

CHAPTER- II

REVIEW OF LITERATURE

2.1 Introduction

In a developing economy like India in general and Assam in particular which is predominantly rural the need to study about the concept of rural development and its components are very important for overall development of the economy. The concept of rural development and regional disparities across the different regions always have been attracting development economists as well as researchers and policy makers to innovate new thinking and ideas for overall development of the region. As a result of this the literature on rural developmental disparities has been increasing fast from various sides and issues.

For sake of convenience the investigator separates the review of literature into two sections. Section- A includes literature on rural development and Section- B comprises literature on disparities in rural development or its various parts.

2.2 Section- A: Review of Literature on Rural Development

Siddle (1970) in his paper discussed spatial analysis on rural development in Zambia, an African country. He advocated that rural development in such country take place on two broad heads. First is the development of schemes inspired by the economic planners of government or international agencies ranging from a massive resettlement projects to the medium scale exercises in improved agriculture, co-operative farming and village regrouping. The second type of rural development is much obvious and goes largely unrecorded. The aim of the paper is to suggest that the main problem lies not so much in the organization of the projects as in the whole concept of rural development by major schemes. Good planning cannot evolve from false premises and viewed in a

spatial context. It would seem that except for the satisfaction of short-term aims, the approach to rural development by concentrating on major schemes may be misguided.

Appu (1974) in the paper 'Agrarian Structure and Rural Development' stressed the crucial role of agrarian structure in shaping the speed and spread of rural development. An outmoded inegalitarian agrarian structure is not merely a serious impediment to rapid rural development. It is also the principal cause of distorting the fruits of development. The rural development unaccompanied by essential institutional reforms makes it more difficult to bring about structural changes in the future. The author advocated Indian's experience since independence that it shows existence of close inter-relation between agrarian structure and rural development.

Ray (1975) viewed that rural development deserved greater attention partly because of the severity of the problems facing many people remaining in the rural areas. Rural people have serious human resource development needs. Health facilities are limited and children and older people in particular have serious nutritional and medical problems. Rural people also have lower educational attainments and skill training. Rural development is in the national interest because it could help to provide solutions to some of the nations and the World's most pressing problems. Rural development is important because of the human resource needs of rural people and the relationship between rural development and important national and international problems.

Murton (1980) presented a study on indigenous rural systems and rural development in Southern India where he mentioned emerging of a new social development approach which results from criticism of the industrial- urban biased paradigm of development. In the new social approach, development must be fitted to ecological constraints, top most attention must be given to rural development and planning for rural development must be decentralized along with participatory and deeply immersed in the particulars of local settings. Agropolitan districts or networks of socio-economic and political interaction have been suggested as a suitable territorial basis for this paradigm. In India where local level planning has not been successful, indigenous regional systems which correspond closely to criteria suggested to delineate agropolitan districts have existed for hundreds of years. Information is presented on the positive and negative aspects of the use of such regions for rural planning. The author

suggested that these regions may better fulfill the objectives of agropolitan development than sets of functional regions derived from the urban hierarchy.

The basic unit of rural area is the revenue village (Office of the Registrar and Census Commissioner, 1981). The Census of India, 1981 defined urban area which was adopted in 1971 Census as (a) all places with a municipality, corporation, cantonment, board or notified town area committee and (b) all the places which satisfy the following criteria- (i) a minimum population of 5000, (ii) at least 75 percent of male working populations engaged in non-agricultural pursuits and (iii) a density of population of at least 400 persons per square kilometer. The area which has not the above features is considered as rural areas.

Ocafor (1985) pointed out that the use of economic growth indicators for the purpose of measuring rural development has for a long time been in many other developing nations. The inadequacy of this measure in depicting development in the area of societal wellbeing has suggested that social indicators could be a more meaningful tool to monitor and evaluate the level and condition of rural development. The study highlighted the information needs for and problems of incorporating social indicators in the measurement of rural development in Nigeria. It is recognized that for social indicators to be a useful tool in a place such as rural Nigeria, they must reflect the socio-cultural peculiarities and the life style of the country's rural population. This paper finally suggested an improvement of the quality of social statistics in rural Nigeria to enhance their functional values to planners and policy makers. The writer is of the view that social indicators and their measurement for the purpose of gauging the level of rural development indicates that social indicators are useful tools to the researchers and policy makers for mapping the spatial differences in rural development.

