



Structural Changes In The Rural Economy Of India – A Spatio – Temporal Review Of Literature

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INTRODUCTION

Rural economy is one of the most fascinating and widely studied concepts in India. It is also probably one of the most attracting themes in the field of social science. The study of rural economy has attracted quite a lot of attention of social scientists in India. Geographers along with other scholars have been exploring the ways and means of developing rural India, first by understanding the complexities of rural economy, its interdependence on urban sector, the weakness of its institutional set-up and then by suggesting developmental strategies and specific policy measures for achieving its rapid development.

Today, the economy of the entire country is undergoing structural changes and transformation. The rural economy is not an exception to this. With the changing ideology under revision of economic conditions from protectionism to globalization, from nationalization to privatization and from restrictions and controls to liberalization and de-licensing, the whole Indian economic scenario is undergoing fast structural transformation and changes in all sectors.

Since independence, the rural structure of India has been changing rapidly. The researchers in the field of geography and economics have identified various factors responsible for these changes. Some of the important factors for the changing structure of rural economy are industrialization, changing transportation technology, population pressure, land reforms, green revolution, new technology related to agricultural development, availability of irrigational facilities, higher agricultural production, new ideologies, politicization of rural life, globalization etc.

Furthermore, the rural economy in India occupies a significant place because it is economically resourceful and politically powerful. India's development has no meaning if her vast rural masses are not taken into consideration. Hence, rural economy is an interesting and dynamic subject for the study.

OBJECTIVES

It is attempted in this paper

1. To analyse the spatial trend of Review of literature on Structural changes the rural economy of India
2. To find out the temporal trend of Review of literature on Structural changes the rural economy of India
3. To compare the regional variations on the study of Structural changes the rural economy of India

METHODOLOGY

As the study concentrates mainly on Structural changes of the rural economy of India secondary data is collected to examine the overall changes in the study area. Various journals, Magazines handbooks, theses and other reports published by government are referred to collect the required information. Collected information is arranged in the chronological order so that the reviewed literature is organized in temporal perspective.

REVIEW OF LITERATURE

The literature on various aspects of rural economy such as rural structure, rural change and rural development is voluminous, as it happens to be a concern of geographers, economists, politicians, bureaucrats, policy makers etc. In fact, the literature is increasing day by day. It is attempted in this chapter to extensively review the literature on the subject so that it lays the foundation for further research. Among the major themes of rural economy, the theme which has attracted the greatest attention of the scholars is probably the theme of rural change and its structural metamorphism. This is evident from the studies conducted at the international, national and at the state levels. In spite of the fact that there are many studies relating to the rural structure and its changes, unfortunately, no theory or model has been formulated by any of the scholars related to structural changes of the economy. Hence, it is attempted to review the empirical studies conducted by different scholars from different parts of the world, though concentration is more on the studies pertaining to India.

Theoretical perspective:

An attempt is made in the following pages to review in brief the growth theories and developmental theories, beginning with the classicals and find their relevance in understanding the rural economy and its structural change in the global scenario. This may help us in locating the problem in a proper perspective.

To begin with, the classical theory of growth based on the contribution of the “Trinity” of the classical tradition viz., Adam Smith (An Inquiry into the Nature and Causes of the Wealth of Nations 1776), T.R. Malthus (Essays on Population 1790) and David Ricardo (Principles of Political Economy and Taxation 1817) is firmly founded on the principle of free private enterprise. These approaches were against of state interference in the economic activities. Although the relevance of these approaches to the problems of rural economy is extremely limited but they gave a clear insight to understand the plurality of rural regions.

Developmental theories received a new dimension with the publication of Arthur Lewis's 'Economic Development with Unlimited Supplies of Labour' (the Manchester School, 1954). Lewis approach is based on the existence of dual economy consisting of a small but dynamic manufacturing (urban economy) sector and a large but underdeveloped agrarian (rural economy) sector. He opines that manufacturing sector absorbs the surplus labour from agriculture and tends to equalize the growth rate of both the sectors. The appropriateness of the 'Lewis model' in terms of its sectorial implications for rural development of the developing economies is, however subject to serious questioning. The expansion of manufacturing sector may further aggravate inter and intra-sectorial economic disparities. It may further increase the urban-rural wage differences instead of reducing it. It may not therefore find specific solutions to the contemporary problems of rural economy.

