Indira Gandhi
National Open University
School of Social Work

MSW-004
Social Work and Social Development

Block

1

SOCIAL DYNAMICS AND CHANGE

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COURSE INTRODUCTION

To practice social work in the context of social development is one of the main concerns of social workers. Therefore, the course of "Social work and social development" is important for a student of MSW. In this course there are 4 blocks covering wide range of topics including social dynamics and change, human rights as well as social legislation.

Block 1 deals with topics such as migration, rural and urban continuum, industrialization, globalization and other related concepts which are current affairs across the globe. In fact industrialization was one of the reasons for the development and growth of social work education and practice in U.K. Migration and globalization have drastically changed the lifestyles of people which also require extensive involvement by social workers.

Block 2 concentrates on concepts of development/which include social and human development, sustainable development, economic and social dimension of development, population development and gender perspectives on development.

Block 3 is on "development from human rights perspective". It deals with social ideals in Indian constitution, social work and human rights, welfare economics and development and the Indian Judicial System. These are veil important for social workers which will enable them to appropriately address numerous issues that a across in her/his daily life.

Block 4 focuses on knowledge and information about various social legislations which is important for social workers. Here, we have tried to discuss a wide variety of topics pertaining legal provision for women, persons with disability, children and on legal aid, social advocacy and the role of social workers.

The above mentioned topics covering several aspects of development in the Indian context is necessary for students of social work particularly when they are preparing themselves to work among the target population that is socially and economically vulnerable.

BLOCK INTRODUCTION

Block 1 of the course MSW -004 is on “Social Dynamics and Change ‘. TIME me five units in this block. All these units have been prepared so meticulously to enable you to have minimum basic information on migration, urbanization, industrialization, globalization and economic liberalization that enrich the understanding on social dynamics.

Unit 1 ‘Migration ‘ describes concept of migration, various streams of migration, migration situation in India, determinants of migration, consequences of migration, theories of migration and issues of international migration. The unit explain migration as a social process and as old as the history of human kind. The decision to migrate are often complex and involve a number of push and pull factors.

Unit 2 ‘Rural-Urban Continuum and Urbanization’ deals with the features of rural society, features of urban society, urbanization as a process, rural-urban dichotomy, rural-urban continuum and rural-urban fringe. This unit is basically meant to provide an idea of the process of urbanization.

Unit 3 makes you to be exposed to the term “Industrialization ‘ which is the hallmark of modem society. This unit discusses about meaning, historical context and conditions for industrialization, industrialization and social charge, industrialization in India and the post-industrial society. It is felt that industrialization remains the dominant paradigm of development in today’s world.

Unit 4 is on Globalization, and explains the meaning and various dimensions of globalization, drivers of globalization, concept of liberalization, impact of globalization, globalization and inequality, and influence of globalization on Indian society.

Unit 5 is on ‘Changing Occupational Structure and Impact of liberalization’. It has covered the meaning and definition of the concepts, how occupational structure changes, liberalized economy in India and about the growth of new sectors. The unit concludes that new sectors and new occupations are coming up due to infomlation technology and outsourcing, and the main beneficiaries are the youth.

All the Hive units portrayed in this block ultimately will provide necessary information for understanding the fast changing contemporary Indian society and various economic, technological, social, political, cultural and ecological factors that are responsible for social dynamics in it.

UNIT 1 MIGRATION

Structure

*Tripti Bassi & Chinmoy Biswal**

1.0 OBJECTIVES

Migration is an ongoing social process in human society. It is a major factor in social change and development. This Unit aims at providing you with a comprehensive understanding of this process, its causes and consequences. You will also learn about some theories to explain this phenomenon. After reading this Unit, you should be able to :

- describe the different streams of migration;
- explain the causes of migration;
- describe the theories of migration and examine their relevance; and
- evaluate the consequences of migration.

1.1 INTRODUCTION

Migration is a social process which is as old as the history of human civilization. In fact, the evolution of human society and rise of civilizations in different parts of the world have much to do with the movement of people from one place to another. Our early ancestors in hunting and gathering societies migrated from place to place in search of food. During nomadic pastoral stage, hoards and bands of people migrated from one place to the other in search of pastures for domestic animals, mainly cattle and horses. This feature still survives among pastoralist communities in Asia, Africa and Latin America, including India. In fact, the expression "in search of greener pastures" owes its origin to this feature of migration. In the settled agricultural stage, the nature of migration changed. Mass migration was less but it continued in search of fertile lands and river basins and so on.

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The movement of people also continued due to frequent military conflicts, wars and invasions. Residents in a city or capital of a state would flee en masse on hearing of an impending invasion, leaving the city depopulated, as happened during Taimur the Lame's invasion of Delhi in fourteenth century. Or, people would migrate on the orders of an emperor who wished to set up a new capital like Mohammed bin Tughlaq did. The proverb "Dilli se Daulatabad" (from Delhi to Daulatabad) refers to one such incident of forced migration. Small waves of migration also continued as groups of people moved for trade, commerce and land grants, and settled down at various places.

Migration is also an individual phenomenon. You may have migrated from a village to a city, from one city to another, or from one country to another. Your family may have moved from a village to a city. With the advent of modern means of communication, transport and information channels, people are much more mobile than ever before.

1.2 DEFINITION AND TYPES

Migration refers to any permanent or semi-permanent change in normal place of residence from one settlement to another. It has both spatial and temporal aspects. It involves a complete shift in location and for a fairly long period of time. For instance, changing accommodation from one part of the town to another, or coming to a new place for a few months would not be treated as migration. It is different from 'circulation', which refers to short term repetitive movements that are cyclical in nature (e.g. the movement of labourers from one state to the other, or from one area to another for a few months in a particular period of the year). The people who thus move have no intention of staying permanently or even for a sufficient length of time in the place of arrival. Another kind of movement is called transhumance- seasonal movement of pastoral people up and down the hills with their herds.

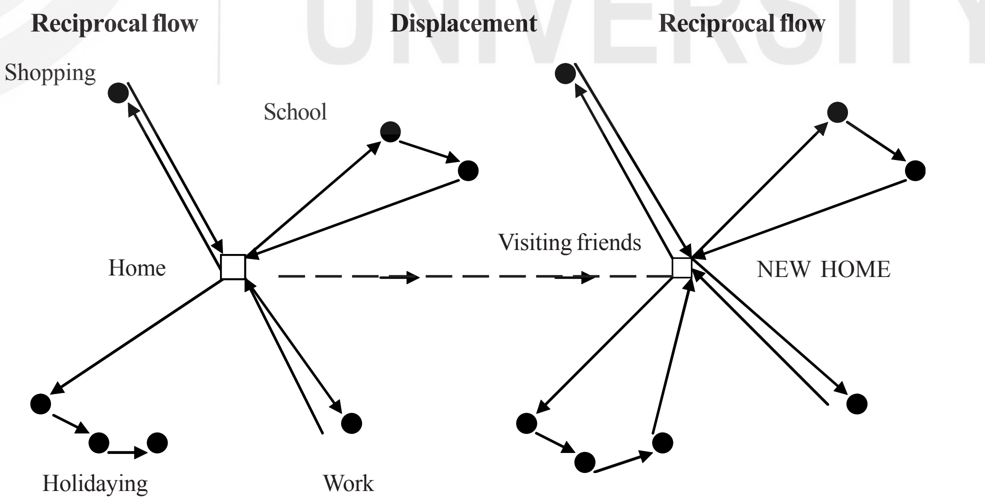

Fig. 1.1 : Distinction between Migration and circulation

(***Source:*** Witherick, 1990)

Migration can be of various types on the basis of motivation, distance and time. Based on motivation of movement, migration can be economic and social. Based on distance, migration can be classified as long distance and short distance. Likewise, migration can be short-term and long-term depending on the period of stay (Chandna, 2007).

On the basis of location, migration can be classified as *in-migration* and *out migration*. In migration refers to movement *into* a particular area while out-migration is movement *out of* a particular area. For example, migrants coming from Bihar to Delhi are 'in migrants' for Delhi and 'out migrants' for Bihar. The place from which a move is made is called the *place of origin* or departure. The *place of arrival* or the place of destination is the place where the movement ends. In migration and out migration together constitute *internal migration*, that is, migration inside a country. *Net migration* is the difference between the number of in-migrants and the number of out-migrants in a place. It can be positive or negative. If the number of in-migrants exceeds the out-migrants, the net migration is positive and the region has net in-migration. However, if the number of out-migrants exceeds that of the in-migrants, then net migration is negative and the region has net out migration. If migration takes place between territorial borders of countries, we call it *international migration*. The term *immigration* is used for in-migration and *emigration* for out-migration in the context of international migration. The *volume of migration* or *gross migration* is the total of the arrivals of immigrants/in-migrants and departures of emigrants/out-migrants (Bhende and Kanitkar, 2006). On the basis of number, migration may be *individual* or *mass* migration. It can also be *forced* or *voluntary*.

The figure 1.2 below shows the fundamental distinction between forced and voluntary migration and also between national and international migration. Forced migration occurs due to persecution, military and ethnic conflict, war etc. which leads to the displacement of a large number of people as refugees. The third aspect in the figure highlights the directional distinction of urban and rural in internal migration, and between developed world and developing world in the context of international migration. Thus, a study of migration can be done with respect to internal migration and international migration. In this unit, the focus is mainly on internal migration.

1.3 MIGRATION STREAMS

Internal migration can be studied in terms of migration streams, depicted in the figure 1.2 When people are involved in migration, they form a migration stream which can be of four types: rural to urban, urban to urban, rural to rural, and urban to rural. Below we discuss these in detail.

Rural to Urban

The most commonly understood migration stream, rural to urban migration is the chief feature of developing countries which are undergoing industrialization and urbanization. People from the rural areas tend to move towards the growing urban centres for economic reasons: in search of work, employment, better life and urban facilities. This is a combination of both push and pulls factors (see the next section for details). In these countries, high densities of population in rural areas, lack of work and employment, low wages, poverty etc. act as push factors in pushing them towards urban areas. The prospects of better jobs and employment, higher wages, urban facilities like education and health care act as the pull factors in urban areas.