Pathak (1988) stressed spatial growth model of Rostow or Douglas North which are required to transform the North-East India which is a resource rich backward region. He further admitted the utilization of land resources which is prerequisite to develop its primary sector. The development strategy of the North-East region has to be based on the efficient utilization of its vast untapped natural and human resources. He advocated strategies such that appropriate location of industries and viable set of resource base industries should be selected.

Gill, Mustafa & Waqar (1999) analyzed in their paper the perception of rural development in Pakistan by delineating the pros and cons of past rural development efforts and the ensuing crisis in agriculture. They advocated possible strategies for sustainable agricultural growth and rural development and the formal approach for their implementation. It is argued that the whole scenario requires courage and political will of politicians to decentralize the development process. The fruits of rural development efforts have failed to trickle down to the rural masses because of lack of diversification in the rural economy which is a consequence of centralized planning and implementation of development programmes without participation of the common man. This further attributed to the low pace of human resource and infrastructural development. The most important task to be undertaken is to change the rural patterns of thought and behaviour rather than over-emphasizing physical and material dimensions of the rural economy.

Majumdar (2002) asserted the evolution of multi-functional concept of rural development that results from new perceptions of development economics. Rural development in India seems to hold the key to overall development of the economy, food security and improvement in the quality of life. The reduction of poverty, improvement in the nutrition standards and health of the bulk of the population, reduction in the incidence of illiteracy, improvement in the quality of life- all these could be attained through agricultural and rural development. The author rightly asserted that the rural development converts the mass of unemployed labour force and foodgrain shortage into an opportunity to trigger higher rural growth, create additional rural employment and income and build additional social and economic overhead capital. To achieve a higher growth trajectory rural or agricultural growth becomes central to overall growth. Public investment in irrigation, extension services, adequate flow of credit all are essential ingredients of policy. Further, there is an urgent need to build development conscience among all sections of the population. The all round development of the society is best achieved through the betterment of individual which includes economic well being. Social conscience must be inculcated through educational and professional training. The building up of development conscience would go a long way towards improving economic growth and also evolving a compassionate society.

Sundaram (2002) discussed that for a country of relatively backward state to advanced state depends more or less on the progress of rural development. Rural development involves enhancing the socio-economic status of rural population on a sustainable basis through optimum utilization of local resources. It denotes overall development of rural areas with a view to enhancing the quality of life of rural lives. That is, it means development and utilization of natural and human resources and by bringing necessary institutional, structural and attitudinal changes which reflects attainment of improving quality of life of rural poor. The World Bank defines rural development as a strategy designed to improve the economic and social life of the rural poor who seeks a livelihood in rural areas.

Agarwal (2004) stressed need for agricultural and small scale industrial development in North-East India for rural development. He advocated rural industrialization as an integral part of the overall strategy of hill area development and be accompanied by the development of agriculture. Finally, any strategy for the development of hilly and tribal areas should cautiously take care of the traditional skills, crafts, occupation of the people, their needs and aspirations, constraints, limitations and inherent capabilities. It is necessary to evolve appropriate technology depending upon its local conditions than to transfer already existing technologies.

Bhattacharyya (2004) emphasized rural development as a continuous process which aims at extending the benefits of development to those people whose future lies in the pursuit of a livelihood in the rural areas. He advocated rural development through development of agriculture and allied activities, rejuvenation of village industries on the basis of locally available raw material and labour. An integrated rural development strategy required that all natural, socio-economic and institutional relationship and their changes over time be combined in such a way so as to extend the benefits of the development to people living in the rural areas.

Lynden & Khonglah (2004) examined negative relationship between poverty and education and its value was significant. Education has been considered to be the most important instrument of change in social, economic or political life of peoples. In order to accelerate the process of rural development, it is imperative that more stress

should give on education of rural masses so that they can participate more efficiently at all levels of developmental activities and acquire the benefits.

