

# Rural Transformation in India: A Need for development

## Abstract

Development is the process of economic and social transformation within a country. It is also a human centric approach related to mass level population of the economy. India is a rural economy because of almost 69% population live in rural area. So development process is needed for rural area of the Indian economy. This paper deals with importance of rural transformation for economic development in six sections- Introduction, Constraints for rural transformation, Technological Progress, Commercialization, Urbanization and Globalization, Conclusion.

**Keywords:** Human Centric Approach, Life Sustenance, Self Esteem, Entitlement and Capabilities, Socio-Economic Implications, Rural Transformation.

## Introduction

Each and every discipline of academic sphere is concerned only for the betterment of human being. Different aspect of human has been in central position of physical and spiritual World. The concept of development is also a human centric approach. In general, the word development associated with life sustenance, self esteem and freedom or in other word, it can be defined by A.K.Sen in terms of expansion of entitlement and capabilities of human being. There is no doubt that India is rural dominating economy. According to census 2011, approx 69% population lives in rural India and rate of population growth is high as compared to urban area. India has rural social infrastructure, 57% employed in agriculture sector and formation of Government depends on rural India. While poor infrastructure, slow employment opportunity, high dependency on land for income are characteristics of rural area but distribution of land is very unequal. In India, rural areas are important socio-economic units. There are 6 lakhs villages in India where rural economy has major socio-economic implications for overall economic development of India. Therefore, the real output producing sector, agriculture, provides life food and intermediate goods to other sectors. That is why in our planned economic development, we never underestimated primary sector and rural economy. Therefore, rural transformation is a big issue and there is a need for development of Indian economy.

## Aim of the Study

To analyse the importance of rural transformation for the development of Indian economy and discuss also the constraints of rural transformation.

## Review of Literature

In the context of rural-urban disparity, a compilation of studies on rural and urban societies in India by M.S. Dhadave and others had a perfect blend of conceptual contexts that are deeply rooted in the case studies from all over India, including such areas as family, caste, religion, occupation, education, industries, mobility, and migration. Chris Dixon concluded the analysis by asserting that there was greater need for clarity of concepts, adoption of innovative strategies and committed service to the challenging task of rural development. A study on Approaches to Participation in Rural Development was carried out by Peter Oakley and David Marsden" at the request of the Panel on People's Participation of the Inter-Agency Task Force of the United Nations with the objectives of clarifying the concepts and interpretations of participation, collating the experiences of participatory approaches by different agencies, providing guidance for future analytical and operational works, and promoting strategies for genuine involvement of the rural poor, specially rural women. It was considered to be an ongoing search and not a definitive statement or policy on participation. A study of Dipti Prakas Pal & Mausumi Datta Biswas (2011) on Diversification of Farm and Non-Farm Sectors and

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Structural Transformation of Rural Economy and conclude that the structure of the rural economy in every country has been changing along with the overall economy. The farm and non-farm sectors- the two components of the rural economy have been changing in structure through diversification of activities on the one hand and through increasing employment and income generation on the other. On the basis of above study, this paper is concentrated on a need for rural transformation for economic development.

#### **Constraints for Rural Transformation**

There are some issues as constraints for rural transformation, these are rural migration and change in land relationship, problems of unemployment and rural poverty, good governance, availabilities of agricultural inputs and rigid social structure. Similarly some challenges for rural development are- wage gap between agriculture and non agriculture sector, food security, institutional and financial reforms, establishment for agro-base industries, minimization of market chain and uncertainty in agricultural out, better implementation of programmes/schemes, population control and productive work culture.

#### **Technological Reform**

There are two ways of agriculture development –one is extensive agriculture Technique and other is Intensive agriculture technique. But former technique can not apply so longer due to limited horizontal supply of land. At present, real productivity in agriculture is almost half of potential productivity. So, therefore later agriculture technique is a single way for agriculture development. With growing mechanization of agriculture which may be the result of technological reform (e.g., Green Revolution in India), the input structure of the farm sector changes. Traditional inputs are being replaced by agricultural inputs package programme like HYV seeds, biotechnologically engineered seeds, fertilizers, pesticides, irrigation and agricultural implements like tractors, harvesters etc. Increasing use of modern inputs increases the consumption of energy (petroleum, electricity etc.) which in turn replaces the bullock power in farm agriculture.