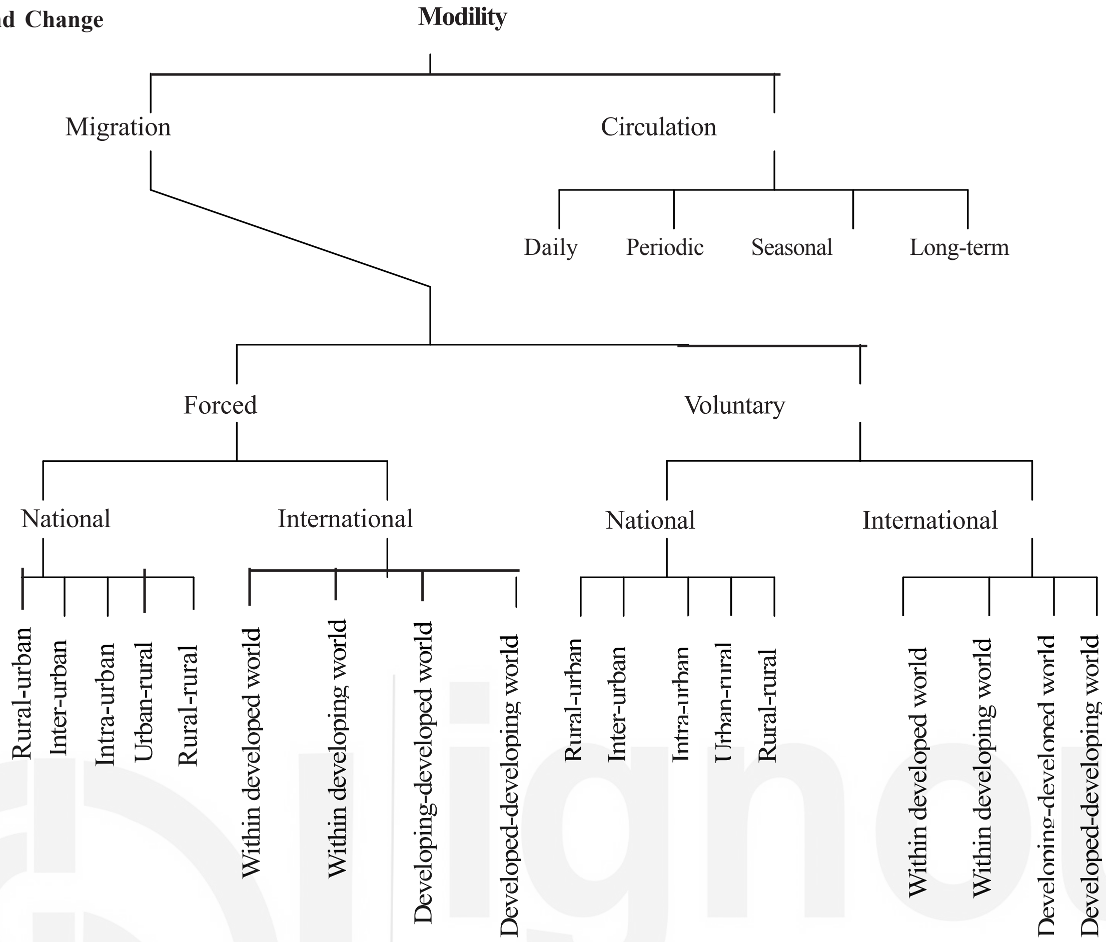

Fig 1.2 : Classification of mobility

(***Source:*** Witherick, 1990)

This rural-urban stream was witnessed in massive scale in mid-eighteenth century England when Industrial Revolution began. In United States, the percentage of people living in urban areas increased from 5 per cent in 1800 AD to 50 per cent in 1920AD. Presently, nearly three-fourth of the population in developed countries lives in urban areas.

Rural to urban migration also happens when educated people, mainly males, move to urban centres for jobs. With spread of urbanisation, more and more people move from rural to urban areas. As developing countries of Asia, Africa and Latin America are undergoing urbanisation and industrialisation, migration from rural to urban areas has rapidly increased. Studies show that migration from rural areas is responsible for nearly half of the population increase in urban areas. Across the world, more than 20 million people migrate from rural to urban areas every year (Rubenstein, 2002).

Large scale migration of this type gives rise to a host of problems in cities like overcrowding, water scarcity, sanitation, housing etc., leading to epidemics in which a lot of people, mainly of the poor sections and working class, suffer. In the developing countries, we see the growth of slums due to rural-urban migration.

Urban to Urban

People also move from one urban center to another for economic reasons. Such migration occurs for better employment and earning opportunities. This is mostly a feature of highly urbanized countries but also observed in developing countries like India, though at a much less frequency. In the developing countries, urban to urban migration stream is through what is known as 'step migration'. It has been seen that rural to urban migration happens in several stages. Initially people move from rural areas to small urban places. After acquisition of skills, education etc. which can fetch them jobs and employment in large cities, the small town people move there. Hence, the big cities keep growing at the cost of small towns (see Ravenstein's laws in later section for details). This urban to urban stream runs concurrently with rural to urban migration.

Rural to Rural

At the outset, rural to rural migration may seem unimportant. But it comprises the bulk of internal migration in developing countries like India (see the next section for Census data). An interesting feature of this stream is the preponderance of female migrants.

In largely agrarian countries, people migrate from one rural area to another. It can be explained in three ways. One, the rural population redistribution occurs on economic basis as a response to variations in the capacity of employment of different areas. Better irrigation facilities, reclamation of waste land, intensification of agriculture and its extension into upland regions and marginal lands are factors influencing migrants. Such migration begins from populated regions with low agricultural productivity towards less dense regions with growing development activities. This movement balances population-resource relationship (Chandna, 2007). Two, the bulk of rural to rural migrants are women who get married and leave their natal homes to settle down in their conjugal homes. In some societies, men also move into their wife's house. Since India is a predominantly rural country (the rural to urban population ratio according to 2011 Census is 68.84 to 31.16 per cent), the migration of rural women accounts for this. In the 1991 Census, more than 56 per cent of total in migrants reported to have migrated due to marriage. Compare this with only 15.3 per cent who migrated due to shift of family, 8.8 percent for employment, two per cent for education, 2. 3 per cent for business, and a little over 15 per cent for other reasons. Third, in order that a person migrates to a city, he should have relatives, friends or contacts there who would be willing to give him shelter initially. In fact, few migrants go to a totally alien place. Since the social relations of rural people are confined mostly with rural people, it is easier to migrate to a rural place than to an urban one.

Urban to Rural

Since urbanisation is understood as movement of people from countryside to cities, migration from urban areas to rural areas is called 'counter urbanisation' or 'reverse migration' or 'push back migration'. Although it seems improbable, this trend was witnessed towards late twentieth century in the developed countries of North America and Western Europe. It is essentially a feature of developed nations where the disparity between urban and rural has vanished in terms of access to resources of life and amenities. In fact much of their rural areas may seem more urban than many of our urban places. Modern communication and transport systems, banking facilities, good housing, television and internet networks make all locations comfortable. The rural areas have an advantage in terms of clean air, green surrounding and leisurely atmosphere. Most of the cities and metropolis start decaying after a point of time due to massive in-migration. Thus the livability suffers, motivating many to move back. Certain conditions must be satisfied here, though. The rural areas must have a vibrant economy where these people can find work, or the reverse migrants may have their own businesses or vocations which can be run from there.

In developing countries, the occurrence of this stream of migration is negligible. In India, sometimes retired people migrate to their native villages where they have retained landed property and have social relations.

Urban to suburban Areas

More than urban to rural, intraregional migration happens from urban centers to the suburban areas. Suburbs are the adjoining region of a city within its service area but not located inside it. These are rural areas undergoing urbanization primarily due to their proximity to urban areas. Mostly, there is development of land for residential purposes to serve the rich and middle class of the city. Congestion, over crowding, high value of land and property and health hazards inside cities drive many to move from the inner city to suburbs. This is an invariable trend of over urbanization.

Miscellaneous Migration

Migration is sometimes a result of government policy to redistribute population inside the country to improve the population-resource relationship. Often governments develop new cities and industrial centers deliberately in sparsely populated regions to decongest the densely populated ones. For example, in Indonesia, people living in Java are encouraged to move to the islands of Sumatra and Borneo. Likewise, the USSR government has encouraged people to migrate towards far eastern areas and Siberia.

1.4 MIGRATION IN INDIA

The Census of India, conducted every ten years beginning from 1901, is the main source of data on migration pattern and trends in India. It defines migration in two ways: migrants by place of birth and migrants by place of last residence. The former are those who are enumerated at a village/town at the time of census other than their place of birth while the latter refers to those who are enumerated in a place other than their place of immediate last residence. By capturing the latest of the migrations in cases where persons have migrated more than once, this concept would give a better picture of current migration scenario (Census of India, 2001)

Out of the total population of 1,028.6 million persons in India at the 2001 Census, about 307 million (or 29.9 per cent) were reported as migrants in terms of migration by place of birth. Out of these, females (216.7 million) outnumber males (90.4 million), mostly because of change of their residence due to marriage. Those who had migrated to the place of enumeration from within the district or the state were about 181.7 million and 76.8 million respectively. The balance 48.4 million migrants were from other States or Union Territories including about 6.1 million from abroad.

The data on migration by last residence shows that the total number of migrants is 314 million (2001 Census). This number is more than the number of total migrants by place of birth (307 million) because a significant number of people who go out for various reasons like education, agricultural labour, seasonal migration etc, but return to their place of birth and are found to be present at the time of enumeration are not migrants by place of birth but migrants by last residence. Out of 314 million migrants by last residence, 268 million migrants (85 per cent) were found to be from within the state. The duration of residence details show that the migrations are evenly spread. The number of migrants coming from outside the state were 41.1 million (13.5 per cent).

The 2001 Census has analysed the Indian population on the basis of *duration of last residence (0-9 years)* and found that of the total number of internal migrants in the last decade enumerated for migration streams (97.5 million), 54.7 per cent (53.3 million) moved within rural areas. About 21.1 per cent (20.6 million) moved from rural areas to urban areas during the last decade. On the other hand, 6.4 per cent (6.2 million moved from urban areas to rural areas. The share of urban to urban stream during the last decade is 14.7 per cent (14.4 million) of the total migrants.