Rural areas suffer from basic amenities like housing, health, education, water supply and transport facilities. Das & Sengupta (2006) asserted on shortage of basic amenities in various regions due to tremendous population pressure on existing infrastructure and resource base. They stressed the challenges of development with availability of basic amenities which focuses quality of life. They also addressed the uneven amenity distribution among different levels like rural and urban with reference to development challenge.

Todaro & Smith (2006) opined that the realization of rural development can be achieve if and only if development strategies include land reform, supportive policies and integrated development objectives. Modernizing farm structures and land tenure patterns must be adapted in order to enhance food production and promoting wider distribution of the agricultural benefits. Further, these benefits can't be realized unless there is a development of government support system which provide necessary incentives, economic opportunities and access to credit and inputs so that small and marginal cultivators can expand their output and productivity. Rural development should not only relies on small farmers development but it has to raise both farm and non- farm real incomes through job creation, rural industrialization and other social welfare services. There should be a decreasing inequality in distribution of rural incomes and capacity of the rural sector to sustain and accerlerate the pace of these improvements over time.

In an empirical study, Saxena (2009) expressed his view that how a program of transfer of control over land from big to the small will increase employment per unit of land and overall consumption standards of the rural poor of the society. The better distribution of land and improving the size of operational holdings of the small farmers through permitting them to lease in land would help in enhancing the objectives of rural development.

Bezbaruah (2010) opined two lines of reasoning to focus rural development over and above the concern for overall economic development. One is to address the

problems of development of rural areas and people living there such as general deficiency of basic facilities like roads, communication, power, education, health care, sanitation, drinking water etc. The other line of reasoning is the disparities in the distribution of opportunities between urban and rural areas. He discussed the evolution of rural development policy in India since the inception of planning. Due to disappointing impacts of such programmes up to the Sixth Plan, decentralization in rural development programme has come up in terms of New Panchayati Raj Institutions after Sixth Plan. Further, he advocated the existence and importance of various institutional frameworks for rural grassroot empowerment in North-East India. Lastly, he developed a vision for rural development that to be achieved by 2020 and projects strategy such as (a) acceleration of income and employment growth through facilitation of fuller utilization of production potentials and (b) elimination of deprivation of people from the basic facilities. For implementation of it he suggested different agents such as individuals and households, the community, non-governmental organizations, State and Central governments. Again the necessary financial resources have to be harnessed from a variety of sources such as governments, international donor agencies, financial institutions and private savings.

2.3 Section- B: Review of Literature on Disparities in Rural Development

Lo (1990) investigated rural regional inequality in China using three statistical measures for the period 1980-1986 to assess the impact of rural reforms which emphasized decentralization, liberalization and specialization enforced since 1978. In the study the author found that while the core-periphery distinction was intact, there was some initial success in balancing regional growth between 1980 and 1983, but subsequent development during 1983-1986 resulted in more rapid though uneven, growth of coastal region causing further differentiation of the core and periphery, which reflects an enhanced inequality in rural income distribution between the East and the West. A factor analysis carried out pinpointed the great disparities in performance of the 29th provinces, autonomous regions and municipalities in agriculture and industry in 1986 as a reflection of their inherent geographical characteristics and stages of economic growth. It was calculated that regional rural inequalities were a necessary evil

under China's modernization programme and underlined much of the 1989 political crisis faced by Dengist reformers.

Hirway (1995) presented a study on selective development and widening disparities in Gujarat. Gujarat is characterized by stark regional disparities in levels of development and poverty. Hi-tech industrialization in a few well-endowed areas has been coupled with neglect of the relatively backward areas. This selective path of development in the long run will put constraints on the growth rate of the State economy, which in turn will affect the poor adversely since they will not get enough employment. The author advocated that any number of programmes of poverty eradication cannot compensate for lack of sustainable and healthy development of the economy. The selective path of development neglects the relatively backward areas which are environmentally degraded and weak in infrastructural facilities. The selective development will put constraints on the growth rate of the State economy because it will leave agriculture weak and fluctuating, widen regional disparities in growth and tend to shrink the overall size of the market in the State.

