

---

## **An Insight into the Economic Growth Pattern and Attractiveness of the Lucknow District**

**Niruti Gupta\* & Dr. V. Devadas\*\***

*\*Assistant Professor, Department of Architecture and Planning, MNIT Jaipur*

*\*\* Professor, Department of Architecture and Planning, IIT Roorkee*

### **ABSTRACT**

*Indian economy for the past two decades has grown tremendously making it world's fastest growing large economy, but the paradox lies in the fact that as Indian economy is booming, a considerable proportion of its population still lives under poverty. The economic growth in India is marked by an uneven income distribution and urban rural disparity in terms of per capita income, job opportunity, availability of physical and social infrastructure, quality of life and attractiveness. This paper gives an insight into the economic growth and its pattern in Lucknow district over the last decade, assessing an inter-sector relationship of the economic drivers along with critically analyzing its effect on population growth and the attractiveness of the district and its sustainability. An attempt is made to understand the level of infrastructure provision and its impact on the district's attractiveness.*

**Keywords:** *Economic Growth, Poverty, Lucknow District, Gross District Domestic Product, Per Capita Income*

### **INTRODUCTION**

In the recent times, India has made considerable achievements which have been widely recognized across the globe. India became the second fastest growing large economy in terms of GDP growth, next only to China in 2013 and surpassed China in 2015. But it is a paradox that as India climbs the ladder of economic growth to become the fastest growing economy of the world, nearly 21.9% of its population continues to be a victim of poverty (Reserve Bank of India). Even though India's recent economic growth is often celebrated, it is important to note that the gains of the economic growth are remarkably limited and are not reaching the society at large. Indian economy, in all its glory of growth, has been characterized by an unequal income distribution, termed as 'uncertain glory' of India (Drèze and Sen).

Poverty and income inequality remains a stubborn challenge in India today. Mahatma Gandhi who believed that 'Poverty is the worst form of violence', supported *Sarvodaya* - upliftment of all, as a means to end poverty. He asserted that rather than mass production India should focus on production by masses. The concept highlights the need for inclusion of the whole population in the economic growth process, as without uplifting everyone out of poverty, a holistic development cannot be achieved.

India, instead of a holistic development, has been witnessing a 'jobless growth' referring to a situation in which even when output, measured in terms of gross domestic product, increases the growth of employment lags way behind (Datt). A basic attribute of economic growth is the movement of labour force, typically, from the primary sector to the secondary, and then to the tertiary sector (United Nations Research Institute for Social Development). But the trend

now has been to work for faster growth through the tertiary sector, bypassing the all-important manufacturing sector (Editorial, The Hindu).

Uttar Pradesh, according to Census of India, 2011, is the most populous state of India with Lucknow city as its capital, which is the 12<sup>th</sup> largest city of India. In the last decade a sharp decline in the population growth has been noted in the city as well as the surrounding villages within the Lucknow district. An examination of the Gross District Domestic Product shows that the economy of the district has been growing tremendously over the last decade with an average annual growth rate of around 17%. This paper attempts to analyze the possible reasons of declining attractiveness of the district despite its growing economic stature, while assessing the pattern of economic growth and sectorwise contribution to economy, poverty status, per capita income and availability of physical and social infrastructure within the district.

### LUCKNOW DISTRICT PROFILE

Lucknow district, housing the capital of Uttar Pradesh, has an area of 2,528 sq km. It lies in the Central Ganga Plain between latitudes 26°30'N and 27°10'N and longitudes 80°30'E and 81°13'E. The district Barabanki lies to the east of Lucknow district, Unnao District on the west, Raebareli in the south and the districts Sitapur and Hardoi in the north. Gomati river and its tributaries Kukrail, Loni, Beta etc. flow through the district. The district headquarters, Lucknow city, is centrally located within the district and is well connected through air, rail and road.

The district is the 5th most populous district of the state with a total population of 45,89,838 as per 2011 census. Lucknow district is divided into 4 tehsils having 807 villages of which 4 are uninhabited. It has 12 statutory towns and 2 census towns. The district is predominantly urban in nature with two-thirds of the population living in urban areas.