Thus, rural to rural stream is the most important in India. The volume of migration from rural to urban areas is much smaller. It shows that the pull factor is not strong enough or it may be functioning in metropolitan regions only (Bhende and Kanitkar, 2006). The interesting feature is the preponderance of female migrants in rural to rural migration. Table 1.1 gives the figures from Census of India 1991 on the migration streams by inter-state and intra-state by place of last residence in the last decade, and Table 1.2 gives the figures of Census 2001.

On the reasons for migration during the last decade of census, of the total of 98.3 million internal migrants, 43.8 per cent (43.1 million) cited marriage, followed by 21 per cent (20.6 million) who cited moving with household. While 14.7 per cent (14.4 million) cited work/employment, 6.7 per cent (6.5 million) cited having moved after birth. Those who moved for education comprised 3 per cent (2.9 million) while 1.2 per cent (1.1 million) moved for purposes of business. About 9.7 per cent (9.5 million) cited other reasons for migrating.

Marriage remains the pre-dominant reason for migration among women. About 65 per cent of female migrants (42.4 million out of total 65.4 million) cited marriage as the reason for migration. Among men, the most important reason for migration is work/ employment, with 37 per cent of total male migrants (12.3 million out of 32.8 million) citing this reason. It may be important to note that in case of intra-state migrants, the majority of the migration is rural to rural, due to marriage in case of females and in search of work in case of males. In case of inter-state migration, however, the predominant stream is rural to urban areas.

Table 1.1 : Trends of Migration Streams, 1991 (in percent)

Type of migration	***Intra State Migration***			***Inter-State Migration***		
	Total	**Males**	**Females**	**Total**	**Males**	**Females**
Rural to Rural	**60.5**	41.6	68.6	**26.6**	20.7	32.7
Rural to Urban	**17.6**	27.1	13.6	**37.9**	44.7	30.9
Urban to Rural	**6.5**	8.6	5.6	**6.3**	6.1	6.4
Urban to Urban	**12.3**	18.3	9.7	**26.7**	25.9	27.5
Unclassifical	**3.1**	4.4	2.6	**2.6**	2.6	2.5
Total	**100**	100	100	**100**	100	100

Source : Government of India, Census of India, 2001

Table 1.2: Migrants by place of last residence indicating migration streams (duration 0-9 years) 2001

Migration Stream	2001 (number)			2001 (percent)		
	Persons	Male	Female	Persons	Male	Female
Total Migrants	98,301,342	32,896,986	197,943	-	-	-
Intra state migrants						
Total	80,733,441	23,998,283	56,735,158	100.0	100.0	100.0
Rural to Rural	48,880,074	9,985,581	38,894,493	60.5	41.6	68.6
Rural to Urban	14,222,276	6,503,461	7,718,815	17.6	27.1	13.6
Urban to Rural	5,213,151	2,057,789	3,155,362	6.5	8.6	5.6
Urban to Urban	9,898,294	4,387,563	5,510,731	12.3	18.3	9.7
Unclassified	2,519,646	1,063,889	1,455,757	3.1	4.4	2.6
Inter state Migrants						
Total	16,826,879	8,512,161	8,314,718	100	100.0	100.0
Rural to Rural	4,474,302	1,759,523	2,714,779	100	20.7	32.7
Rural to Urban	6,372,955	3,803,737	2,569,218	37.9	44.7	30.9
Urban to Rural	1,053,352	522,916	530,436	6.3	6.1	6.4
Urban to Urban	4,490,480	2,201,882	2,288,598	26.7	25.9	27.5
Unclassified	435,790	224,103	211,687	2.6	2.6	2.5
International Migrants						
Total	740,867	386,461	354,406	100	100.0	100.0
To Rural areas	392,807	188,518	204,289	53.0	48.8	57.6
To Urban areas	348,060	197,943	150,117	47.0	51.2	42.4

Source: *Table D-2, Census of India, 2001*

Check Your Progress I

Note: Use the space provided for your answer.

1) Define migration and discuss its types with suitable examples?

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....

....

2) What are migration streams? Describe.

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....

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3) Give a reasoned account of the migration streams in India.

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1.5 DETERMINANTS OF MIGRATION

The discussion on migration streams has already given us some ideas about the reasons behind migration. The decision by an individual or group to migrate is not an easy one and involves considerations of numerous factors. Often the factors are overlapping and complex, also varying from place to place, person to person and time to time.

Broadly speaking, the factors determining migration can be grouped under push and pull factors. Push factors function in areas of out-migration, causing people to move out of their present places of residence. Pull factors operate in areas of in migration attracting people to migrate. It is often not easy to differentiate between push and pull factors since both operate in an area and their perception varies from individual to individual. Figure 1.3 depicts this complexity involved in the decision to migrate.

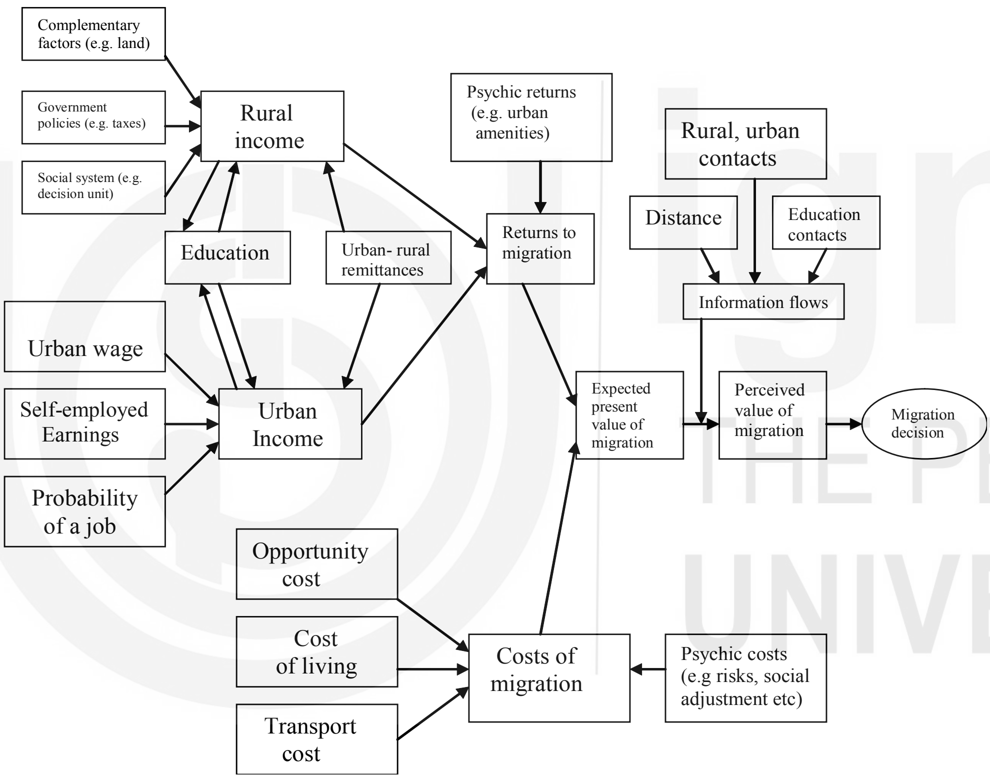

Fig. 1.3 : A framework for analyzing the decision to migrate

(Source: Witherick, 1990)

Economic Push and Pull Factors

Economic reasons are the primary factors behind migration. Jobs and employment avenues are not uniformly available everywhere. When a society modernizes through industrialization, it creates centers of manufacturing production (read more in Unit 3) where unskilled, semi skilled and skilled works are available. At the same time, if agriculture is stagnating and not able to provide productive employment to the growing population, the surplus population would move to the industrial work. Thus the staggering economy of an area creates conditions of out-migration while the growth in economic prosperity attracts in-migrants.

Kingsley Davis calls rural out migration as the geographical manifestation of an occupational exodus (Davis, 1977). As agriculture modernizes, labour is displaced as there is less requirement of labour. At the same time, newly growing manufacturing sector can offer manual jobs to agricultural labourers. The result is a mass exodus from agriculture to manufacturing centers.

The availability of good agricultural land is the most powerful economic factor in determining the magnitude and direction of migration. Second are employment opportunities. In general, areas where developmental activities are going on and that are generating jobs and employment would attract in-migrants.

Political Push and Pull factors

Political factors may prove to be significant in forcing people to migrate. Forced international migration has taken place due to two main reasons – slavery and political instability (Rubenstein, 2002). These are tragic instances in human history when people have had to leave their homes and undergo immense suffering. While slave migration was a feature of eighteenth and early nineteenth centuries, migration of refugees is a recent phenomenon. During colonialism, men, women and even children were shipped from western coast of Africa to the Western hemisphere as slaves to work in the plantations in America and elsewhere. The 'slave coast' in Western Africa is a reminder of those tragic times.

Now, political push and pull occur due to ethnic conflicts, wars repression or exchange of people across borders. Newly independent states at times separate their people belonging to different ethnic groups. Those caught at the wrong side of a boundary may then be forced to migrate. The United Nations calls 'refugees' as those who have been forced to migrate from their home country and cannot return for fear of persecution because of their race, religion, nationality, membership in a social group, or political opinion. The biggest mass migration in history occurred during partition of India in 1947 when around six million Hindus had to leave Pakistan and an equal number of Muslims left India for Pakistan.

Environmental Push and Pull factors

People may also migrate due to environmental factors. Scarcities of water, clean air, desertification of land, loss of forests etc. compel people to move. Needless to say, the abundant availability of these resources in a place would act as pull factors. People move out from flood and drought prone areas.

Social causes

Social customs cause certain kinds of migration. As have seen earlier, women migrate from their parents' residence to that of the husband after marriage. Or, if the society is matriarchal, the husband moves into his wife's house.

Factors like socio-economic status, information network, cultural contact, government policies, and desire for social uplift also impact the decision to migrate. In nineteenth century Britain, people with low socio-economic status were most mobile. In India too, the more mobile people are from low socio-economic class because they often have to live in poverty and social marginalization. Nowadays, skilled professionals are migrating from place to place for better job prospects. For instance, software professionals are migrating to cities like Bangalore, Hyderabad and Gurgaon which have emerged as the software magnets.