Kurian (1999) stressed that one of the main reason in adopting planning process in India was the existence of disparities in economic and social development across regions and intra-regional disparities among different segments of the society. The regional disparities have been increasing day by day though considerable efforts have been done by the policy makers to reduce disparities. This was further increased after 1991, i.e., after the introduction of reform process in India. He analyzed regional disparities considering fifteen major States of India in respect of a few key parameters belonging to gender and equity issues. These States are broadly classified into two groups- forward group and backward group.

Pradhan, Daluja, Roy & Venkatram (2000) investigated rural-urban disparities using primary household level data on income, expenditure, poverty measures for 1994-95 and human development indicators for 1996 in rural and urban India. The results of the study show wide disparities in levels of living in terms of economic and social indicators in rural and urban India. Compared to the data of 1975-76, the study showed the changes in the pattern of income distribution and the gap between the shares of income in rural and urban areas during the last two decades, i.e, in 80's and 90's.

Bandyopadhyay (2002) represented some stylized facts about sustaining unequal economic growth across Indian States over the period 1965-1997. She documented the dynamics of the convergence of incomes across the Indian States over the period through distribution dynamics approach. In her study she found a decline in disparities in the late sixties, with a subsequent increase in inequality in the seventies, eighties and nineties, which are accompanied by the polarization of the income distribution into two convergence clubs, one at around 125% and other at 50% of the national average. Here, the distribution dynamic revealed the disperse distribution of infrastructure that forms the club of lower income. Again the fiscal deficits seem to partially explain the club formation at the higher income levels. The policy implications of the study is such that basic infrastructure and political governance require the most attention in the lower income States, whereas macroeconomic instability along with political governance seem to be the most important for higher income States.

Agarwala & Hazarika (2003) presented a study which is concerned with the analysis of inter-district development disparities in industry in Assam. The districts were ranked in terms of some select indicators of industrial development. For this they constructed composite index of industrial development using indexing method and deprivation method. They were of the view that lack of industry and infrastructure development creates regional developmental disparities in Assam.

Dholakia (2003) examined the trends in regional disparity in India's economic condition over the past two decades and the direction of their causality. The Indian regional data suggested two way causality between human and economic development. The paper argued that the Planning Commission and the Finance Commissions need not be unduly concerned about regional imbalance in human or economic development. Emphasis on economic growth is likely to address the issue of disparities in income and human development speedily. The findings on causality has showed that emphasis on economic growth as per the national priority is likely to address the issue of twin disparities in income and human development. According to the author if undue incentives are given for emphasizing human development in States, it may lead to the postponement of rapid economic growth by a considerable length of time and also to

some inefficiencies cropping up in the delivery of output resulting in a further shifting of the structure of relationship between PCI (effect) and HDI (cause).

Rao (2006) opined that inter-state Gross State Domestic Product (GSDP) has been increasing, in particular in the post economic reform period. These disparities have been largely contributed by the large variability's in the contributions made by the secondary and tertiary sectors. For reducing inter-state disparities there is an urgent need for enhancing the levels of public investment for improving the social and economic infrastructure in the backward regions. There is also the urgency of speeding up social transformation through the empowerment of the common people and adoption of measures for good governance. Both the Finance Commission and Planning Commission have the responsibility of rising to the challenges of increasing disparities and adopting suitable corrective measures.

Alam & Raju (2007) studied in their paper about educational disparities in terms of religious and gendered literacy in rural Bihar. The aim of the paper was to place Muslim literacy and education as relational and its locatedness in a larger spatial context in order to propose that there can be no one unilinear process in conceptualizing religious differences in matters of literacy and education. The authors rightly asserted that reasons accounting for educational backwardness of Muslim communities were diverse and complex. The complex issue of schooling as a social variable needs framing in multilayered and nuanced ways and has to be placed within a wider conceptual and analytical framework.

Singh (2007) focused rural development through rural-urban disparities. He analyzed disparities in terms of economic and human development which can create serious economic, social and political ramifications. Therefore, he has made attention to reduce rural-urban disparities through suitable policy measures such as sustainable income and employment generation in rural areas which can protect undesirable flow of rural workforce to the urban areas and raising the socio-economic status of rural people which can enlarge capability to participate actively in developmental activities.

