

Economic Inclusion and Media Access: Exploring the Rural-Urban Divide in Economic Developments

Atashi Bhattacharya

Email: atashibhattacharya22@gmail.com

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Abstract

This study examines the impact of economic shifts and developments on the communication behaviors of urban and rural populations in West Bengal within the context of a rapidly evolving digital society. As digital technologies reshape how we communicate, learn, and work, the study addresses the critical issue of digital literacy, particularly among those with limited access to digital media. The research, conducted in 24 districts using a multistage random sampling approach, involved a survey of 428 residents to assess their awareness of economic developments and media usage patterns. The findings reveal varying levels of awareness regarding economy, economic inclusion and highlight contradictory perceptions about their effects. Many respondents expressed concerns about the hasty implementation of policies by the policymakers and the lack of dialogue between the government and citizens. The study reveals valuable perspectives into the problems encountered by both rural and urban residents in navigating economic transitions, emphasizing their dependence on media for information in an era of shifting economic conditions.

Keywords

Economic developments Inclusion Urban/Rural population Communication Media

Introduction

Economic inclusion is vital to societal growth, since it fosters equal opportunity for people from all socioeconomic levels. Media reports clearly outline the development challenges facing India and thus, experts and policymakers are becoming aware of the role social and political factors play in shaping the society at large. Development and growth don't necessarily only mean economic growth but also freedoms and capacities that individuals have to improve their social and economic standing, it corresponds to the inclusion of all sections of society in the economic & political decision-making. There is a huge discrepancy between rural and urban locations, notably in terms of availability to critical resources that support economic growth. One of the most important variables impacting economic inclusion is media access, which includes the availability of information, education, and technology that promote economic involvement. In an increasingly digitised and linked world, media acts as both a means of communication and a platform for economic development.

According to 2011 Census data, 31.87 % of the population of West Bengal are urban dwellers whereas around 68.13% resides in rural areas with an average literacy rate of 72.13 %. The question which arises here is that whether this literacy rates also mean that the rural population is digitally literate too. Digital literacy becomes very crucial as it empowers and enables an individual to recognize the characteristics of various digital services and the benefits they offer. Digital literacy would also facilitate in imbibing the fundamental knowledge and competencies necessary to connect and engage with a variety of new media and technology. The individual would also make educated decisions about online media and communications, as well as develop skills to safeguard themselves and their families from misinformation and unsafe contents.

This research study investigates the link between economic inclusion and media access, with an emphasis on the rural-urban split in economic growth. We want to explore how

differences in media infrastructure, digital literacy, and access to communication channels affect economic prospects in rural and urban locations. The study focusses on how limited media availability in rural regions can stifle economic growth, limit entrepreneurial activity, and diminish general participation in the contemporary economy. In contrast, metropolitan areas benefit from more robust media networks, which provide larger economic prospects and a closer access to global markets.

Review of Literature

A study by the International Telecommunication Union (2020) demonstrated that internet access can significantly improve employment opportunities, access to markets, and educational resources, all of which are key drivers of economic development. In rural areas, where traditional forms of media may be scarce, digital platforms can offer an alternative means of accessing information and engaging in economic activities.

According to Lahiri (2014) , ‘The Middle Class and Economic Reforms’¹, middle class are the people in Asia & other countries of the Pacific who are beyond poverty line but not in the category of rich are the basis of strong and functional democracy & has a potential role in global economy as they have a great share in the consumer market. He finds an important relationship to exist between economic growth and the income of individuals and talks about discretionary income as an important parameter to measure economic growth in a society. He claims that this income left after paying for basic food & shelter becomes one of the reasons for income inequality.

Chalam (2011) in his research paper ‘Economic Reforms and Social Exclusion: Impact of Liberalization on Marginalized Groups in India’² discusses at length about the socially excluded categories in India who although are largely affected by the reform decisions, yet are not taken account while taking reform decisions. Certain groups like adivasis, weavers, local artisans are called marginalized sections in the study and they deal with products that are localized and their livelihood either comes solely from producing different goods to meet local requirements or to provide services to the local people. Even after the reforms they could not be integrated into the market economy. He deliberates on the issue that all kinds of

¹ Lahiri, A. K. (2014). The Middle Class and Economic Reforms. *Economic and Political Weekly*, 49(11), 37-44.

² Chalam, K. S. (2011). In *Lieu of Conclusion Economic Reforms and Social Exclusion: Impact of Liberalization on Marginalized Groups in India* (pp. 201-204). New Delhi: SAGE Publications India Pvt. Ltd. doi: 10.4135/9781446270332.n13

social groups cannot interact with a new innovation or technology in the same way and with the same level of familiarity and magnitude. People belonging to these strata evaluate such technological changes logically when they are exposed to them. Once the workability and profitability of new techniques are demonstrated to them, they become interested in the adoption of these techniques. So, different societal agencies through proper communication can play an important role in creating a favourable climate for diffusion of innovations.