Information networks enable movement. Information through education, cultural contacts and spatial interaction increases the frequency of migration. Communities bound by strong ties, customs and ancient traditions are not as mobile as those who are socially awakened, in contact with the rest of the world, and with a desire of upward mobility.

Experiences of migration also act as a motivation to move. Once mobile persons would not hesitate to be mobile again if the need arise. Therefore psychological factors also play a big role in the decision to migrate.

As mentioned already, government policies affect migration patterns. A large number of internal migrants are people displaced from their habitat by the government to facilitate 'developmental' activities like mining, building dams, setting up industries etc. Many countries have strict immigration policies, especially the advanced or developed countries like those in the European Union, USA, New Zealand, Australia etc. to check massive labour migration from third world countries.

Technology can act as a factor in deciding mobility in a population. People having advanced technology explore new regions while less advanced groups are pulled towards developed areas.

Demographic causes

Many demographic factors also play an important role in the migration pattern. Of these, population pressure is the main one. When a region becomes highly populated disturbing the population-resource relationship, out migration occurs. In India, extensive out migration from densely-populated areas of Orissa, West Bengal, Kerala, Bihar, and UP is mostly due to an adverse population-resource ratio (Husain, 2005). Age and gender are important factors too. Young adults migrate much more than other age groups. More men migrate from rural to urban areas than women. Old people are seldom mobile.

The above discussion shows that it is not simple to find out the exact factor affecting the decision to migrate. Often, many factors interplay and overlap.

1.6 CONSEQUENCES OF MIGRATION

Migration has profound consequences on both the place of origin and place of destination. These consequences are important subject matters of study for demographers and social scientists. We will discuss these by grouping them as economic, environmental, social, political, demographic and cultural.

Demographic effects

The main demographic impact of migration is in redistribution of population: in the unequal movement between two places, one place gains at the cost of the other. In the short run, there is a direct fall in population in the place of origin and rise in the place of arrival. Moreover, as men predominate in rural to urban migration, there is a male depopulation in rural areas where as in urban areas, the proportion of men to that of women increase. Again it is mostly the young people who migrate. So, more of elderly men are likely to be left in villages. These facts have long term impacts. In the long run, the fertility rate in place of origin goes down while in the place of arrival it goes up. The average population in the former being of older age group, death rate will be more, while in the arrival place, it will fall. The age and sex structure of the population and workforce will bear an impact.

Cultural and Political Effects

With the movement of people, culture spreads by diffusion. The migrant people bring their language, culture, food habits and ideas to the host community, resulting in a change in the cultural values of both the groups. The evolution of multiculturalism in European nations is a product of immigration of people from Asia, Africa etc. and from various ethnic groups. However, it may also cause problems of adjustment and accommodation, especially when each group wants to rigidly protect its identity. When people of different faiths migrate and begin to live with those professing other religions, then it either leads to a positive interaction or presents a situation of conflict and tension. An individual may feel 'cultural shock' while moving from one cultural context to another.

The migration process has political effects too. Countries such as Malaysia and Sri Lanka have reported of such situations of conflict arising due to in-migration of different groups.

Economic and Environmental Effects

Migration can cause an opposite impact on the economy of places of origin and destination, or it can prove to be beneficial to both. Population movement from a labour surplus area to a labour scarce area will benefit both. Remittances sent back home by migrants are a major source of income for many in the places of origin, and may lead to economic growth by investments. Many migrants bring with them skills, knowledge, technology and necessary capital to start ventures, creating employment and wealth. If a small town industrialist moves his business to a new city then people of the old town will lose their jobs while those in the new city will be delighted to get new jobs and income.

Migration of educated skilled professionals from poorer countries to the rich countries has serious consequences for the source countries. Called ***brain drain*,** this phenomenon is in operation for past several decades. For example, the migration of scientists, professors, doctors, software professionals etc. from countries like India to USA, UK or other European countries. This migration does not alter the population-resource relations but the quality of human resources in the source regions suffer greatly. Their development is further retarded. Not only this, migration of skilled manpower can occur within a country. In recent years, such movements have been seen leading to high paced growth of some townships. For example, this is what has been the case with Bangalore in India.

Migration can cause environmental problems in certain areas. Rural to urban migration can no doubt reduce pressure on rural areas but it also creates problems for towns and cities which receive rural migrants. There is growth of slums leading to clustered living, and a pressure on urban resources. No doubt, this puts a strain on the cities' environment. Basic infrastructures such as housing, water supply, drainage, transport and welfare services all get affected. Cities like Mumbai, Delhi, Bangalore and Calcutta have had a massive flow of migrants which has caused many environmental problems there.

Social Effects

The example related to India in the above section also shows the social costs of migration. Poor migrants have to live in poor housing conditions, accept menial jobs, and live an insecure life in slums. Migration causes family break ups as a result of which migrants suffer emotionally as well as physically. The spread of communicable diseases like HIV/AIDS have much to with migration process

Check Your Progress II

Note: Use the space provided for your answer.

1) Analyse the push and pull factor as a cause of migration.

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2) Discuss the causes and consequences of migration?

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1.7 THEORIES OF MIGRATION

Migration has captured the attention of demographers as well as sociologists because it is now considered as the most important variable in population change. Many have tried to derive laws that would be universally applicable. In this section we shall discuss some of these theories.

Ravenstein's Laws of Migration

E.G. Ravenstein was the first to develop a theory of migration deriving from generalizations from empirical studies of population movements in Britain, United States and some countries in North Western Europe between 1885 and 1889. His laws are general statements about migration process and about migrants.

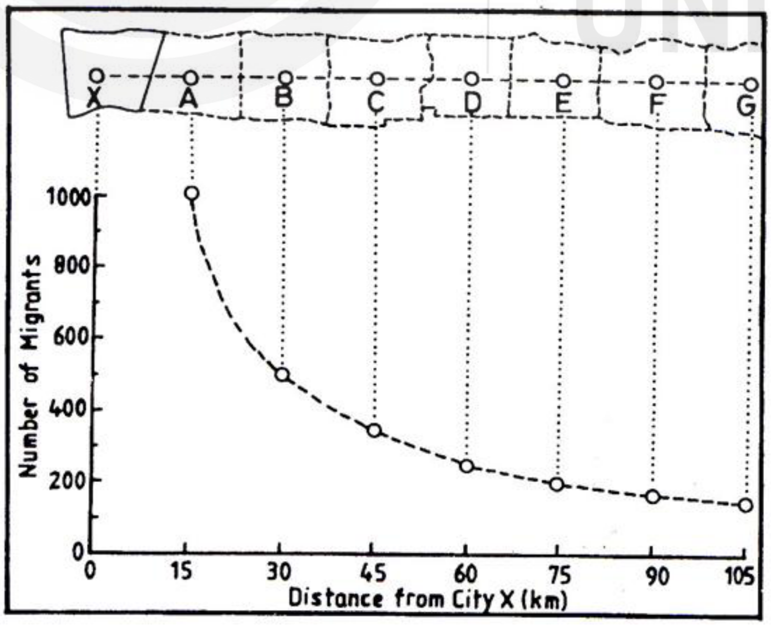


Fig 1.4: Distance Decay Model

(***Source:*** Husain, 2005)

1) The majority of migrants go only a short distance.

This 'distance decay law' suggests that most migrants move short distances rather than long. This is true for pre-modern times as well as modern times though developments in communication and transport have greatly facilitated long distance travel. People from villages migrate to nearby urban places; those from small towns to nearby big towns.

Figure 1.4 shows the number of migrants to city X from the districts A-G. The vertical axis shows the number of migrants and the horizontal axis shows the distance from the city X. As distance increases from city X, the number of migrants also falls.

2) Migration proceeds in a stepwise manner.

As we have discussed in earlier sections, people living in a rural area in proximity to a growing town move to that town. The space thus getting vacant in this rural area is filled up by in-migrants from other remote rural areas. The city pulls people from the growing towns till all the people living in remote regions are drawn.

3) Migrants going long distances generally go to one of the great centres of commerce or industry.

This feature was evident during industrial revolution in England. Now, in developing countries, the pull of large cities is quite clear. In India, there is massive migration to cities like Mumbai, Delhi, Hyderabad, Kolkata, Surat and the like. This has been explained by a theory called the *gravity model which* says that the number of migrants is related directly to the size of populations of the place of destination and place of origin, and related inversely to the distance of migration. If the population of the destination is large, its potential to receive migrant population will be large. Similarly, if the population of area of origin is large then the potential supply of migrants is large.

4) Each stream of migration produces a counter stream of lesser strength.

This law can be validated both in the developed as well as developing countries. For example, during the period of slave trade (15^{th}-19^{th} centuries), there was also a counter flow back to Africa. There were people who became free from slavery and returned to their native places. Moreover, migrants moving long distance to new areas often move back.

5) Migration is a selective process.

The selectivity laws are three-fold. These laws highlight that under specific situations and at specific times, some people or groups are more likely to migrate than others.

a) **Most migrants are adults and families rarely migrate out of their country of birth.**

It is a statement on international migration. The observation related to adults is universal. But the second part is slightly complex. No doubt it is easier for an unmarried person to migrate than for a family to move out of one's country. This has also to do with strict immigration laws by most countries which discourage migration of entire families. But still due to cultural, religious and political factors families migrate from one country to another. Under specific circumstances (partition, war, conflict, disaster etc.), families cross borders.

For example, the refugee migration between India and Pakistan during Partition, Irish migration to USA and Canada during the Great Famine of 1846 or that of Palestinians to Syria, Lebanon, Libya, Kuwait and Saudi Arabia due to conflict.

b) **Women migrate more frequently than men within their country of birth, but males frequently venture beyond.**

This law of gender selectivity depends on level of development in a country. In advanced countries, women are much more involved in short-distance migration for work and employment. Men usually form a part of long-distance migration. In the developing countries, men are predominant in all migration streams, short or long-distance, national or international except the case of India where women dominate rural to rural migration due to marital reasons. But quite understandably the rural to urban migration is mostly male migration. Gender selectivity is therefore influenced by cultural factors.

c) **Towns dwellers are less migratory than rural people.**

Ravenstein meant that people mainly move from rural to urban areas. But this law also holds true for rural to rural migration which is dominant in India. Rural people experience the push and pull forces more frequently and more intensely than urban people. We have discussed it in the section on migration streams. This feature is related to stages of economic development of a country. In the late 18th century Europe, rural to urban migration was predominant. In the developed countries of today's Europe, urban population is much larger than rural population and cities have proliferated. Thus, much of migration is inter-urban or intra-urban. There is also a trend of people moving from urban to rural areas.