*Figure 1 Lucknow District (Source: Lucknow District Census Handbook, 2011)*

An analysis of the Census data shows that there has been a decline in the population growth rate of the district between 2001 and 2011 (Census of India). The decline of the population growth in rural areas is even more stark with 28.7% in 1991-2001 and 16.9% in 2001-2011. The stark decline shows that the district overall is losing its attractiveness as people are migrating out. Here it is important to note that while people are migrating from the villages, they are not moving into the cities within the district.

**Table 1: Rural-Urban share in total population of Lucknow District**

Share in total Population	1991	2001	2011
Rural	36.7%	36.4%	33.8%
Urban	62.7%	63.6%	66.2%

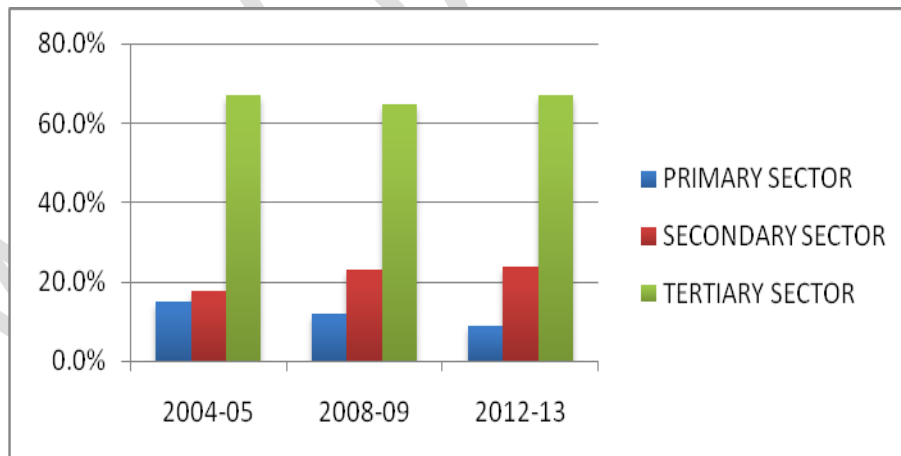
**Table 2: Population Growth in Lucknow District**

Population	1991	2001	2011	Growth rate 1991-2001	Growth rate 2001-2011
Rural	10,31,331	13,26,873	15,50,842	28.7%	16.9%
Urban	17,31,470	23,20,961	30,38,996	34.1%	30.9%
Total	27,62,801	36,47,834	45,89,838	32.0%	25.8%

Source: Analysis of data from Census of India, 1991, 2001, 2011

### ECONOMIC GROWTH AND GDDP

In India, in the year 2004-05, agriculture contributed 19.03% to the GDP while the similar figure for UP was 32.1% suggesting that the state still maintains a predominantly agricultural character. But it has been observed that the Lucknow district is far more urbanized and the economy of the district has mostly been driven by the tertiary and the service sector which has constantly been contributing more or less two-thirds of the Gross District Domestic Product (GDDP), as can be seen from Figure 1.