Fang, Chen & Rizzo (2009) investigated urban- rural disparities in the patterns of health status and health care utilization in China and to examine the evolution of

these disparities from 1997 to 2006. They used self-reported health status, activity limitations due to illness, diagnosis of serious diseases to measure health status and physician visits for illness to measure health care utilization. In the study they found that urban residents appear to fare worse than rural residents in terms of overall health status and health care utilization in China. They also found that health disparities between urban and rural areas have been declining over time. But this does not mean that there is an improvement in health status in urban areas but relatively more dramatic decline in rural locales. As economic development has spilled over to rural areas it led to environmental damage, such as increased air pollution, water pollution and deforestation in rural areas. This may have contributed to the relatively rapid decline in health status among rural residents.

Purohit (2010) attempted an analysis of efficiency variation in health system performance in Karnataka. By using the stochastic frontier technique it provided an idealized yardstick to evaluate the performance of the health sector. Using the district level panel data, the first stage estimation of model indicated the efficiency of the public health delivery system in Karnataka remains low. A considerable disparity existed across districts in per capita availability as well as utilization of hospitals, beds and manpower inputs. The second stage estimation suggested that in rural areas improvement in infrastructure facilities like safe drinking water supply, toilets and electricity as well as better co-ordination between social sector and economic policies may help the State to improve life expectancy speedily and more equitably in the deficient districts.

Hussain (2011) examined gender discrimination with respect to completion of school education. The author found that gender disparities are higher in Northern States in rural areas. The paper used a disparity index suggested by Sopher (1980) and modified by Kundu and Rao (1986). The index measured disparity between two groups in their possession of a particular property in terms of the logarithm of the odds ratio, that is, the ratio of the odds that any number of one group (male) has completed school to the odds that any number of the other group (female) does. The paper commenced with a descriptive analysis of regional and State variations in disparity based on the above index. Cohort wise analysis was also used to get an idea of the temporal trend in

disparity between geographical zones. Further, econometric analysis was used to identify the factors determining probability of completing school. A logit model has used to test whether there is a significant difference in the probability of completing school between male and female children. After that the regional variations in the extent of this gender gap were analyzed. The findings suggested that gender discrimination is a more complex phenomenon than is conceptualized. The study indicated that the patterns of interaction between each layer may be more complex than envisaged, and may assume unexpected forms.

Sharma (2012) analyzed the level of development of North-East region with the help of composite index based on optimum combination of socio-economic indicators. He used State wise secondary sources data for the period 1971-2006 on 48 indicators for seven States of North-East India. Among these indicators 15 belongs to agricultural development, 9 are concerned with livestock development, 12 indicators belong to socio-economic development and the rest 12 indicators describe the development in infrastructural service sector. The researcher found wide disparities in the level of development among different States. The North-Eastern States require improvement of various dimensions in some of the indicators for enhancing the level of socio-economic development for unified balanced integration of curative, preventive and promotional health services.

Bakshi, Chawla & Shah (2015) stressed that among the various axes of inequality in India, regional disparities have acquired greater importance in recent times with demands being made for special status for certain States on this basis. There exist growing disparities in per capita income, disparities in human development etc. across the regions of India. The remarkable characteristic of regional disparities in India is the presence of backward areas even within States that have grown faster and are at relatively high income levels on average. Backwardness is multidimensional and there is no single variable that captures all its dimensions.

Konwar (2015) examined the inequalities in socio-economic parameters of development, access to basic amenities and quantify the level of facility and socio-economic deprivations. He observed existence of wide variations in growth rate of population, sanitation facilities, mean years of education, per capita monthly

expenditure and population below poverty line. The access to basic amenities also reveals wide spread variations. Among the States of North-East India, the maximum average deprivation in the basic facilities is located in Meghalaya and the most socio-economic deprived State is Nagaland. He recommended consistent and balanced development approach, expansion of capability, improvement in infrastructure and diversification of agriculture across the States of North-East India.

Kumar, Sing & Anil (2015) analyzed inter-district disparity in infrastructure level in Haryana and to find out the status of the districts in terms of infrastructural development. From the study the authors found that Haryana State has no good infrastructure level. Again, there exists high regional disparity across regions of Haryana. They concluded that regarding regional disparity in level of infrastructure development government should not only focus on infrastructure development but also focus on equitable development of all the districts.

