already happened over the years.

In urban areas people have largely accepted the utilitarian role of education. They no longer expect their children to be self-employed, as they have ruled out this option completely. The urban people have also learnt to accept and exploit the larger sociopolitical and economic system to their advantage and prevent the majority living in rural areas from deriving the same advantages from the larger system. Hence, they are only lamenting that the children have been spoilt, which is manifested in (i) their rude behavior towards their elders and (ii) in spending beyond their means.

In addition to the ill effects of modern education being experienced by the urban people, in the rural areas the people are increasingly getting disenchanted with the utilitarian role of education. The job opportunities for rural people are far less than those for the urban people. They do not have the same access to the larger system to be able to derive the benefits. For instance, this feeling was expressed even by children in Bangladesh in one of the studies when they said, "An illiterate person works very hard in the hot sun and carries heavy loads on his head in exchange for almost nothing. We would like to be educated and enjoy life like the educated, so that we too can work less and get more money". What is implied is that they would also like to use education as tool of exploiting the system, just as the others had done before them. The rural people are slowly realizing that modern education has weaned away their children from
traditional occupations as well. Thus in rural areas education was wrought complete devastation leaving them neither here nor there.

**DISCIPLINE, RIGHTS AND RESPONSIBILITY**

Almost every group raised the issue of discipline. Lack of discipline was a major concern. There were outer forms of discipline, which were expressed as: having a fixed timetable in schools, time at which the school opens, coming to school on time, saying the morning prayers, regularity in coming to school, cleanliness, having a school uniform, wearing a clear uniform etc. But there was a lot of emphasis on inner discipline by rural people.

All parents, both rural and urban, were unhappy that schools do not inculcate a sense of respect among children towards their elders - parents and teachers. There were many issues raised by the parents that are peculiar to the cultural beliefs of this country. For instance the issues of respect, care, concern, and gratitude towards elders are not usually linked to discipline in other countries. Disciplining a child is considered part of learning by majority of the people in our country. All parents felt that the teacher must be strict and enforce discipline, although no one favored beating children in order to discipline them. The majority also preferred the use of affection to motivate the child to behave better in class.

Today, it is generally believed that inculcating love and a sense of responsibility is not a function of education, which means that the responsibility of building the social capital lies outside the schools. For instance, when one says that, "Responsibility for value and social education which was traditionally given by adults in community is now passed to school", it is said in an accusing manner. But this conjecture is not entirely true. Both the teacher (school) and parents performed this role in the past. Even so, we must also appreciate that in the past schools were much closer to the community. They did not alienate the child from his / her family and community. Today if the school is alienating the child from family, society and traditions - as is borne out in this study - then it cannot wash its hands from the responsibility of also giving values to the child just as the parents cannot abdicate their responsibility.

At the same time it is also admitted that the moral and social values provide a base for society's development. What happens in effect is that there seems to be a clear divide between two responsibilities: that of providing skill and competency in literacy and numeracy, and that of building the character of the student. It is made out to be 'either-or' kind of situation, with an underlying assumption that the school cannot be made responsible for developing both the character and the 'learning competency' of the student. Today in rural areas, we have reached 'minimum' levels of expectations, when parents say they are grateful if the teacher does not drink, smoke or lie in a drunken stupor during classes.

A country with an old tradition of vidya or learning; where vidya includes self-knowledge as the most important part of learning; which aims at transformation of a human being from an instinctive, animal-like creature to a person with humane values working towards the realization of self with self-discipline; where people revere the guru is an integral part of teaching; where the traditional pedagogy assumes that the role of the student is to question, and the guru's to answer the question s.

The emphasis of parents on discipline and obedience, but without beating the child, is significant in the context of the debate around child rights. The philosophy behind the modern concept of democracy propagated listening to the peoples' voices - 'participation' being its hallmark. In the context of the findings of this research, the issue of child rights seems to be in a bit of a conflicting situation vis-a-vis the opinion of parents as regards discipline. Perhaps we need to take into account the age of the child while tackling the issue of rights and discipline. It is worth quoting Gandhiji to clarify the point. In his speech to the students and teachers at Surat on October 6, 1920 he beseeches the students: "On the right occasion, you can raise against me, your parents and the whole world ... one should, if need be, sacrifice one's parents, relations and all others in yagna undertaken in real sincerity of heart as Prahlad ad sacrificed his father ". Further on he says, "Your parents would say you should not leave schools and I say you should. If you understand that what I am asking you to do is your dharma, tell your parents respectfully that you cannot attend your schools ... What I say is not meant for students of 10 or 12 years of age. They are not free to think for themselves. They should do their parents bidding. According to our Shastras, a child should be lovingly reared for five years, should be disciplined for ten years - "disciplined" not with physical punishment but with instruction and persuasion, - and a son of 16 should be regarded as a friend". In the same speech he also says that, "Unless convinced no child has a right to disobey its parents". This can be the best opinion for us as regards the issue of child rights.