**Figure 2: Sectoral Contribution to Gross District Domestic Product**

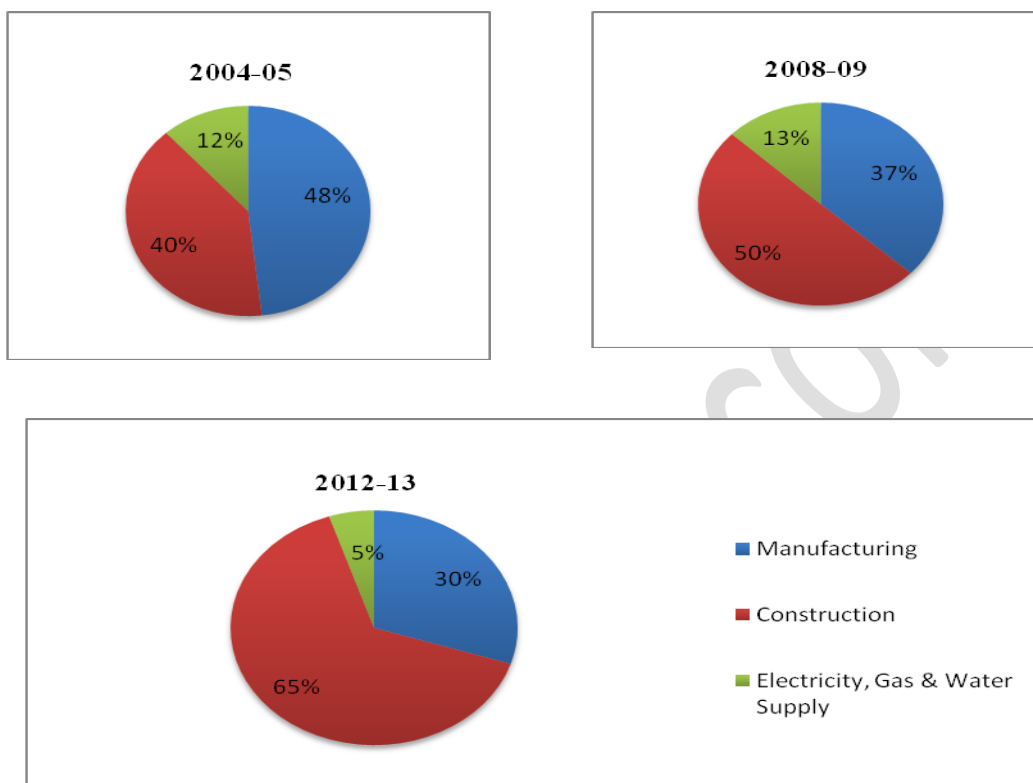
Table 3 below shows the detailed contribution of various sub-sectors to the GDDP.

Table 3: GDDP By Economic Activity of Lucknow District

Sr. No	Economic Activity	Gross District Domestic Product by Economic Activity of Lucknow District (Base Year 2004-05) At Current Prices (In Crore Rupees)		
		2004-05	2008-09	2012-13
1	Agriculture & Animal Husbandry	1,352.23	1,824.28	2,209.40
2	Forestry & Logging	66.66	113.01	306.39
3	Fishing	73.37	44.78	127.86
4	Mining & Quarrying	19.95	24.75	43.85
<b>A</b>	<b>Primary</b>	<b>1,512.22</b>	<b>2,006.83</b>	<b>2,686.49</b>
5	Manufacturing	863.59	1,449.31	2,102.37
5.1	Registered	423.19	654.12	996.41
5.2	Unregistered	440.40	795.18	1,105.96
6	Construction	719.39	1,974.26	4,557.42
7	Electricity, Gas & Water Supply	209.16	506.23	355.71
<b>B</b>	<b>Secondary</b>	<b>1,792.13</b>	<b>3,929.80</b>	<b>7,015.50</b>
8	Transport, Storage & Communication	1,150.91	2,006.23	3,406.87
8.1	Railway	375.75	609.73	949.48
8.2	Other means of Transport & Storage	446.43	832.38	1,878.93
8.3	Communication	328.73	564.12	578.46
9	Trade and Hotel & Restaurant	656.77	1,040.41	1,272.92
	Transport, Communication & Trade	1,807.68	3,046.64	4,679.79
10	Banking and Insurance	1,105.25	1,914.45	3,811.42
11	Real Estate, Ownership of Dwellings and Business Services	961.09	1,356.21	2,703.98
	Finance and Real Estate	2,066.34	3,270.66	6,515.40
12	Public Administration	2,076.27	3,129.03	5,508.72
13	Other Services	809.29	1,549.68	3,139.88
	Community and Personal Services	2,885.57	4,678.72	8,648.60
<b>C</b>	<b>Tertiary</b>	<b>6,759.59</b>	<b>10,996.02</b>	<b>19,843.79</b>
	<b>Gross District Domestic Product</b>	<b>10,063.94</b>	<b>16,932.65</b>	<b>29,545.78</b>
	<b>GDDP Annual Growth Rate</b>		<b>17.1%</b>	<b>18.6%</b>

Source: Directorate of Economics and Statistics, Government of Uttar Pradesh

Further, it is observed that as the tertiary sector contribution has been more or less constant, the primary sector contribution has been constantly decreasing while the secondary sector contribution shows an increase. The contribution of primary sector has declined to a mere 9.1% in 2012-13, from 11.9% in 2008-09 and 15% in 2004-05.