6) Large towns grow more by migration than by natural increase.

According to this law, rural to urban migration is the main factor behind the rise in population of cities than natural increase. Natural increase refers to the natural rate of growth of population due to difference in birth rate and death rate (fertility and mortality). Much of the growth of metropolis in India such as Delhi, Mumbai, Kolkata, Chennai etc. are due to influx of migrants in search of employment).

7) *The main cause of migration is economic.*

This law is generally accepted because push and pull factors are mostly economic in nature. It is also true for individual migration, internal or international. However, the decision to migration can be a complex one and involve factors other than economic. In some situations, as we have seen, the main cause can be political.

Lee's Model of Migration

Ravenstein's laws of migration focus largely on the economic aspects and do not address non-economic causes such as cultural, social and religious. Everett Lee, a sociologist, presented a model in 1965 after analysing the nature of push and pull factors and how those influence people's decisions of migration.

According to Lee, the process of migration is an outcome of four sets of factors:

i) attributes of area of origin

ii) attributes of area of destination

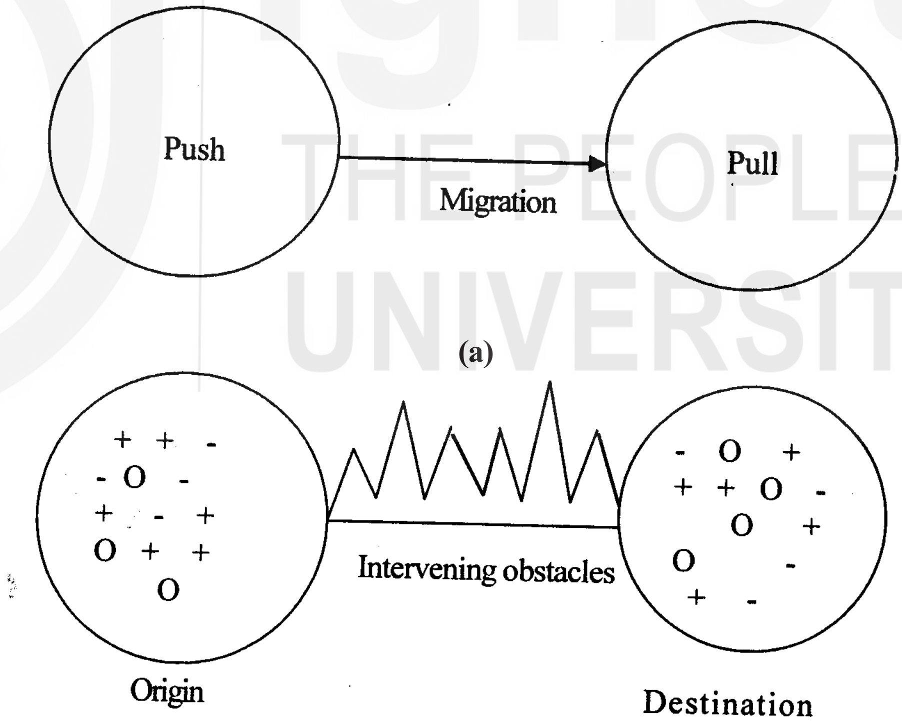
iii) Intervening obstacles

iv) Personal factors

Both the places of origin and of destination have many attributes. Individuals perceive these attributes differently based on their personal features like age, gender, marital status, socio-economic class and education. Some attributes of present location are considered positive for continuing their stay. Some are seen as negative, motivating them to migrate. Others are neutral and do not have any impact on the decision to migrate. Similarly positive attributes in the potential area of destination encourage migration while negative factors discourage it. Figure 1.5 shows the simple model and Lee's push and pull model of migration.

Intervening obstacles are both real and perceived, which have to be overcome before migration takes place. Real obstacles could be international boundaries (requiring the migrant to obtain a passport and visa), cost of migrating etc. Perceived obstacles could be the anxiety of settling down in an alien place.

Personal factors like having children, elderly parents etc. can substantially influence one's decision. A family without children or elderly parents can move easily because there are less factors to be considered. Personal factors can also be psychological such as attachment to a place, proximity to family and friends and so on.



+ Positive factors

Origing - negative factors Destination

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(b)

Fig 1.5 : Push-Pull mechanism: (a) Simple model (b) Lee's model

Source: Witherick (1990)

Zelinsky's Mobility Transition Model

Zelinsky propounded the 'mobility transition model' in 1971, called so because it links migration to the different stages of 'demographic transition model'. He established a correlation between industralisation, urbanisation and modernisation which affect demographic conditions and migration decisions. He presents the trends in volume of migration through the five stages of mobility transition at four scales: International, Regional, Rural to Urban and Urban to Urban (also intra-urban) migration.

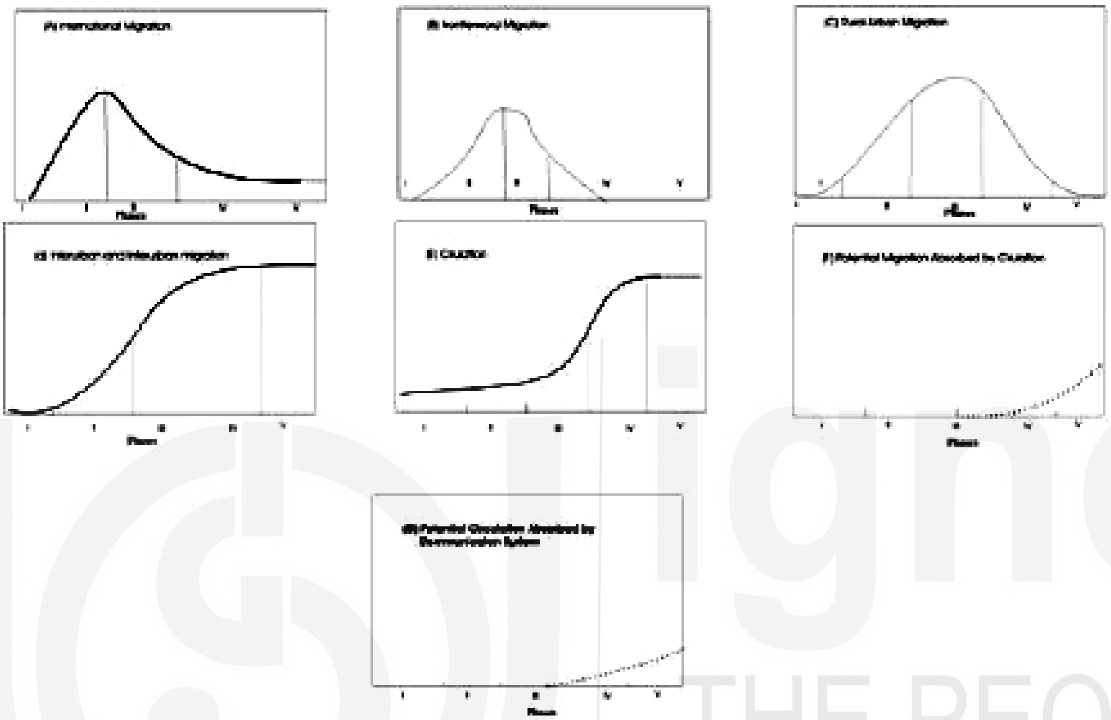

Fig 1.6 : Mobility Transition Model

First stage

It corresponds to the first stage of the demographic transition model when the growth of population is low due to high death rate and high birth rate. There is very little development and the society is primarily agrarian or pre-industrial. People live and die at their birth places; there is little occupational diversification; information is not easily available. There is very little migration, only circulation of people.

Second Stage

When population increases rapidly due to falling death rate and rising birth rate, migration also increases. The growing population pressure on land, better transport facilities, growing trade and increase in information flow lead to increase in movement of population. People also migrate from one country to another (figure 1.6a) from settled areas to new frontiers (fig. 1.6b), from rural areas to growing cities (Fig. 1.6c); from towns to cities (figure 1.6d) [Husain, 2005].

Third Stage

This stage of migration is transitional, corresponding to that of the demographic transition model. As birth rate starts falling and is accompanied by low death rate population growth rate declines. In such a situation international migration declines and migration to frontiers also falls. However, rural to urban and urban to urban movement increases.

Fourth and Fifth stages

With low birth rate and death rate, population growth slows down and society also reaches advanced levels of development. Migration mostly becomes inter-urban and intra-urban because the country is now predominantly urban. Some international migration of skilled and unskilled workers occurs from less to more developed countries. However, strict immigration laws prevent large-scale international migration. Rural to urban migration is reduced to a minimum as there is very little rural area left in the country.

1.8 INTERNATIONAL MIGRATION

We have already defined international migration. It is not a new phenomenon although its volume and frequency has vastly increased due to developments in modern means of transport and communication. International migration has greater significance in the globalized world of today where movement of people is being facilitated by countries. In fact, easier movement of people across countries is one of the essential features of globalization (read more on this in Unit 4).

International migration has happened through different periods in history in different contexts. There have been mass migrations of tribes and groups of people across Africa, Caspian Sea, Central Asia, Europe, and East Asia and so on in different waves. These happened in the form of invasions and settlements and at a time when the concept of national political boundaries did not exist in the sense we understand it today. The next phase of international migration occurred during colonialism. It was a three-wave migration. One, the movement of Europeans towards the 'new world', that is, Latin American and North America, Atlantic Coast, Africa, India, Indonesia etc. where Europeans came either as traders or settlers. These areas were accessible and had potential to cultivate exotic crops in hot and humid climate. Thus, commercial production of sugar, cotton, tobacco, etc. began in eastern coasts of North and South Americas. However, the rising demand for labour led to slave trade from Africa. There was forced migration of black natives of Africa as slave labour towards the Caribbean, Brazil, and southern USA from western Africa. With the abolition of slavery, the British and Dutch colonialists exploited poor Asian population in drawing large scale labour from Asian countries, including India. This kind of semi-slave trade supplied labour to newly growing plantation agricultural areas of Malaya, Sumatra, Sri Lanka, Fiji, Hawaii, East African countries and Mauritius. It is seen that the population in these nations comprise a sizeable section of people of Indian origin.