Rural economy in the third world emerged as a distinct developmental issue only during the 1970s. Growth theories by Harrod and Domer's 'Exogeneous Growth model' (1940), Albert.O.Hirschman's 'Farward and Backward Linkages for Development' (1950), Ragnar Nurkse's 'Balanced Growth Theory' (1955) and James Meade's 'International Capital Movement model' (1975) and others were inclined for a market approach for the development of an economy. Their analytical efforts were in broad terms and hence failed to deal elaborately with the complex issues of rural economy like poverty, inequality, unemployment, landlessness etc. at the grass root level.

A number of studies have been conducted in India with respect to various aspects of rural economy such as rural structure, rural development, rural change, agricultural reforms etc. which are listed below.

Since time immemorial, various rulers and governments had designed many developmental programmes to uplift their rural mass in India. Although many attempts were made by native rulers during ancient and medieval times, planned rural development programmes were introduced only after independence. Keeping in view the famous saying "**The Real India is Rural India**", our policy makers, planners and academicians suggested many developmental programmes for rural areas. Here a brief review is done to understand the rural economy in the backdrop of fast changing villages of India.

Punekar and Alka Goalwalker (1973) have studied rural change in Maharashtra with special reference to Konkan villages. In their analytical studies, socio-economic characteristics of Konkan region like demographic, economic and social aspects have been dealt. They opine that the people in the study area had favourable attitude towards the changes that are taking place through developmental programmes, yet they are not participating in these programmes whole heartedly. To find out the rural changes, they have considered indicators like agricultural development, mineral development, co-operative societies, transport facilities, income level and other social aspects like health, housing, education etc.

Breman (1979) has found out the changing relationship between agricultural labourers and land owners. He explains how patronage and bondage character of the traditional agriculture has been recently replaced by a system of employer and labourer. He conducted his studies in Gujarat selecting two villages. He argues that the exploitation of the workers by the land lords has not come down in spite of the government's strict laws & regulations.

Kathleen Gough (1981), selecting two villages in Tanjavur district of Tamil Nadu conducted her studies at two points of time. In her first study, she analysed the changing political and economic structures of two villages since the early times to 1950's. She has pointed out that till 1770; the village economy was dominated by Asiatic mode of production. But between 1770 and 1860, the ancient Asiatic mode of economy was collapsed due to advent of Europeans to costal India. Continuing her studies, she states that after 1860 up to 1950, the agricultural economy of Tanjavur experienced mono cropping pattern with rice as the dominant crop. During this period, the region was under the influence of colonial rule, encouraging capitalistic mode of production.

Singh R.B (1986) has the view that very few efforts are made to tackle the problem of backwardness particularly in rural areas. For his studies, he has selected Siwan district in the north-west part of Bihar. He lists out the major problems of the study area which have created serious challenges to the economy. In his concluding remarks, he states that implementation of developmental programmes, rural industrialisation, agricultural upliftment and increasing the population quality are the few steps to be taken by the government to improve the condition of rural areas.

Rao V.M (1989) has attempted to study the impact of development programmes on the structure of rural communities. He has categorised the rural development programmes into four groups viz., relief and support measure programmes, programmes for creation of new economic opportunities, programmes for investment in human resources and programmes for reforming the structure and relationship of the society. According to the author, only relief and support measures have the capacity to reach the poorest among the poor of rural areas and to leave some impact on their economic conditions. He further states that the second and third category programmes are not useful as the rural people have weak resource and skill. In his view, the fourth category is the weakest rural development programme in its implementation and impact. The execution of the fourth category programme is likely to evoke maximum resistance from the rural elite and the rich people as it would shatter the very existence of this dominating class over the poor mass. He concludes that rural change may only lead to sharpen conflicts in rural communities among the contending groups and factions.

Abani K. Bhagabathi & Das M.M (1991) have tried to analyse the structural constrains of agricultural development in Assam. They have considered elements like land use, farm size, cropping pattern, crop productivity, agricultural techniques and infrastructural facilities. Considering the land holding size as an important parameter for structural constraints in agricultural developments, they suggest that creation of economic holdings and consolidation of land holdings are the main solutions to the problem. They arrive at the conclusion that the adoption of co-operative farming by organizing the small peasants at the grass root level can help in reducing further sub-division of land holdings.

Arun Majumdar (1992) has studied the structural evolution of Indian economy from historical perspective. He has analysed socio-economic distortions on India executed by the colonial land revenue system in the 19th century. He has studied the 'Kosambi model' which deals with land administration during the late Mauryan period. He has examined the evolution of Indian economy from Mauryan period to British period with special reference to land revenue administration. However, his findings are historical and confined to pre-independence period.