Kumar (2015) examined the changes in access to basic amenities like drinking water, sanitation, electricity and drainage management in rural and urban India using secondary sources data. He focused on disparities in access to basic amenities across caste and ethnic groups and consumption expenditure classes. He observed an improvement in access by households with respect to all the indicators of basic amenities. Special and immediate attention is needed in rural areas towards access of households to drinking water facility, sanitation facilities and drainage arrangement. Again, urban areas witnessed improvement in the access to basic amenities, but with rise in absolute number of deprived households. In conclusion, the author stated that both rural and urban households experienced improvement in access to all the basic amenities. But the rates of improvement in rural areas were far lower than those in urban areas.

Kaur & Kaur (2016) analyzed the inter-district disparities in social infrastructure in Punjab for the period from 1981 to 2011 to compare pre-reform and post-reform changes. The study undertook variables such as number of educational institutions, number of teachers in educational institutions, number of medical institutions, number of beds in medical institutions, number of hospitals, number of dispensaries and number of primary health centres. The study found that inter-district disparities do exist in all

these variables during the period and the disparity has increased from pre-reform to post-reform period. The study concluded that inter-district disparity can be eradicated by investing in both public and private sectors. More investment in the social sectors like education, health services and other developmental activities is the need of the hour.

Baruah & Borah (2017) examined the extent of inequality in educational opportunity amongst the districts of Assam for the year 2013-14. The educational level was estimated with the help of composite index based on optimum combination of different development indicators. They used district wise data in respect of 25 indicators to make composite index. The main objective of the study was to classify the districts into different development stages such as- high, medium, developing and low level developed. They found that Dima-Hasao district stands out as the least unequal in terms of educational opportunities. Again, Tinsukia district stands at the bottom of the list in this regard. For bringing out regional development potential targets have been estimated for low developed districts. Finally, the authors found that in the period of facilities of higher education with special emphasis on technical education showed a wide variation among other indicators. The study revealed that the basic characteristic feature of development of this sector in the State is the improvement in the general literacy.

Das (2017) studied about the social infrastructure development in Assam as well as to analyze the district level variation on the same for the year 2014. To measure the development status the author prepared a composite index for thirty selective variables and ranked the districts on the basis of the value of the index. The investigator found wide spread disparities in the levels of development in different districts of the State. He found Nalbari district as the highest developed and the district Udalguri was on the lowest in overall social infrastructure development among the districts of Assam.

2.4 Conclusion

From the above literature review it has been cleared that rural development and its various parts has been a part and parcel of the present day economy and has been receiving increasing attention of the researchers and governments across the World. Considering its great relevance on rural life as a whole and its tremendous potentiality

as an instrument for social transformation there is an urgent need to know and understand it in the correct perspective. The term rural development has its special significance having its implication with the activities for socio-economic upliftment of the rural populace. Again, the backwardness of the rural sector would be a major hurdle to the overall progress of the economy due to which divergence of economic opportunities occurs in the subsistence sector and industrial sector.

Thus, rural development is a dynamic process which will improve the quality of life of the rural people reflected through better nutrition and health standard, greater opportunity to be educated and elimination of deprivation from participation in social and economic life. Again, rural development implies development and utilization of natural and human resources, institutions and organizations and basic infrastructure for promoting and speeding up the all round development of rural lives on a self-sustaining basis. There exist vast literatures showing different aspects of rural development. These literatures examine the concept of rural development with reference to the characteristics of the economy, their extent and strategy for rural development. The findings of such study will greatly help the policy makers, researchers as well the governments to step up the ladder of economic development through rural development.

The rural development is vital for enhancing economic growth and development for a rural economy like Assam. Assam is endowed with fairly rich natural resources providing a base for high rate of economic development. But despite these the development process of Assam doesn't progress in the reasonable order. In the present context the study which analyzed inter-regional variations in rural development have great relevance. There exist vast disparities in education, health, productivity, employment etc. across the different districts or cluster of districts of Assam. Though there exist different literatures on rural development and its disparities in the form of inter-regional or intra-regional but they reveal a different analysis than that of the present study. The findings of the present study will help policy makers suggest different policy prescriptions to maintain balanced regional development.