Agarwal (2008), analyses the connection of economic shifts with rural poverty. The chapter talks about the impact on the economy due to economic developments and finds that growth rate had increased post reforms but benefits of the economic reforms have not spread to the farm and non-farm sectors equally. Infrastructure improved but issues like poverty, ignorance, hunger, disease etc stagnated the Indian economy. There exist urban rural disparities - India and Bharat dichotomy, and the definition of connectivity across the different regions of country widely varies too. They all prove to be major impediments of success of economic reforms³.

Sarkar and Bagchi (2016) says that more under-developed a country is the greater the disparities can be seen between its developed and backward areas⁴. The polarization between metropolitan cities and surrounding villages are observable if the pattern of urban development results in neglect of the city hinterland. Development so achieved is fractionally fragile and unbalanced such is the case in West Bengal where disparities exist, continues and widens.

Mahajan and Singla (2017) in their article on impact of demonetisation on financial inclusion in India claimed that in spite of expanded digital access to bank accounts, a very small percentage of the population has been able to operate without withdrawing cash or visiting the bank regularly. They observed that domestic assistance, contract labourers, daily wage employees, farmers, fishermen, micro-entrepreneurs, and other members of India's vast informal economic sector rely solely on cash. For many people, visiting the banking offices in rural parts remains a tedious and expensive affair. Other services like ATMs and teller machines at shops are limited in number are often face technical challenges⁵.

Sarkar (2022) deliberates on the digital gender divide by quoting the report of The All India Debt and Investment Survey (AIDIS) that says that almost 81 percent of women

³ Agrawal, B. (2008). *Impact of reform process on Indian economy*. Jaipur: ABD Publishers.

⁴ Sarkar, S., & Bagchi, K. K. (2016). *Regional disparities in socio-economic development of West Bengal*. New Delhi: Abhijeet Publications.

⁵ Mahajan, P., & Singla, A. (2017). Effect Of Demonetisation On Financial Inclusion In India. *International journal of Science Technology and Management*, 6(1), 338-342.

across India had deposit accounts in banks. While many women have personal accounts, they rarely use them. The author attributed the large gender gaps in digital access and usage for the reluctant use of online financial services⁶ by Indian women. Only 14% of the female population in India have access to smartphones, limiting their usage of digital financial services. The author mentions that considering the regional and socio-cultural disparities, a client-centered model is essential in designing financial products for women. This must be guided by research on women's interactions and associations with money, financial instruments, and technology.

All the mediums of communication⁷ have an important role to play in spreading awareness for the reform to be successful. A free press is indispensable part of development in a society. The media as a watchdog keeps surveillance of governmental activities and throw spotlight on different public policies. The media also plays a significant role in human development by providing health and education information to rural regions. The media can affect development outcomes under diverse situations and offers evidence on what policy framework is needed to enable the media to promote economic and political forces while also allowing a voice for the marginalized. (OECD.2020, November).

D'souza, R. (2018) The digital divide was discussed in terms of insufficient coverage and accessibility of basic digital infrastructure in India, as well as low educational and skill levels among people. This discrepancy has a detrimental impact on using technology for the economic and social advancement of people. The low financial inclusion is deeply rooted in poor financial access due to insufficient of branches of banks and ATMs in rural areas, lack of access to financial services due to high interest rates on loans or credits and low savings that make bank accounts unprofitable and low rates of financial literacy e.g. digital transactions⁸. Due to a lack of access to authorised financing, India's Micro, Small, and Medium Enterprises (MSME) rely on unofficial funding sources, and as a result, the majority of their dealings are in cash. The informal sector generates money in cash and has poor savings and banking habits.

⁶ Sarkar, D. (2022, August 20). Inclusive financial markets for India: Adopting a gender-sensitive approach. Observer Research foundation. <https://www.orfonline.org/expert-speak/inclusive-financial-markets-for-india>

⁷ OECD. (2020, November). Ten factors for successful reform. Retrieved from <https://www.oecd-ilibrary.org/sites/4470388b-en/index.html?itemId=/content/component/4470388b-en>

⁸ D'souza, R. (2018, November). Two years after demonetisation: Cashless India still a distant dream. Retrieved from <https://www.orfonline.org/expert-speak/two-years-after-demonetisation-cashless-india-still-a-distant-dream-45682>

Research Objectives

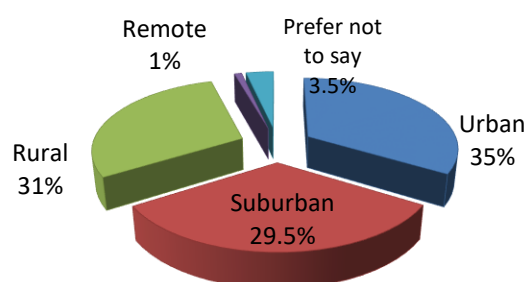
1. To perceive awareness of urban and rural population of West Bengal regarding the economic changes and subsequent shifts in their daily lives.
2. To assess the impact of economic developments on their communication behavior.