The issue of rights also cannot as some kind of a culturally - neutral norm to which all cultures of the world have to subscribe. The concept of rights is ultimately linked to the cultural values and outlook of any given society.

"Anthropologists, generally, have understood human rights as embedded in cultures and not as a norm, which can be added on or 'reconciled with' a society's dominant values and institutions".

Our traditional unit of society was the joint family, which in turn was a part of a, larger community, where the assumption of responsibility was unquestioned. Now with the breaking of that system in urban areas there is confusion. Most
Indian adults have clear memories of joint families and as a result have internalized a different value system. But under the influence of the dominant western paradigm of modernity their children have moved towards the 'atomized' and individualistic worldview and away from the communitarian view. The modern education system has encouraged this view.

One needs to take into account the nature of society, before any intervention is planned or made, because if social issues are seen in isolation, without their cultural context, the interventions will not yield the desired result. We need to understand that our view of responsibility stems from seeing man as "a living cell in a large organic entity", and not "like a particle of sand in an inorganic heap". The confusion and failure of our society is largely because we keep swinging between these two perspectives. We need to decide whether to give priority to the individual or the community? Should we subscribe to the worldview where a society lays more emphasis on responsibilities rather than rights or the other way round? Because when an individual lives in a community with others, his rights flow from his responsibilities. This is an important distinction to understand and arrive at a decision one way or the other so that we can pursue the chosen path without any confusion.

LIFE INSURERS FOR RURAL GROWTH

Intense competition in the urban market has forced private life insurers to look towards rural India for growth in business. The insurance companies are exploring tie-ups with rural-based agencies - Non-Government Organizations (NGOs), micro financing institutions, agricultural marketing and fertilizer cooperatives and banks for promoting their schemes.

Many like ICICI Prudential Life, Max New York Life and ING Vysya Life have designed rural specific low premium products targeting the rural households.

"The rural market has a higher volume potential compared with the urban market and it also promises to make good the losses in urban business if the income tax benefits under, Section 88 are withdrawn in the forthcoming budget". So far, private life insurers were complacent in meeting the regulatory obligation of generating specified a minimum percentage of their annual policy sales from the rural areas - 5 per cent in the first year, 7 per cent in the second year, 9 per cent in the third year, 12 per cent in the fourth year, 15 per cent in the fifth year and so on.

However, now, the private sector players are finding an opportunity in the regulation stipulated by IRDA (Insurance Regulatory and Development Authority).

Max New York Life, for instance, has recently refocused its rural business on commercial lines as it does in the urban areas. "Our plan at Max New York Life is to approach rural markets with a balanced product portfolio to make it commercially viable. For this, we have set up a separate division in the company for the rural and social business".

Admitting an expected hit in urban policy sales in the wake of withdrawal of Section 88 benefits, "The urban market is already heading for a saturation level. The company focusing on Punjab to begin with. We have put in place a unique hub and spoke model of distribution to deepen our rural penetration. In the first phase, the company opened three area offices in Patiala, Bhatinda and Sangrur. Recently three more area offices have been opened in Phagwara, Navshahar and Moga. Besides, we have also set up 12 other representative offices at the tehsil level".

Max New York Life has also appointed over 150 gram sahayaks, the local people, to provide the company with business leads. "The annual premium on the products we sell starts from as low as Rs.50 and goes up to Rs.20,000".

"We have adopted a long-term, sustainable business model for the rural insurance business", said on official from ICICI Prudential Life. He explained, "And this includes developing special, low premium cost products for rural areas, partnering grass root level organizations for product distribution, sales and after sales services. We are working closely with Uttaranchal Co-operative Marketing Federation, nLog Communications, Sutra, ICICI Bank and ITC's e-Choupal among others".