The two big international migrations witnessed during the last century were the migration of people after the partition of India and migration of Jews from Europe after the creation of Israel in West Asia.

After 1950's, the waves of international migration has tended to be towards the developed world in search of better jobs and employment. The immigrants come as skilled labour, service professionals (doctors, technicians) and technology-based professionals, especially in the information technology sector. Globally the number of international migrants increased from 75 million in 1965 to 120 million in 1990, which is about two per cent of the world population. According to the estimate of UN Population Division, the number rose to 175 million. This has been in response to labour shortage in many developed countries due to decreased fertility rates and absence of skilled labour in many countries like the oil rich Arab countries. The largest immigration flows have been from Latin America and Asia into North America and Western Europe.

International migration is also a crisis driven response. A large number of people are living in territorial boundaries of other nations as refugees. Involuntary migration was approximately 14 million in 1996. But the number of internally displaced people stands at 30 million in the world covering 35 countries. They have fled their homes due to armed conflict, persecution, disasters, etc. though they still remain within their national boundaries. Of them, 16 million stand displaced in Africa alone. Lakhs of people have been displaced due to ethnic conflict in our neighbouring Sri Lanka.

Migration is controlled by government policies and international regulations. The countries of Western Europe, Australia and North America etc. have strict immigration laws to regulate immigration that creates problems for their population and society.

Check Your Progress III

Note: Use the space provided for your answer.

1) Examine migration as a selective process.

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2) Evaluate the mobility transition model wih reference to India.

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3) What is international migration? Discuss its trends.

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1.9 LET US SUM UP

The study of internal migration assumes importance as it is a crucial factor in social change. It is both an individual as well as mass phenomenon. Various migration streams – rural to rural, rural to urban, urban to urban and urban to rural etc. operate in different socio-historical contexts. While rural to rural and rural to urban are seen in developing countries, developed countries witness more of urban to urban migration. This depends on the levels of industrialisation and urbanisation. In India, rural to rural migration is the predominant type, followed by rural to urban. Women outnumber men in the former while men outnumber women in the latter. The decision to migrate is often complex and involves a number of factors. Push and pull factors operate simultaneously on the minds of potential migrants. The causes of migration are numerous, so are its consequences. Ravenstein's laws of migration are derived from a set of general observations. Lee's model analyses the push and pull factors with reference to intervening variables while Zellinsky relates migration to stages of demographic transition in his mobility transition model. International migration has undergone change from the medieval and colonial times and assumes significance in today's globalised world.

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UNIT 2 RURAL AND URBAN CONTINUUM AND URBANISATION

*Tripti Bassi**

Structure

2.0 OBJECTIVES

Urbanisation is considered a significant factor in social change. As society advances, it gets transformed from rural to urban. This Unit is meant to give you an understanding of the process of urbanisation. Besides, you will learn about the concept of rural-urban continuum. After studying this Unit you will be able to:

- identify the features of rural and urban societies;
- explain urbanisation as a process and its impact;
- explain rural and urban dichotomy; and
- discuss Rural-Urban Continuum.

2.1 INTRODUCTION

Urbanisation is the process of growth of cities and towns, and a rise in population concentration in them. In the previous unit, you have read about the movement of people between rural and urban areas. We usually view rural and urban society as stark opposites of each other. But there are elements of both present in many places. It is all the more so when places are getting linked to one another by communication networks and movements, bringing the urban and rural closer. There exists a continuum of rural and urban in which places can be located.

2.2 FEATURES OF RURAL SOCIETY

We often use the term 'rural' in our conversations as if it is a matter of common understanding. But the term encompasses a range of meanings. It is best understood when we think of rural in comparison to urban. A rural society is primarily agricultural or pastoral, that is, its inhabitants are engaged in primary activities.

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Although there may be some cottage industries, these are not well developed. Rural societies produce food and other raw materials for themselves as well as for urban centers which depend on them.

Rural settlements are usually small with low density of population. This categorization analyses a rural area based on demography and social organization. Sometimes, the criteria of occupation, ecology and culture are also used to define a rural area. Many countries distinguish urban areas from rural areas depending upon population aggregates of 1000 and 5000 inhabitants respectively. Sorokin and Zimmerman (1929) in their celebrated work A Systematic Source Book in Rural Sociology used occupation as the criterion to classify rural and urban areas. Agriculture and cattle rearing are activities of rural areas. But it is not simple to use only occupation as the basis. Many try to define rural on the basis of values and culture. However, such categorization which is silent on the physical space is often difficult to apply. On the basis of ecology, people who are a part of "field" activities are said to be rural and those participating in "centre" activities are referred to as urban. Here, the field tasks include producing food, raw materials etc. which need a high person-land ratio (International Encyclopedia of the Social Sciences, 1972).

Box 2.1

The Census of India treats villages as rural places. It does not define rural place as it does for urban place. There is no distinction between small and large villages. Based on population size, rural places are classified as revenue villages, census villages and hamlets for administrative purposes. A village may be in the form of one or more compact settlements. A compact settlement with less than 500 persons is called a hamlet. If the size of a settlement is less than 50 persons and the number of dwellings is less than ten, then it is a segregated group of habitations. Compact settlements of 500 persons or more but less than 5000 persons are also referred to as villages. According to the Census of India the basic unit for rural areas is the revenue village which has definite surveyed boundaries. The revenue village may comprise several hamlets but the entire village is treated as one unit for presentation of census data. In unsurveyed areas like villages within forest areas, each habitation area with locally recognized boundaries within each forest range officer's beat, is treated as one unit.

The following discussion on elements of rural life is based on the work of pioneering rural sociologist A. R. Desai (1969) who has studied the characteristics of Indian villages and drawn some generalizations.

Rural Economy: Agriculture is the main source of livelihood for people in rural areas. Land is central to rural economy and plays an important role in social and economic life of rural people. Rural people are the primary producers of food as well as raw materials for industries.

A predominantly rural society like India relies on agriculture for food and employment of majority of its population. But many factors lead to extreme deprivation in rural areas, like lack of irrigation facilities, indebtedness etc. Hierarchical land relations add more misery to the life of small and marginal farmers.

The standard of living of rural people is determined by the distribution of wealth and the amount at their disposal. It is commonly held that the standard of living of rural people is lower than or similar to those from lower strata of urban society. Some recent surveys have however found urban poor to be worse off.

Rural Family: Family is the most fundamental unit of rural society. It impacts ways of being of individuals as well as the social/cultural life of groups. The traditional patriarchal 'joint family' is mostly found in rural areas. Rural sociologists have outlaid the features of this type of family as distinct from urban family. Firstly, it shows greater homogeneity, more stability and organization. Parent-children, husband-wife bonds are strong. Cooperation takes precedence over contractual relations. Secondly, because rural family relies on agriculture, there is division of labour among the family members on the basis of age and gender. Family functions as a unit of production. Thirdly, this type of family exercise greater control over its members. Family takes charge of education, health and recreation needs of its members. Fourthly, power and authority are according to status defined by gender and age. The oldest male member enjoys authority over family matters. He assigns work to other family members, arranges marriages, and socialises the younger members into agriculture as well as social life.

In comparison, the urban family is not as authoritarian. However, the level of familial cooperation declines here since family members are engaged in diverse occupations and mostly stay outside home for work. Agencies other than family such as schools, clubs etc. take care of various needs of family members. Usually, property is also held individually. There is very little interaction among family members.

Caste system: Rural societies are tradition bound. Hence, the hold of caste system is much more visible in India's rural society. One's location in the caste system determines one's everyday undertakings as well as position in economic, social, cultural, educational, religious and political spheres. In the economic life of rural people, caste affects relations of production and consumption. Place of residence is also determined by caste. Certain castes live in particular areas of the village. Even when some members discard their caste-based occupations, they continue to live in the same place.

Caste also holds a rigid relationship with religion. It also controls the political lives of people. Many a time, it becomes a factor at the time of elections in making a choice for representative.

Rural Political life: Since India's population is predominantly rural, the majority of those who participate in elections during elections are the rural masses. Political power in rural society revolves around the ownership of land. Rural people are politically conscious and active. The panchayati raj institutions and reservation for women in grassroots democracy has brought awareness and activism in their political life.

Rural Religion: Religion occupies an important place in the lives of rural people who are mostly tradition bound. According to Desai (1969), rural religion usually comprises animism, polytheism, mythology etc. where as urban religion is sophisticated focusing on wider issues like knowing the final truth. Whereas rural religion is 'crude and concrete', urban religion is 'abstract'. Rural religion worships multiple gods and goddesses. By and large, rural religion is such because it derives its thinking from a fear of nature. Such a fear is absent from urban minds.

This generalisation can be subject to question. Often urban people have the same characteristics as described above. In fact, it is an important aspect in which the rural and urban societies are interestingly very similar. We will discuss this in the section on rural-urban continuum.

Rural Education: Although the spread of education is low in rural areas, it has undergone many phases. Before the coming of the British, family elders used to socialize their young into hereditary family occupations. Education comprised of training in vocations. In some places, the priestly class imparted knowledge though pathshalas. Village festivals and other celebrations rendered aesthetic education to the young. After the arrival of British, some changes took place. Religious education was replaced with secular education. However, most of the rural areas were out of the reach of formal education system. Now, education is gradually assuming an important place in the lives of rural people too.

2.3 FEATURES OF URBAN SOCIETY

Simply put, urban has to do with towns as rural has to do with villages. However, when it comes to defining 'urban', the matter is not so simple. In the exercise of census, various national governments use various criteria to define it depending on their specific attributes: population size, density, levels of industrialization and development and so on. There is no universal definition.

Nevertheless there are some common grounds. It is often easy to recognize large cities but we face a problem while distinguishing medium towns from smaller towns and smaller towns from larger villages. Similarly, degree of urbanisation is not fixed. Large cities like Delhi, Mumbai or Kolkata are growing at high rates, necessitating fresh classification of towns. What once was a city now becomes a metropolis; the town becomes a city and so on. Urbanisation is a continuous process of growth of cities both in size and number.