Research methodology

With a multistage random sample survey, using a survey questionnaire, the researchers collected the data from 428 residents of West Bengal. The data was obtained partly through a web-based comprehensive questionnaire and partly through the face-to-face interactions on the line of the online questionnaire. The survey questionnaire is composed of mainly closed-ended questions, covering socio-demographic, geographic, and other characteristics as well as awareness, understanding the perception of the felt ramifications of economic developments in their socio-cultural communications. The data, thus collected were finally analyzed using certain quantitative Statistical methods such as Percentage and Frequency Analysis, Graphical Representation, Contingency Coefficient Analysis, and use of Descriptive Statistics. All these Statistical Methods were carried out using the SPSS for Windows.

Study & Analysis

Figure 1 – Different types of Areas according to development



The above figure (Fig. 1) classifies the different types of areas according to development and living conditions of the respondents. As shown in the figure, 35 percent of the 428 respondents belong to urban areas of different districts of West Bengal, 29.5 percent resides in different suburban regions. 31 percent are from rural areas while one percent resides in remote areas. 3.5 percent haven't mentioned about the area they belong to. The most number of participants in the survey reside in urban areas (34%) and the least number of participants are from remote areas (1%).

Table 1: Cross-tabulation of respondents' type of area & their understanding of Economic Policies

	Why are economic policies formulated					
	Politics of vote	Developmental initiative	Relief package	Financial strategy to stabilize the economy	Can't Explain	Don't Know
Rural	37 8.6%	30 7.0%	6 1.4%	51 11.9%	0 .0%	2 .5%
Urban	31 7.2%	42 9.8%	5 1.2%	72 16.8%	1 .2%	0 .0%
Semi-urban	20 4.7%	41 9.6%	2 .5%	64 15.0%	1 .2%	4 .9%
Prefer not to say	5 1.2%	5 1.2%	0 .0%	4 .9%	0 .0%	1 .2%
Remote	0 .0%	0 .0%	1 .2%	3 .7%	0 .0%	0 .0%

The above table (Table 1) draws the relationship between different types of areas according to development and living conditions of the respondents and understanding of economic policies among the respondents. As indicated in the table, 16.8 percent of the total population who lives in urban areas considers such policies to be a financial strategy to stabilise the economy, and 11.9 percent rural respondents consider the same. But although the second widely understood meaning of policies in urban areas is that these are initiatives for development, the same is not for rural population. Many of the rural population termed economic developments as mere strategies for getting votes in elections.

Table 2: Cross-tabulation of the respondents' type of area & their engagement in digital transactions

	Engaging in cashless transactions					
	I was using it even before the demonetization	Soon after demonetization	In the last 2-3 years	Last 1 year	I don't do cashless transactions	we know about apps, we dont know how to use
Urban	26 6.1%	26 6.1%	76 17.8%	1 .2%	20 4.7%	2 .5%
Semi-urban	17 4.0%	22 5.1%	61 14.3%	1 .2%	29 6.8%	2 .5%
Rural	8 1.9%	18 4.2%	47 11.0%	1 .2%	50 11.7%	2 .5%
Remote	2 .5%	0 .0%	2 .5%	0 .0%	0 .0%	0 .0%
Prefer not to say	1 .2%	0 .0%	6 1.4%	0 .0%	8 1.9%	0 .0%

The above table (Table 2) illustrates the relationship between different types of areas according to development and living conditions of the respondents and the start of cashless transactions by them. The columns of the table present the change in purchasing behaviours of participants and their engagement in cashless transactions. As illustrated in the table, six percent urban respondents said that they were using digital transactions for a long time and 17.8 percent said that they started doing financial transactions digitally in the last 2-3 years because of recent economic shifts. In contrary, in rural areas only 1.9 percent participants said that they were transacting digitally and 11 percent said they have started cashless transactions in the last 2- 3 years. There is also a equally high percentage of participants of rural area who said that they transact only in cash (11.7 percent).