ICICI Prudential Life has opened centers in more than 15 states, including Andhra Pradesh, Madhya Pradesh, Tamil Nadu, Rajasthan and Uttar Pradesh. "At present, we are focusing on developing the distribution and delivery infrastructure and channels in these states and developing products suited to various channels".

URBAN AND RURAL TRANSPORT SYSTEMS

Rural transportation provides face unique challenges, including:

- Rural transit system was established in 1990.
- Operating in large geographic areas with low population densities;
- Providing service to rural residents with lower incomes, generally, than those of urban residents;
- Operating demand-response or subscription services; and
- Providing transportation service largely to transit-dependent groups (elderly, youth, low-income, people with disabilities).

Despite these facts, performance measurements used by rural transit systems are in many places the same as those used by urban systems.

Community leaders and decision makers must be made aware of the profound differences between rural and urban transit. This can be difficult because many non-transit professionals expect only the easy-to-understand numbers that
apply to urban systems like farebox recovery ratio, passengers per hour and so on.

Traditionally, rural transit systems have based their performance measures on readily available data such as cost per mile or cost per trip. Such assessment of daily operation efficiency, however, ignores transit's contributions to local, regional, state and national goals.

For instance, at a time when transit has been called upon to respond to national air quality goals, typical measurements such as passengers per vehicle mile do not explicitly tell how many people are taking the bus who would otherwise be driving and contributing to air pollution problems. It also does not portray the impact on business: without transit’s part in cleaning up the air, a larger regulatory and tax burden would be placed on private industry.

Rural transit systems, especially provide coordinated service transit users with improved health because of affordable, accessible transportation. Rural transit systems develop effective measures to improve productivity and quality of service. System officials can demonstrate that transit is vital to the community.

**RURAL-URBAN DISPARITIES**

We will now examine the rural-urban disparities with the following questions:
1) Is there any disparity in income, households, population level between rural and urban areas?
2) What are the basic sources of income?
3) What is the pattern of consumption expenditure?
4) What are the social indicators of poor compared to non-poor?

**Disparity in Income, Households and Population**

Of the total estimated gross income generated in the household sector.

<table>
<thead>
<tr>
<th>Percentage Distribution of Households, Income and Population</th>
<th>Rural</th>
<th>Urban</th>
<th>All India</th>
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</thead>
<tbody>
<tr>
<td>Households</td>
<td>72.6</td>
<td>27.4</td>
<td>100.00</td>
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<tr>
<td>Income</td>
<td>55.6</td>
<td>44.4</td>
<td>100.00</td>
</tr>
<tr>
<td>Population</td>
<td>74.6</td>
<td>25.4</td>
<td>100.0</td>
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Source: MIMAP - Micro Impact of Macro and Adjustment Policies

**SOURCES OF INCOME**

The majority of households had reported more than one source of income, the major share of around 70 to 80 per cent always coming from their occupational categories. The second major source of income in urban areas was 'other sources', which includes incomes from house property, interest, dividend, salary, pension etc. While that in rural areas was 'farming'. The majority of the rural households in rural areas belong to agriculture, self-employed farmers and agricultural workers.

**PATTERN OF CONSUMPTION EXPENDITURE**

The pattern of consumption varied widely between rural and urban households and also between income groups. The share of food items is higher in rural as compared to urban areas. The share of cereals and pulses among food items is nearly twice in rural as compared to urban areas. The rental value of the owner occupied houses constituted a major share in urban as compared to rural.

The per capita expenditure on education of urban households on an average is 4.5 times the corresponding expenditure of rural households, and on health twice that of rural. The per capita rental value of owner occupied houses in urban is find to be five times more that of rural.

**Social Indicators of Poor Compared to Non-Poor**

A comparison of social indicators estimated from the MIMAP survey 1996 and the survey of ‘Human Development Indicators 1994’ in rural areas revealed a marginal improvement in some of the social indicators like in enrolment rates (6-14 years of age), infant mortality rates per thousand live births, prevalence of illness per thousand population and access to electricity. All these social indicators are more favorable in urban areas than in rural areas. This is because the health services, educational and infrastructural facilities are concentrated in urban areas.