What is meant by the terms 'urban' and 'city'? According to Encyclopedia of Sociology (1992), urban includes 'a set of specialized, non-agricultural activities that are characteristic of, but not exclusive to, city dwellers'. City refers to 'an administratively defined unit of territory containing a relatively large, dense and permanent settlement of socially heterogeneous individuals'. Thus 'urban' is a set of attributes while the city is the place whose residents possess these attributes, though not exclusively.

Box 2.2

Definition of Urban Place

According to the Census of India 2001, an urban place is as follows:

1) All statutory places with a municipality, corporation, cantonment board or notified town area committee.
2) Any place which simultaneously satisfies the following three criteria:
   i) A minimum population of 5,000;
   ii) At least 75 per cent of the male working population engaged in non-agricultural activities; and
   iii) A density of population of at least 400 persons per square kilometer (1,000 per square mile).

3) Apart from these, the outgrowths (OGs) of cities and towns have also been treated as urban, under 'Urban Agglomerations'. For example, railway colonies.

Types of Urban Places

There are three types of urban places: metropolitan areas, cities and towns-categorized on the basis of population. Metropolitan area has a million plus population (10 lakh or more). A city has a population of one lakh or more while a town has less than one lakh population. The towns are further subdivided into different classes. Class I towns are the cities. Class II towns have population between 50,000 and 99,999), class III towns (20,000 to 49,999), class IV towns (10,000 to 19,999), class V towns (5,000 to 9,999) and class VI towns (less than 5,000).

Cities can be identified on the following basis: demographic, economic, social, morphological and functional (Ramachandran, 2007).

Demographic: The size (minimum 5000 persons) and density (minimum 400 persons per square kilometer) of population are the demographic criteria. Usually the density of population of a city varies between 500 persons to over 10,000 persons per square kilometer, where as rural population densities range between 200 persons to 1000 persons per square kilometre. But demographic criterion is not enough.

Economic: The economic basis uses the occupational criterion and gender criterion. Rural and urban places are distinguished on the comparative importance of agricultural and non-agricultural sectors. Activities of secondary sector (manufacturing) and tertiary sector (services) predominate in urban places. Also the identification of urban place takes into account the male working population. Places with 75 per cent or more workers in non-agricultural pursuits are taken to be urban.

Social: Urban centers can be identified by the social composition of people. It has more diversity because the population comprises of people from various regions, religions and languages.

Morphological and Functional: Urban places have very different lay out and constructions than rural places. They have mostly brick and mortar buildings with many storeys. Main streets are for vehicular and pedestrian traffic. Public buildings like hospitals, courts, schools are present in urban areas. Clustering of shops in a marketplace is an urban phenomenon. Even small urban places have a cluster of 20 or more shops. Villages have a few separate shops in a marketplace.

Louis Wirth (1938) has put forward cultural dimensions in identifying urban place. He describes 'urbanism' to be intrinsic to urban places on the basis of large size, high density and heterogeneity of urban population. Large population size causes greater social differentiation. People with various ethnic backgrounds may live in a neighbourhood. At the same time, social relations are usually segmental, impersonal and transitory. Urban population is heterogeneous. There is complex division of labour and high social mobility. Some of the features of urban society are discussed below:

Heterogeneity: Urban places are heterogeneous in composition. City is called the 'melting pot' in which people belonging to different cultures, traditions, customs and identities merge. The city values individual differences. The heterogeneity is also observed in terms of the diversity of occupational as well as cultural life pursued in cities in comparison to villages.

Anonymity: Urban society encourages anonymity. Due to its large size and heterogeneous population, a city is never able to accommodate primary contacts. Social relations are formal, and superficial. To use a sociological term, urban society is characterized by 'secondary groups' (formal, goal oriented relations, lack of intimacy and little face to face contact) while rural societies have more of 'primary groups' (emotional attachment, fact to face contact, informal relations). Formal mannerisms are followed in a city in a superficial way. A person may live for many years in a city without knowing many in his/her neighbourhood.

Social distance: Anonymity and heterogeneity cause social distance among people. Urban people maintain distance from other people and prefer to remain isolated. Their interactions are mostly formal and segmented. Genuine sharing of feelings is replaced by artificial gestures. Urban people are so busy in their daily chores that they live more as night dwellers than as neighbours.

Overcrowding: As an urban place grows and attracts large in-migrants, scarcity of residential place follows. A large section of population in cities is unable to find proper dwelling places. People who are unable to rent a house due to high rent prices have to manage with very small accommodation. Poorer people often have to live in slums. The commercial use of land does not leave any open space.

Coexistence of class extremes: Urban community has high class extremes. Cities have both very rich and very poor people. People indulge in conspicuous consumption while there are many who are unable to manage two square meals a day.

High pace of life: Urban life demands high level of speed and energy. People work day and night, encouraging others to follow them. There is stiff competition to achieve progress and rise in life. As a result, people handle many tasks which also lead to stress, anxiety and tension. Urban life also encapsulates much more insecurity than rural life. The environment of urban areas is polluted and there is lack of fresh air unlike rural areas.

Check Your Progress I

Note: Use the space provided for your answer.

1) Explain the characteristics of rural society.

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2) Discuss the main features of urban society.

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2.4 URBANISATION AS A PROCESS

Urbanisation can be defined as the process of expansion in the entire system of inter-relationships by which a population maintains itself in its habitat (Hawley, 1981). The most common measure of this process is in the increase in the number of people at points of population concentration, or an increase in the number of points at which population is concentrated, or both. In other words, urbanisation means the removal of rural characteristics of a town or an area, a process associated with the development of civilization and technology. Demographically, the term denotes redistribution of population from rural to urban settlements.

Urbanisation is associated with industrialization and the growth of industrial centers that attract large scale population from rural areas previously engaged in agriculture to work in manufacturing and service related activities. But urbanisation is not a product of industrialisation; it predates industrialisation by centuries. Industrialisation has only accelerated the process of urbanisation.

Urbanisation involves a complex process of social change affecting both people and places. There is a progressive concentration of people and activities in towns and cities. Thus there is an increase in the general scale of settlement. There is a structural shift in the economy from predominance of agricultural activities to those linked with secondary activities (e.g. manufacturing) and tertiary activities (services, trade and commerce etc.). It is accompanied by a structural change in the population composition. Birth rates, death rate, rate of migration undergo change. Urbanisation is also characterized by cultural changes. There is spread of 'urbanism' beyond the boundaries of towns and cities into rural hinterland, bringing change in consumption patterns, life styles, attitudes and values.

Ramachandran (2007) highlights four processes associated with urbanisation which are discussed here: (a) the way in which new relationship grew among people living in cities, and between those in cities and villages as a result of social change; (b) the rise and fall of cities due to changes in political order; (c) the growth of cities due to introduction of latest productive processes which also changed the economic nature of cities; and (d) the effect on city due to the coming in of migrants in search of livelihood and a novel style of life.

Counter-urbanisation is a process reverse to urbanisation. It is a social process whereby people move from urban areas to rural areas or to a new town. The former is a choice of people due to various reasons such as overcrowding, rising land prices, pollution levels and crime. The movement to new towns is sometimes a result of government housing schemes.

Urbanisation as a Socio-Cultural Process

Cities are centers of attractions for diverse population, often from various parts of the world. Unlike countryside, cities are much more accommodative of foreign influences and elements. Thus, cities act as melting pots of people belonging to various ethnic, linguistic and religious milieus. This has happened through historical times. Urbanisation is a socio-cultural process that changes the folk, peasant or feudal village societies in terms of values and culture. In today's world, increased mobility between and within countries along with information flows through mass media have led to changes taking place both in rural and urban societies.

Urbanisation as a Political-Administrative Process

The growth of cities and urbanisation through historical times has been associated with political structures of the state. Various urban centers grew, degenerated, and also disappeared due to rise and fall of dynasties. For example, Pataliputra, Vijayanagar, Delhi, Bijapur, Golconda, Madurai and Kancheepuram are cities that prospered, perished and responded to political changes. Many historical cities no more exist, although they were the prominent cities of their times. The remains of cities at Hampi in Karnataka, Malkhed and Kalyani in Maharashtra, and Achichatra, Sravasthi and Kausamabi in Uttar Pradesh suggest the presence of urbanisation process in the past. During this period, of all the cities the capital cities were considered most important.

At the time of British rule, administration was the main focus of the urbanisation process. The urban centers of the past were reduced in significance in comparison to the growing provincial capitals, district headquarters and tehsil towns. This period witnessed the growth of modern cities with civil lines and cantonments. Many hilly and inaccessible places came under urbanisation process when provincial capitals and cantonments were moved to the hill stations like Shimla, Darjeeling, Shillong and Oodagamandalam. After independence, some new state capitals like Chandigarh, Bhubaneshwar and Gandhinagar were established.

Urbanisation as an Economic Process

Earlier, it was believed that the economy of the city survives by drawing surplus agricultural produce from rural areas. This was true of cities till medieval times. Now, especially after the Industrial Revolution, cities are the centers of production activities especially in secondary goods and tertiary services. In fact, city has a service area in catering to the rural population finished goods and services in return for primary goods. Thus, the countryside also depends on the city. Rural people source from cities agricultural inputs like seeds, fertilizers etc. and consumer goods like tractors, bicycles, electrical goods and so on. Cities have emerged as the centers of trade with other countries and the world. This is especially so in the present world where trade and commerce contributes a large share to the national economy.

Urbanisation as a Geographical Process

It has been already mentioned that the urbanisation of a country is indicated by the share of urban population in the overall population. The size of urban population can grow through natural growth or through rural to urban migration. In fact, the fast rate of urbanisation in Western Europe is a consequence of Industrial Revolution in the second half of 18th century which caused huge migration of rural people into the industrial centers. Thus, the proportion of urban population increased in many countries from 10 per cent to 80 per cent. In India, this has not happened. The proportion of urban population has increased very slowly. From around 10 percent in 1931, it rose to 18 per cent in 1951, now standing at 27.78 in 2001. Since 1951, larger cities (with a population of one lakh or more) have grown faster than small towns. Much of this growth has been due to spatial mobility of people.

With regard to urbanisation, three kinds of movement are of importance. First, when people migrate from villages to towns and cities (macro-urbanisation). Second, when people migrate from smaller towns and cities to larger cities and capitals (metropolitization). Third, when the metropolitan population shifts to the urban fringe villages (suburbanistion). We have discussed these processes in the previous unit on Migration.