**Figure 3 Change in Sub-sector wise Contribution of Secondary Sector to Economy**

Although an increase in the secondary sector contribution indicates that the economy of the district is strengthening but a further analysis of the sub-sector wise contribution to the secondary sector reveals that the growth in the manufacturing sector has not been much. Instead, the sudden boom in the secondary sector is due to a sharp increase in the construction sector. It is observed that construction activities are the major contributor to the secondary sector with 40% in 2004-05. The trend shows a rise in the contribution of construction as it grows to 65% in 2012-13.

An analysis of Census data given in Table 4 shows that there has been a tremendous increase in construction of residences in Lucknow. It is also observed that the number of vacant houses has been constantly increasing.

**Table 4: Number of households, houses and vacant houses in Lucknow district**

Year	Total number of households in Lucknow district	Total number of houses	Total number of vacant houses
2001	6,37,816	8,06,328	69,309
2011	8,46,450	10,61,721	93,661

Source: Census of India 2001 and 2011

In the manufacturing sector, it is seen that although the cost of production has increased several folds but the increase in the number of registered factories has not grown much. The increase in the number of average daily workers has also been only a mere 8,000 over the last decade (Directorate of Economics and Statistics, Government of Uttar Pradesh).

*Table 5: State of Industrialization in Lucknow District*

S. No	Item	2003-04	2004-05	2005-06	2008-09	2009-10	2010-11
1	Registered factories	484	432	460	505	521	539
2	Under assorted factories						
2.1	Working factories	255	210	183	383	170	182
2.2	Factories from which return is obtained	255	210	183	383	170	182
3	Average no. of daily labour & workers	11,690	12,719	14,542	17,950	15,602	19,991
4	Cost of production (in Rs. '000,000)	29,126	17,671	20,530	36,421	56,586	71,793

*Source: Directorate of Economics and Statistics, Government of Uttar Pradesh*

### Poverty And Per Capita Income

The per capita income at current prices during the year 2004-05 and 2008-09 was found to be higher in Lucknow district than the state level per capita income. The percentage of rural BPL households was higher in the district as compared to the state. It implies that the economic condition of people living in rural areas of the district is certainly poor in comparison with the people of rural areas in Uttar Pradesh as a whole.

*Table 6 Per Capita Income*

Per Capita Income At Current Prices (In Rs.)	2004-05	2008-09
Lucknow District	21,795	32,978
Uttar Pradesh	12,196	18,710

*Source: Directorate of Economics and Statistics, Government of Uttar Pradesh*

*Table 7: State of BPL in Lucknow District*

	Lucknow District	Uttar Pradesh
Total number of Rural Households	2,72,717	2,40,26,176
Total Rural Population	13,49,073	12,71,91,122
Total number of BPL Households	1,34,809	99,56,384
Total number of BPL Population	6,61,860	4,96,06,616
Percentage of BPL households	49.1%	27.5%

*Source: BPL Census 2002*

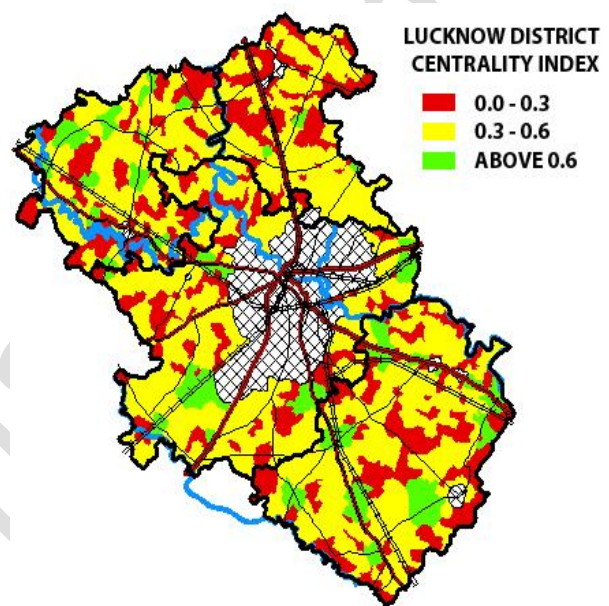
The analysis points out that rural part of the district is comparatively backward when compared to its urban counterpart. Low return from agriculture, inadequate employment opportunities and critical gaps in key rural infrastructure has trapped the rural population in low incomes and hence the search of economic opportunities is forcing the rural folks to move out. Though the per capita income at current prices has been much above the state average but the percentage of BPL households in total households of the district is much higher as compared to the State average.