**DISPARITY OF APL-BPL IN RURAL AND URBAN AREAS**

<table>
<thead>
<tr>
<th>Percentage Distribution of Literacy, Enrolment and Dropout Rates in APL and BPL Categories</th>
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<td>Head’s Education</td>
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<td>Level</td>
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<td>Urban BPL</td>
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<tr>
<td>Rural APL</td>
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<tr>
<td>Urban APL</td>
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</tbody>
</table>

Source: MIMAP – Micro Impact of Macro and Adjustment Policies

The literacy rates, enrolment rates are much higher in the categories of people in the Above Poverty Line (APL) than the Below Poverty Line (BPL) group.
RURAL ROUTES VS. CITY CARRIERS

Commercialization of benefits programs, unaddressed "neighborhood mail", flexibility in crossing crafts, Right-sizing Post Offices: Providing Fair and Efficient Retail Services, more services through its extensive retail network for other government agencies.

The Postal Service’s largest labor cost center is delivery operations, which encompasses 43 percent of total labor hours. These hours are time expended by city and rural letter carriers sorting and delivering mail. The Postal Service developed the management tool, Delivery Operations Information System (DOIS), to aid delivery managers in matching workload to work-hours. Recent OIG reviews noted opportunities for supervisors and managers in several delivery units to increase use of DOIS to improve management of city letter carrier delivery operations. In FY 2012, the OIG will expand these reviews to other postal delivery units, as well as assess the rural and highway contract letter carrier models to determine whether they are more efficient and cost-effective than the city letter carrier model.

Delivery costs for the Postal Service are significant and grow with increases in the number of addresses. Unlike processing, street delivery is intrinsically labor intensive. The Postal Service uses more than 220,000 city carriers and 60,000 rural carriers to deliver the mail to more than 140 million delivery points.

Both city and rural carriers are Postal Service employees. However, city carriers are paid hourly wages with overtime, if worked, while rural carriers are paid an annual salary based on an evaluation of the average workload per route. The Postal Service also contracts with private individuals and businesses through competitive bidding for the highway movement and delivery of mail to another two million delivery points.

Salaries and benefits for letter carriers, which constitute about 43 percent of total salaries and benefits for the Postal Service, are projected for FY 2005 to be $21 billion $16 billion for city carriers and $5 billion for rural carriers. A 1999 study by Postal Rate Commission (PRC) staff concluded that the costs of the different types of delivery vary significantly. The study showed that the average annual cost per route for city carriers was about $104,000; for rural carriers, about $74,000; and for highway contract carriers, about $25,000.

A July 2004 report from the Government Accountability Office (GAO) noted that the Postal Service estimated the annual cost in FY 2003 for each city door delivery ($295) was more than twice as expensive as rural delivery ($143) and over three times as expensive as highway contract deliveries ($90). The GAO report said a key factor in determining the total cost of a route is the carriers’ compensation system, which differs for each type of carrier. Compensation for city and rural carriers is collectively bargained between the Postal Service and the National Association of Letter Carriers (NALC) and the National Rural Letter Carriers Association (NRLCA), respectively. Compensation for contract carriers is established by the terms of their contracts.

The OIG plans to consult with the Postal Service and its unions to explore the merits and concerns regarding the various methods of compensating carriers for a day’s work. Because city letter carriers are compensated hourly, there is little incentive for them to deliver the mail quickly; in fact, this compensation method could encourage slower delivery because of overtime compensation. Rural and contract carriers have more incentive to deliver mail quickly because, in general, their compensation does not vary even if it takes longer than normal to deliver a given day’s mail volume.

FIVE-DAY VERSUS SEVEN-DAY DELIVERY

The Postal Service currently delivers mail six days-a-week as part of its universal service obligation. Changing this six-day commitment five or seven days could be explored for opportunities to enhance the Postal Service’s current financial position. The Postal Service has already examined the five-day option and deemed it not feasible from a financial perspective, or from impact on stakeholders. (On April 3, 2001 the Postal Service Board of Governors directed management to study cost savings associated with reducing delivery service to five days. On July 10, 2001, the Governors announced that the Postal Service will continue with its existing six-day delivery service after hearing preliminary findings on the study of the five-day option.) The estimated net savings was found to be negative due to loss of revenue and less than expected cost savings.