Adoption of new technology increases agricultural output manifold. As productivity increases, average farm income increases undoubtedly (setting aside the debate of rising inequality in rural areas and adverse environmental impact of new technology). As a result of increase in production, there is also a corresponding increase in the marketable surplus. The subsistence farm economy which starts producing for the market becomes market oriented. Farmers in rural areas are dependent on the market for the purchasing of inputs as well as for selling the farm output. Market expands and so farmer's supply decisions are more or less influenced by the market signals (market prices for inputs as well as outputs). That is to say, technological progress leads to commercialization/capitalization of the farm economy and hence of the rural economy. Simultaneously as production increases, agricultural demand for trading services, storage and communication lifts up.

Improved transport and storage become necessary to handle the distribution and marketing of outputs and inputs. The process of farm mechanization in Indian agriculture is necessary for agriculture and rural development. Adoption of technology in selective method should be used in Indian agriculture. Selection of area wise and specific work activity should be based on demand for labour > supply of labour. In this regard, complete mechanization and partial mechanization process should be adapted in Indian agriculture to avoid labour replacement from rural economic activity.

#### **Commercialization of Agriculture**

Technological development and adoption of new technology by the farmers necessitate marketing of the farm inputs and setting up of repairing shops and agricultural extension services. Commercialization of agriculture will stimulate the expansion of agro-based industries in rural area. So the non-farm economy in the rural areas gets a boost via the production linkage. Apart from this, as average farm income increases, consumption of non –farm goods (consumer durables either produced locally and outside the rural areas) increases (consumption linkage). Increased demand for consumer goods and services result in expansion of the rural manufacturing sector and service sectors providing education and medical facilities, insurance and banking facilities etc. Farm mechanization and commercialization are correlated to each other. These processes are done by adequate facility of rural credit. In this regard widening and deepening of rural credit is needed for rural transformation.

#### **Urbanization and Globalization with self Employment**

It is now an accepted fact that economic development which advances with industrialization and industrialization cannot be achieved without a simultaneous process of urbanization. With industrialization there emerge new urban centers on the one hand and expansion of the ones already in existence. Cities and towns are growing in both number and size. Improved means of transport and communication are bringing villages more and more nearer to the urban centers. This process of urbanization is accelerated with the advent of globalization. The living pattern of the people is changing, which is reflected in the change in demand for agricultural products. Also with changes in the demand pattern, the crop pattern also changes; the relative importance of cereals and non-cereal crops is change. Also changes the occupational pattern of the people living in villages (rural areas).

Though agriculture is the main source of living for the rural people having low level of income and hence low level of living compared to that for the urban people, but with time non-farm activities are becoming the alternative source of livelihood for the rural people. With urbanization the secondary and tertiary sectors (i.e non farm) activities are being increasingly performed. Farm mechanization and above all commercialization of agriculture are playing the important role towards transformation of the rural economy in terms of employment, income and level of

living. The volume of non-farm employment and income of the rural people have been undergoing substantial changes.

Agricultural growth has not responded to the accelerating income growth, and agricultural employment is growing slowly because of low employment elasticity. It is the rural non-farm sector that has emerged as the major source of rural and economy-wide employment growth with rural non-farm self employment and incomes growing especially fast. As most of these macro employment trends are likely to continue, we can envision an agricultural sector in which household and farm sizes will continue to decline. Households will strive for income growth via technical change, increased irrigation, and continued diversification towards high valued agricultural commodities and towards the non-farm sector. With employment opportunities in the non-farm sector considerably better for young men than for young women, the current trend to feminization of agriculture will continue. Within these constraints, a positive vision for agriculture and rural development can nevertheless be achieved if government policy is supportive of the ways in which households will try to increase their incomes. In the light of above discussion, it is quite clear that self employment generation programmes will be better than wage employment generation programmes for upliftment of rural poor and transforming India. Rapid policy and institutional change will be required to overcome poor performance of many government programs.

#### **Conclusion**

Commercialization and technological progress (Farm Mechanization) will be pivotal point for sparking of rural transformation with development of economy as whole. For the purpose of rural development, improved rural credit system linking with self employment is needed for weaker section of rural population. Therefore, issues and challenges of rural area should be taken very seriously by State Government, Central Government and Society as

whole for the purpose of rural transformation and holistic development of the Indian economy.

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