### AVAILABILITY OF SOCIAL AND PHYSICAL INFRASTRUCTURE

The attractiveness of a place apart from its economic opportunities also depends upon the level and quality of physical and social infrastructure available there and its contribution towards enhancing the quality of life of its inhabitants. Economic prosperity is no more than one of the means to enriching the lives of the people (Sen).

It therefore becomes imperative to look at the present scenario of infrastructure in the district as depicted by the Centrality Index (Gupta and Devadas). Centrality Index is based on the secondary data from Census of India, 2001 and combines the availability of Education facility, Health Care facility, Drinking water facility, Road access and connectivity, Utilities and Amenities facility and Recreational facilities to rate every village in the district between 0 and 1.

The overall Centrality Index of the rural areas in the district is estimated to be 0.53, which suggests that there is an overall lag in the levels of social and physical infrastructure in the rural areas of the district. It is observed that almost 85% of the district lies in the low and medium centrality index zone. It can hence be concluded that lack of facilities is also reducing district attractiveness.



*Figure 4 Rural Centrality Index in Lucknow District (Gupta and Devadas)*

### CONCERNS ABOUT THE CURRENT ECONOMIC GROWTH PATTERN

1. **Declining Agriculture Share:** Lucknow district lies in the Central Gangetic Plain which is an extremely fertile zone. Uttar Pradesh has a comparative advantage in agriculture with an agricultural share of about 32% which is much higher than the national figure of 19%. Lucknow has also been known for long for its mangroves. However, the trend of agricultural contribution to the GDDP is constantly on a decline which suggests that people are moving out of agriculture and its allied activities. Therefore the potential of the fertile zone in which the district lies is not being harnessed.

2. **Depletion of Agricultural Land:** Although the law says that construction activities are not permitted on agricultural/cultivable land, but in practice since the returns from agriculture are less as compared to the returns that can be achieved from construction activities and real estate, farmers around the fringes of the urban areas prefer leaving their land barren until it is declared non-agricultural and sold off. Thus, the land which is being utilized by construction activities is not entirely non-agricultural and could have been put to agricultural use.
3. **Decreasing Contribution of Manufacturing to the Secondary Sector:** Another cause of concern is that although the secondary sector is growing, the share of manufacturing has declined. In the last 10 years, the district has not seen any rise in the number of registered factories, while the employment in these factories has increased only marginally.
4. **Unbalanced Rural and Urban Growth:** The decline in population growth rate has been much more stark in the rural areas of the district as compared to the urban areas. This can be directly attributed to the fact that the economic boom is happening because of the construction activities which are mostly focused in the urban areas. The influx of jobs and money, therefore, is very less in the rural areas as compared to the urban areas which is resulting in an unbalanced growth, rural-urban disparity and also pushing the people out of the rural areas in search of jobs.
5. **Sustainability of Construction Industry:** It is observed that the construction activities in the district have constantly been on a rise and now are reaching towards a saturation level and once it is attained, a decline in construction is anticipated since construction industry is not a permanent industry. If so happens, its contribution to the secondary sector would also decrease and hence it would have an adverse impact on the GDDP.
6. **Excess Housing stock Supply:** From 2001 to 2011, the housing stock has increased at a slightly higher pace than the demand. As a result, number of vacant houses has grown. This scenario indicates that the construction industry is already reaching a saturation level. Further, the increased number of vacant houses also suggests that the district is losing its attractiveness as people are not purchasing them.
7. **Quality of Life of Construction Workers:** Construction work is often described as dirty, difficult and dangerous job. It is one of the most hazardous and accident prone activities as reported by the ILO (International Labour Organization). The main occupational health problems in the construction industry back-injuries, respiratory disease, musculo-skeletal disorders, noise induced hearing loss and skin problems. Those that handle asbestos run a high risk of cancer (International Labour Organization). In addition, the on-site accommodation provided for construction workers in India is rudimentary, comprising simple shacks with no running water or sanitation and poor ventilation (Vaid). Thus the quality of life of construction workers is considerably poor.
8. **Employment Pattern is not generating a Skilled Workforce:** In India construction works are generally done by unskilled labourers and is marked with informal training and absence of mechanization. Informal training has limitations, notably a restricted learning opportunity (learning by doing), a narrow and static range of skills and the difficulty of instruction in new techniques (International Labour Organization).