More importantly, the adverse impact on customer service and customer satisfaction was deemed to be prohibitive. These findings suggest that increasing the delivery frequency to seven days may result in equally interesting but favorable findings. It is conceivable that a seven-day delivery service may result in additional revenues that would offset additional costs while increasing customer service and satisfaction, and offering the Postal Service a competitive advantage.

The OIG may consider exploring the operational feasibility and financial considerations of changing the frequency of delivery to seven days. The Postal Service has a significant infrastructure in place that is generally not utilized one day a week. Market research and cost studies need to be undertaken to properly examine the operational and financial impact of such a proposal. Market research would be helpful to probe customers’ needs and stakeholders’ reaction, and to estimate volume and revenue impact. There could also be political pressure against this change from competitors such as newspaper associations and other delivery
services. If these studies, however, yield favorable findings, the Postal Service may opt for a gradual approach (as opposed to a big bang approach) in implementing this change in a test market before full and national implementation.

PROPERTY LINE MAILBOX INITIATIVE

The Postal Service is continually challenged to keep up with increasing mail delivery points (drop-off points for mail, such as houses, businesses, housing developments, etc.). It delivers to more than 140 million delivery points, or stops, daily; and, as of the third quarter of 2004, there were more than 1 million additional delivery points added over the previous year.

As urban and suburban areas continue to grow, maximizing mail carrier efficiency to new and existing delivery points will be key to controlling the costs of providing universal service.

City delivery work-hours comprise the largest work-hour segment in the Postal Service. City letter carriers can make deliveries in vehicles, on foot, or a combination of vehicle and on foot. The cost per delivery increases, as the delivery is made closer to the customer's door. Delivery to a customer's door is the least efficient mode of delivery because the carrier has to dismount from the vehicle, walk onto the customer's property and, in many cases, climb stairs to perform the door delivery.

According to a recent Government Accountability Office review, door delivery once was the norm in urban settings; however, the Postal Service changed its policy in 1978 to limit additional door deliveries to further enhance delivery efficiencies. To comply with this policy, the Postal Service started working with developers of new single-family neighborhoods to provide alternatives to door delivery. As a result, property line delivery is one of the fastest growing modes of delivery.

According to Postal Service delivery officials, the only instance where new delivery points would receive door delivery would be if the new delivery point is established on a block that currently receives door delivery.

At the end of FY 2012, approximately 32 percent of deliveries (excluding those to postal retail facilities) were still made to the door. This has a significant impact on the work-hours and thus the costs of delivery for the Postal Service.

Instituting a national policy on mailbox placement, whereby existing door deliveries would be converted to property line deliveries, might possibly provide for savings in excess of a billion dollars annually to the Postal Service. Other key factors such as customer concerns and Congressional interests would need to be considered. This national policy could also allow for certain exceptions, through a local approval process, to provide continued door service for senior citizens and other customers who for reasons of disability or other appropriate reasons need door delivery on a continual or periodic basis.

CREATING RURAL VS. URBAN BUSINESS HUBS

Grassroots Trading Network (GTN) will be piloted in India in 2011-12. GTN will then be expanded across Asia, moving into Latin America in year 3 and Africa in year 6.

THE GTN CONCEPTS/MISSION ACHIEVEMENT

Connect poor producers globally to wider markets; provide support for the development, marketing and distribution of products and capacity building. Facilitate collaborations between producer groups, businesses, research and policy think tanks, advocacy groups, international organizations, and Governments. Campaign to international trade policies and tariffs that hinder the poor. Aggregate best practice from the commercial sector and apply it to grassroots producer organizations.

What are Rural Business Hubs?

Vibrant centers of commerce in rural areas with the right conditions to accelerate grassroots entrepreneurship as well as to encourage the expansion of businesses that have traditionally operated in urban markets into rural markets.

Rural Entrepreneurship

Small rural entrepreneurs exist - need to expand for economies of scale. Their strength lies in production, their volumes will grow. Distribution networks should allow flow of products and services out of rural business as well as into urban business.

Expanding Business in Rural Markets

Over 95 per cent of urban India does not know rural India. Corporate India realizes the need for expansion into rural markets given saturation of urban markets and eroding margins. Over 70 per cent of country's populations were less untapped consumer market and human capital. Products and marketing strategies are not being adapted or created with rural consumers in mind.