Tirat Singh (1995) has thrown light on the structural shifts in land holdings and farm investment pattern in Punjab from 1980-1990. In his view, the structure of land holdings and farm investment not only indicates the level of social justice but also determines the path of agricultural development in any economy. He has examined the shifts in the pattern of operational land holdings in Punjab during 1980's.. The study reveals that the small farmers leased out their land because of the fact that small holdings are uneconomical to operate. The other reasons for leasing out of the land were the lack of agricultural workers in the family, shifting of occupation towards transport and service sectors and fragmentation of land holdings.

Prakash G.K and Tapan Chaure (1996) have dealt with the structural changes in land reform programmes in Madhya Pradesh with reference to the size of land holdings. They have the view that the land reform programme has a significant place in forming and shaping the policy of rural economy. The main target of land reform programme is to abolish the capitalist nature of economy. They reveal that the land reform policy is to allure the poor farmers and labourers working on land towards the main stream of economic development. In the end of the study, they suggest that, strict agricultural laws should be framed, the maximum limit of land should be strictly followed, useless government land should be diverted for agricultural purposes, etc.

Sudhakar Panda (1997) has made an attempt to examine the impact of rural development programmes on the twin problems of poverty and unemployment in rural areas of India. His investigations reveal that the poverty eradicating programmes tend to give mixed results. The programs have become successful in relation to some schemes whereas, at the same time, certain other schemes have failed to register any significant impact on rural mass. He observes that rural poverty in India is primarily related to landlessness of large number of population.

Panth B.R (1998) has highlighted the socio-economic structure in Terai Himalaya. He tries to examine the changes in socio-economic structures and their implications on the rural society of Terai region. The study is based on primary data covering 67 households out of 224. He conforms that land reforms have not favoured the poor people and even the most basic need of the poor was not available in the region. He criticizes that the rich classes have usurped each basic human right of the poor mass.

Sukumaran Nair and Mathew (2000) have studied the poverty alleviation programmes and structural changes in the rural economy of Kerala with the support and sponsor by the planning commission. They have selected Vypeen (an island) village in Ernakulam district of Kerala for the study. The authors have selected a wide range of parameters to find out the structural changes in the study area such as rural development programmes, education, economic and social welfare programmes, agriculture and its allied activities and industries. Both primary and secondary data are considered for the analysis.

Nayak S.D (2001) in his article titled 'Decade of Transition and Structural Change' declares that the decade 1990 is an important period because it changed India from closed economy to open economy. He views that after the launching of economic reforms in 1991 and gradual opening up of external competition, the economic structure is transformed dramatically. Following the virtual dismantling of licensing and easing of production, pricing and distribution controls, there is a transition from a controlled to a market oriented economy. He further views that, because of increased domestic and external competition, manufacturing sector is under tremendous pressure to cut costs, improve quality and offer better customer service.. He argues that liberalisation, privatisation and globalisation have both positive and negative impact on the economy.

Gagan Kumar Singh (2003) has studied in detail the rural development programmes and its administration in India. The aim of the study is to examine and locate the problems in implementing the rural development programmes and to suggest alternative strategy and more viable plan for its implementation. He has given a complete historical perspective of rural development programmes and results of which are both positive and negative. He has appreciated the role of local self-government in changing the backward rural areas into progressive regions. He concludes that lack of proper coordination along with better evaluation and monitoring mechanism leads to the poor implementation of the rural development schemes.

Conclusion:

From the above analysis, the conclusion that can be drawn is that the structural change in the rural economy is noticed throughout the country, whether it is a larger state or smaller state, developed state or under developed state, but the magnitude of change and period of change differs from one economy to another. Moreover, much of the published literature on rural economy in India focuses on giving aggregate picture of the whole economy while there is dearth of literature throwing light on structures of various elements at disaggregate level.

It is obvious from the preceding paragraphs that further study about rural economy in terms of their socio-economic problems is worthwhile in spite of the fact that a number of studies have already been completed and conclusions are drawn. Rural economy is always changing even under normal conditions. It is changed and keeps changing because of new political and economic policies, reformations in education and continuous progress in industrial and agricultural spheres. So, the findings of yesterday may not be so useful today and may become irrelevant tomorrow. Therefore, some conclusions drawn by earlier studies require modification and some alteration. Hence, fresh attempts to study the rural economy are not only welcome but also essential and conducive to future plans and policies.

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