Therefore, it is seen that people are moving away from agriculture in favour of construction industry which is a temporary industry as with time it is going to move towards saturation. This would ultimately result in joblessness and lowering of the attractiveness of the district, leading to further out migration.

## CONCLUSION

It is evident from the analysis that even a tremendous economic growth alone cannot enhance the attractiveness of a place or improve the quality of life of its population. The need for economic growth is fundamental to the aspirations of development but remains incomplete without the social security net and social justice. The distributive justice aspect of the economic growth is essential for holistic development. Lucknow district is witnessing an unbalanced, urban eccentric economic growth which although apparently gives a notion of high development but its fruits are not reaching its rural counterpart.

It is also manifested that the rural economic blight can be attributed to the constantly declining primary sector which has resulted in poor economic opportunities and reducing rural incomes, leaving the rural population totally dependent upon the urban areas for jobs. It therefore becomes important to take policy initiatives that can boost rural economy and revive the primary sector. Moreover, provision of agro-based industries in the rural areas can not only make agriculture more efficient but also enhance the economic and job opportunities within the rural areas and make them truly economically vibrant.

## REFERENCES

- i. Census of India. "District Census Handbook - Lucknow Villages and Townwise Primary Census Abstract." 2011.
- ii. Datt, Ruddar. "Jobless Growth: Implications of new economic policies." *Indian Journal of Industrial Relations* 29.4 (1994): 407-427.
- iii. Directorate of Economics and Statistics, Government of Uttar Pradesh. [http://updes.up.nic.in/spatrika/engspatrika/sect\\_table.asp?formd=32+Lucknow&formy=0001](http://updes.up.nic.in/spatrika/engspatrika/sect_table.asp?formd=32+Lucknow&formy=0001). n.d. 27 2016.
- iv. Drèze, Jean and Amartya Sen. *An Uncertain Glory: India and its Contradictions*. Princeton University Press, 2013.
- v. Editorial, *The Hindu*. "Structural Change and Inequality." *The Hindu* 10 11 2010.
- vi. Gupta, Niruti and V. Devadas. "Role of Technology Management in Development." *Driving the Economy through Innovation and Entrepreneurship: Emerging agenda for technology management*. Ed. K. B. Akhilesh, R. Srinivasan C. Mukhopadhyay. Bangalore: Springer, 2013. 111-123.
- vii. International Labour Organization. *The construction industry in the twenty-first century: Its image, employment prospects and skilled requirements*. Geneva: International Labour Office, 2001.

- 
- viii. Reserve Bank of India. "Number and percentage of population below poverty line." 2012.
  - ix. Sen, Amartya. "Development as capability expansion." *Journal of Development Planning* (1989): 41-58.
  - x. United Nations Research Institute for Social Development. *Combatting Poverty and Inequality: Structural Change, Social Policy and Politics*. UNRISD Flagship Report. Geneva: U. N. Publications, 2010.
  - xi. Vaid, K. N. "Contract labour in the construction industry in India." *Contact Labour in South Asia*. Ed. D. P. A. Naidu. Geneva: ILO, Bureau of Workers' Activity, 1999.

WWW.IJMAS.COM