THE GTN CONSOLIDATOR MODEL

Identify needs, benefits for involved partners to ensure a win-win situation for all. With globalization, economies of scale are critical. If we can tap the production strength of this large rural population with its small-scale enterprises, consolidate it and provide large players with their requirements. GTN projects in agriculture demonstrate the model. Also, it is being extended to handicrafts / handlooms and textiles.

Consolidated Model for SCMH and ITC

Sewa Graam Mahila Haat (SGMH), agricultural marketing arm of SEWA, provides small
and marginal farmers with technical, financial and marketing assistance. Pilot between ITC and SGMH for procuring sesame seeds, where SGMH was positioned as the consolidator. In 2011, ITC purchased 250 tones of sesame seed from SGMH who procured this from 1450 poor farmers. Price realization went up from Rs.18 / kg in 2002 to an average of Rs.29/ kg in 2003. Average realization / farmer up by Rs.2,000. ITC now plans to procure amla, cumin, groundnut, in 2012 and equip SGMH to produce organic sesame.

Two India Existing as One

Resurgent India is being strongly divided into two faces. There are various ways to put it rural vs. urban, literate vs. illiterate, rich vs. poor, malnutrition vs. obese, have vs. have-nots, etc. Each category beckons other. The two faces co-exist with one face wishing that the other would just go away, unmindful of the fact that the social fabric has been stitched that way. India’s burgeoning population of skilled and unskilled labor is the very thing, which is putting it do advantage. Western world is ready to outsource anything involving human labor at the drop of a coin. The very reason that tones is because of cheap labor. Think about the same in United States most of the large-scale mining and industrial units are on the path of thin margins because of expensive labor.

One face is occupying the springing malls, clean offices, and housing units - the other living in slums, working in dastardly conditions earning just the minimum wage. Take this:

- India still has the world's largest number of poor people in a singly country. Of its nearly 1 billion inhabitants, an estimated 350-400 million are below the poverty line, 75 per cent of them in the rural areas.
- More than 40 per cent of the population is illiterate, with women, tribal and scheduled castes particularly affected.

The social fabric has been stitched tight since independence with room for both the faces. However, there is a severe risk of the social fabric getting torn in the resurgent India. Take for example Mumbai - the Indian Prime Minister Dr. Manmohan Singh wants to transform Mumbai into Shanghai. Sixty per cent of Mumbai's 13 million population lives in slums. Where would this population go? The politicians have a very easy solution, which they are working on. The plan is to move the population on the edges of the city or elsewhere. The basic problem is not solved - the eyesore gets shifted to someone else. This can be done to Mumbai. A city can survive with just skilled / semi-skilled office -goers, but can the whole country survive without its factory workers, who actually keep the economy running.

The reform should be made in terms of education and basic necessities like clean water, and electricity. A slum dweller can arrange for his bread and a place to rest, but bottled / filtered water and diesel generation are too expensive for him. That's what the affluent middle class in India is used to when these services are not available.

Last one decade India has changed, but a lot of it has not changed. There is excitement in the industrial sector; access to capital is easy, service industry is booming. There are various brands and models of cars, there are close to 100 channels on cable, use of risque material and double entendre models of cars, there are close to 100 channels on cable, use of risque material and double entendre

- The two faces should and continue to co-exist in a way that both these faces can sit in adjoining tables at the local McDonald's ordering burgers smeared with tamarind chutney. This is 'One India with One face'.
- Maturity comes the realization that one is not just an Indian, or an Indian with a bit of American thrown in, but that one is a member of the extended human family - some of us have more money, or are more educated, or have different pigmentation. But seen from a sufficiently far remove, we are fairly indistinguishable. We have the same hopes and aspirations, fears and longings, desires and dreams. Our station in life is dictated by a random draw that was made by forces beyond our imagination even, leave alone our control.

Right Models for Right Business

Buy a Franchises vs. Join a Direct Marketing Business Vs. Start From Scratch This is a question of how ready you are to plan and implement every aspect of your business. Direct marketing businesses and franchises train and support you, but your flexibility of what you offer is limited. It also can be costly to buy into an established business. Franchises do usually have a track record and marketing that can be a bonus to get your business going. Look carefully into any direct marketing businesses you might consider. They can require tremendous investments that often cannot be recovered if you decide it is not the right path for you.