Table 3: Cross-tabulation of respondents' type of area & the media used by them to access economic messages

	Media used to access information about economic changes						
	Newspapers & Magazines	Internet & Social Media	Television	Radio	Friends, Family & coworkers	All	None
Urban	34 7.9%	56 13.1%	41 9.6%	1 .2%	18 4.2%	1 .2%	0 .0%
Semi-urban	29 6.8%	40 9.3%	43 10.0%	2 .5%	16 3.7%	1 .2%	1 .2%
Rural	20 4.7%	25 5.8%	43 10.0%	4 .9%	33 7.7%	1 .2%	0 .0%
Remote	2 .5%	1 .2%	0 .0%	0 .0%	0 .0%	1 .2%	0 .0%
Prefer not to say	4 .9%	7 1.6%	2 .5%	1 .2%	1 .2%	0 .0%	0 .0%

The above table (Table 3) describes the relationship between different types of areas according to development and living conditions of the respondents and the media used to access information about economic changes. The columns present the different media used to access information about economic changes which were grouped into: 1. Newspapers and magazines 2. Internet and social media 3. Television 4. Radio 5. Friends, Family & coworkers 6. All the above mentioned 7. No media used. As displayed by the figure, in urban areas the most used media to access financial information remains the internet and social media (13.1 percent) followed by Television (9.6 percent) and News papers and magazines (7.9 percent). In comparison to this, rural areas use Television (10 percent) followed by interpersonal communication with family and co-workers (7.7 percent).

Table 4: Cross-tabulation of respondents' type of area & the media used by them to communicate economic messages

	Medium used to talk about economic changes					
	Friends, Family & coworkers	Internet & Social Media	Newspapers & Magazines	Television	Radio	Not Applicable
Urban	24 5.6%	37 8.6%	9 2.1%	3 .7%	2 .5%	76 17.8%
Semi-urban	27 6.3%	24 5.6%	3 .7%	6 1.4%	1 .2%	71 16.6%
Rural	26 6.1%	17 4.0%	12 2.8%	5 1.2%	1 .2%	65 15.2%
Remote	0 .0%	0 .0%	0 .0%	0 .0%	0 .0%	4 .9%
Prefer not to say	1 .2%	3 .7%	3 .7%	0 .0%	3 .7%	5 1.2%

The table (Table 4) denotes the relationship between different types of areas according to development and living conditions of the respondents and the media used to communicate about economic changes. The columns present the different media used to communicate about economic shifts which were grouped into: 1. Newspapers and magazines 2. Internet and social media 3. Television 4. Radio 5. Friends, Family & coworkers 7. No media used. As displayed by the figure, in urban areas the most of the people say that they did not use any media to talk or comment about economic changes (17.8 percent) followed by 8.6 percent who says that they shared economic messages or commented on economic changes through internet and social media. In comparison to this, 15.2 percent say that they did not use any media to talk or comment about economic changes followed by 6.1 percent opines that they shared economic messages or commented on economic changes only among friends and co-workers.

Discussions

The economy proves to be a significant element influencing individual and societal behaviour. The study received fair participation from people of rural, urban and suburban areas of West Bengal. Urban populations are more likely to perceive government policies as essential tools for economic stabilization, potentially due to greater exposure to media that explain these policies in terms of their economic implications. Urban areas often have better access to news outlets, which can provide more in-depth coverage and analysis of economic policies. A significant portion of rural respondents (a sentiment echoed by many participants) perceives economic policies primarily as election strategies. This perception may stem from limited access to comprehensive information, which makes rural populations more susceptible to viewing these policies through a political lens rather than an economic one.

The participation of males from rural areas was found to be higher than that of females. However, in the urban areas female participation exceeded male participation. The findings highlight a stark contrast in the adoption of digital financial transactions between urban and rural areas. Urban areas, with better internet infrastructure and digital literacy, have embraced digital transactions more rapidly, whereas rural populations are still lagging in this area. The findings suggest that rural residents face barriers such as limited internet access, lower digital literacy, and a general preference for traditional cash-based transactions, which further isolate them from the evolving digital economy. Interestingly, 11.7% of rural respondents continue to rely solely on cash transactions. This highlights a significant challenge for rural economic

inclusion, as those who do not engage in digital financial systems may find themselves excluded from certain economic opportunities, such as e-commerce or digital payments for goods and services. Moreover, the lack of internet and social media usage in rural areas reflects broader issues of digital access and literacy, reinforcing the economic divide between urban and rural populations.

Findings highlight differing levels of engagement in economic discourse. Urban populations seem more connected to global or national conversations about economic developments through digital media, while rural populations rely on more localized, informal channels for such discussions. This disparity is reflective of broader patterns in media access, digital engagement, and economic participation, further deepening the rural-urban divide.

The findings also show that initiatives to expand media access and financial inclusion in rural regions might have a big economic impact, not just by providing rural residents with access to critical information, but also by promoting greater involvement in digital economies. As digital tools continue to revolutionise financial systems and economic landscapes, it is critical to ensure that rural communities do not miss out on these innovations in order to promote a more inclusive and fair economy.

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