- Home Based vs. Office Based

Some people are looking for a business they can operate out of their home; others feel more productive when they separate their business from their home life. Zoning laws may limit the types of businesses you can do from your home. You also may have space limitations that limit your choices. Home-based businesses can be lonely. Office based businesses may bring hassles with other tenants if you are renting or cash flow if you purchase.

- Invent Something New vs. Produce a Product vs. Offer a Service vs. Consult as an Independent contractor
Inventions are usually solitary activities that require a lot of creativity. Products require manufacturing facilities, supplies and distribution; services are more people-oriented, often facing deadlines not of your own choosing. Independent contracting can be the best of all worlds, although continually finding new contracts can cause cash flow problems.

- **Long-Term Commitment vs. Build a Business to Sell**
  Some people have every intention of staying in this business forever. It is the realization of a dream. Others dream of making their money through starting new businesses, then selling them. The rush for them is the joy of starting something new over and over. Such folks are sometimes called "serial entrepreneurs". Each way of operating requires a very different financial model. Be honest with yourself about what is right for you so that you can structure your business plan accordingly.

- **Not-for-Profit vs. Profit Based**
  Not-for-profit can be very emotionally rewarding, but are often low pay, although as with any business you can set your own pay within the budget of the business. There also extra legal hoops to jump through to run a not-for-profit business. If you dream of a solid nest egg or even frame and fortune, a profit-based business may be the best path for you.

- **Online vs. Physical Business (or both)**
  Online businesses are often the choice of people who want a home-based business, but they are not synonymous. Online businesses can be any size and in any location. They can be worldwide or local. Physical businesses are almost always local unless there is a mail-order or ecommerce component. Each of these types of businesses is different to manage and run. Don't let other factors like wanting to be home-based influence your decision on this. If you like activity and hate computers the internet is not the right spot for you. Grow vegetables instead.

- **Sell your Product or Service in a Physical Location vs. Contracting Your Goods or Services Out to the Federal or State Government**
  Selling as a contractor has lots of rules, regulations, and paperwork, but can provide a lot of flexibility and a great cash flow. Selling locally (or nationally) is a totally different kind of marketing effort, but in many ways less hassle. One of the biggest areas of contracting is the federal government. The Small Business Administration has a number of programs to help with selling to the Government. So, do take a look at some of the pros and cons if you think this might be something of interest to you.

- **Size of Business**
  Some entrepreneurs simply want to make enough to live simply. Others are looking to build another Microsoft. There are two components to consider in size. What is a comfortable size to start for you and how big do you eventually want to get? Some folks who are new to business want to be on their own to learn the ropes before adding employees, others who have managed before may be more comfortable having at least a few employees to share the workload. Your strengths and weaknesses will help you assess your short-term objective. Your own personal goals will help you determine your long-term objective.

- **Skills Needed**
  You may have a dream of what business you want to have eventually, but not have the skills yet. Education may need to be part of your business plan. Even for those of you who have a basic idea of what the business entails, the more you can learn about it, the better a business you will have. Make certain you know what skills are required for a business and how your strengths and weaknesses fit with those skills.

- **Urban vs. Rural**
  Urban businesses and rural businesses frequently have different constraints and different models. Marketing can be very different. It can make a difference in what business you choose. You may have always wanted to move to a rural location or vice versa and are taking the opportunity of starting a business to explore such a change. To be aware of the differences in population density, consumer behavior and zoning laws, to name only a few of the differences you will experience by changing location. Learn as much as you can before taking this leap.

**DECISION IMPLICATIONS**

- Rural and urban education system should be same like two faces of a coin.
- Rural education needs effective teachers to improve quality of education.
- Now-a-days life insurers much need for rural areas to improve rural people's standard of living.
- Insurance companies should come forward to change the rural people.
- Transit system of rural and urban is vital part of the economic and social quality of communities. This system should useful to all human beings.
- Disparities in rural-urban should be reduce in all aspects.
- Postal service need faster delivery like e-mail.
- Grass roots trading network need executive training programmes to understand rural India.
- Grass roots trading network should be transparent and it requires micro finance schemes nationally.
- Two India exist as one that is rural-urban but we need one India with one face.
- Rural India need right models for right business.

**REFERENCES**

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