If the process of urbanisation causes an expanse, then how does it impact the society at large? Hawley (1981) suggests that urbanisation has wide ranging effects:

'Urbanisation is a transformation of society, the effects of which penetrate every sphere of personal and collective life. It affects the status of the individual and his opportunities for advancement, it alters the types of social units in which people group themselves, and it sorts people into new and shifting patterns of stratification. The distribution of power is altered, normal social process is reconstituted, and the rules and norms by which behaviour is guided are redesigned.'

Check Your Progress II

Note: Use the space provided for your answer.

1) Discuss Urbanisation as a process.

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2) Write a brief note on the consequences of urbanisation.

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2.5 RURAL-URBAN DICHOTOMY

We have discussed the features of rural and urban society. You can see that they differ in many respects. In fact there are many sharp contrasts provoking us to categorize them as dichotomous entities. Social life in the countryside moves and develops in a rural setting while that in an urban area moves and develops in an urban setting. Their respective settings considerably shape rural and urban social life. A grasp of these differences, often described as 'rural-urban contrast' or 'rural-urban dichotomy', is essential to understand how different structures and life-processes of rural and urban societies are to a great extent the consequence of these differences in their respective settings.

Rural urban contrasts are seen on the basis of differences in occupation, environment, community size, density of population, homogeneity and heterogeneity of population, social mobility, migration stream, social stratification, and social interaction, among others.

Sorokin and Zimmerman (1929) not only advanced the 'occupational criteria' to distinguish urban from rural, but also enlisted some significant distinctions between rural and urban social world. The following table presents the differences between rural and urban societies:

Criteria	Rural World	Urban world
Occupation	Totality of people comprise of cultivators and their families. In the community, there are usually a few representatives of non-agricultural pursuits.	Totality of people engaged principally in manufacturing, mechanical pursuits, trade, commerce, professions, governing, and other non-agricultural occupations.
Environment	Predominance of nature over anthropo-social environment. Direct relationship to nature.	Greater isolation from nature. Predominance of man-made environment over natural.
Size of community	Open farms or small communities; 'agriculturalism' and size of community are negatively correlated.	As a rule in the same country and at the same period, the size of urban community is much larger than the rural community. In other words, urbanity and size of community are positively correlated.
Density of population	In the same country and at the same period the density of population in rural areas is lower than in the urban community. Generally density and rurality are negatively correlated.	Density of population is greater than in rural communities. Urbanity and density are positively correlated.
Heterogeneity and homogeneity of the population	Compared with urban populations, rural communities are more homogeneous in racial and psychological traits (Negative correlation with heterogeneity).	More heterogeneous than rural communities (in the same country and at the same time). Urbanity and heterogeneity are positively correlated.
Social differentiation	Rural differentiation and stratification less than urban	Differentiation and stratification show positive correlation with urbanity.
Mobility stratification	Territorial, occupational and other forms of social mobility of the population are comparatively less intensive. Normally the migration current carries more individuals from the country to the city.	More intensive. Urbanity and mobility are positively correlated. Only in the periods of social catastrophe is the migration from the city to the country greater than from the country to the city.
System of interaction	Less numerous contacts per man. Narrower area of the interaction system of its members and the whole aggregate. More prominent part is occupied by primary contacts. Predominance of personal and relatively durable relations.	More numerous contacts. Wider area of interaction system per man and per aggregate. Predominance of secondary contacts. Predominance of impersonal casual and short-lived relations. Greater complexity, manifoldedness, superficiality and standardized formality of relations.

Source: Sorokin and Zimmerman (1929)

2.6 RURAL -URBAN CONTINUUM

The notion that rural and urban societies are dichotomous came under scrutiny as it was observed that there were traits of rural in urban areas and traits of urban in rural areas. Moreover, characterization of rural and urban as two distinct worlds is untenable because there exist networks and flows- of people, goods, and ideas – between the two. As a result, a constant interactive process is in operation. It was accepted that there has always been close contact between the rural and urban ways of life. So rural and urban societies were no longer thought of as made of clearly distinct attributes, but located in different degrees of a continuum of these attributes. There exists an ongoing gradation from rural to urban and not rural-urban dichotomy so much so that there is often no sharp demarcation to tell where the city ends and the country begins.

The most influential study in this regard was made by Robert Redfield (1930) who developed a continuum starting from small tribal village (folk) to large cities (urban). More urban meant being more secular, individualistic, with greater division of labour and so on. Thus there is a gradation of places or regions as more urban or less urban.

The concept of 'rural urban continuum' is modeled on Redfield's concept of 'folk-urban continuum' based on a study in Yucatan in early 1930s. He studied the city of Merida, the town of Dzitas, the Maya peasant village of Chan Kom and the tribal hamlet of Tusik. Redfield described the 'folk society' as

> '…small, isolated, non-literate, and homogeneous, with a strong sense of group solidarity. The ways of living are conventionalized into that coherent system that we call 'a culture'. The behaviour is traditional, spontaneous and personal. Kinship, its relationships and institutions, are the type categories of experience and familial group is the unit of action. The sacred prevails over the secular, and the economy is one of status rather than of market.'

In the folk society, secondary and tertiary tools are relatively few as compared to primary tools. It is a group economically independent of all others; there is not much division of labour. The urban society is considered to be the opposite of the folk society.

The concepts of folk society and urban society as Redfield (1930) defined them are actually ideal types. These may not exist in reality but they serve as benchmarks to compare any society to determine its degree of 'folkness' or 'urbanness'. This means that in reality, all societies exist in different levels in a continuum between these two ideal types. Redfield (1930) gives the example of 'peasant society' as a point on the folk-urban continuum that has attained higher degrees of urban attributes but still retains much of the folk attributes. He observes 'peasant society' as

> 'showing folk-society and state of civilization more nearly in even balance, for the peasant is that society in which the moral order that prevails among primitive societies still prevails, but now in a persisting relationship with a technical order of developed tools, trade and formal political administrative institutions. The peasant village is a house, a stable structure, along the historic road mankind takes between the imagined polarities.'

In the Indian context, Redfield (1930) made an important comment:

> 'In civilization where tribal life also persists, as in India and parts of Latin America, one may recognize a structure of levels, tribal, peasant and urbanized or manorial. This structure can be recognized as making up the whole civilized society, while one may describe the processes of change whereby a particular community or individual is moved from one level to the next.'

Ramachandran (2007), in his study on urbanisation in India, examines the concept of rural-urban continuum beginning from morphology of settlements- if and how large settlements differ from the small ones. Irrespective of their size, settlements are places where human beings engage with one another. Moreover, small and large settlements hardly differ with regard to social structure. In India, for example, villages as well as cities exhibit social stratification on the basis of religious, ethnic or linguistic origins, jati or varna. In fact, cities and villages are similar with respect to the size and type of family systems- joint, extended or nuclear. Social customs, marriage rules etc. are the same irrespective of the size of the settlement. Even demographic attributes like the number of children per household or size of household do not vary much in city and village. Many of the city residents are deprived of the 'urban amenities' like piped supply of water, sewage and garbage disposal, and live much like the rural people. Huts and feeble houses that exist in slums of Indian cities and in villages are much the same. Moreover, small settlements grow in size to become cities sooner or later. Therefore, the distinction between rural and urban is meaningless or arbitrary as "settlements fall along a continuum without any distinct dividing line".

The rural-urban contrast has almost disappeared in developed countries whose population comprises of almost 80 per cent urban people. Of the rest 20 per cent who live in so-called rural settlements, most do not pursue agricultural work because only a miniscule 5 per cent of workforce is engaged in farming. The farm houses in rural areas have modern facilities like piped water supply, electricity, telephones, internet, just as one finds in an urban place.

In India, development of transport and communication has brought inaccessible tribal areas in contact with rural areas and rural areas with the urban areas. Spread of education, governmental activities, intrusion of market and cross mobility in these areas have started a process of change in which there is evidence of both rural and urban influence. Thus, rural-urban continuum can be said to be getting more pronounced with urbanisation and social change.

2.7 RURAL-URBAN FRINGE

A related concept that has emerged is known as the 'rural-urban fringe'. It is defined as an area of transition between well-recognised urban land uses and the area devoted to agriculture (Wehrwein, 1942). It is the result of the city expanding itself beyond its build up areas into the surrounding rural areas. It has a mixture of urban and rural land uses- agricultural land, new residential colonies, some factories, some commercial establishments and brick kilns etc. It is like a marginal area. The demographic features of a fringe society are in between the rural and urban society. People pursue both farm and non-farm occupations. The fringe villages maintain their distinctness but also change in response to this process. According to M.S.A Rao (2003), fringe societies lie on the 'folk-urban continuum' with many transitional features of 'peasant-urban society', and at the same time exhibit certain unique features. Fringe society grows in India due to the influence of metropolitan areas on surrounding rural areas, unlike the USA where it is an outcome of deconcentration of cities.

Rao studied 'Shamepur' village on the rural-urban fringe of Delhi to explore the features peculiar to a fringe society. First, with regard to caste structure and occupational mobility he found that while some had given up their caste occupations, some still continued their caste occupations without any change. Second, competition based, urban, market-oriented economy affected the cooperative social relations in the village. Still, peasant values were valued over urban values. Third, nuclear families increased in number. However, joint family was still appreciated. He concludes that fringe society serves as a tool to study urbanisation process in such villages. Fringe society represents that structural level in the continuum which is half way between the peasant and urban society, exhibiting the characteristics of peasant society in a more intensified manner, with some new types coming in.

Check Your Progress III

Note: Use the space provided for your answer.

1) Discuss rural-urban continuum.

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2) Visit a 'fringe village' close to a city and study it in terms of its location in the continuum.

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2.8 LET US SUM UP

In this Unit we discussed the features of rural society and urban society, examining their contrast. We also looked at urbanisation as a complex process and a significant factor in change. Rural and urban are not always distinct or dichotomous, but exist in continuum. We discussed Redfield's folk-urban continuum and the validity of 'rural-urban continuum' modeled after Redfield's contribution. The rural-urban fringe offers some interesting features of this continuum.

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UNIT 3 INDUSTRIALISATION

Structure

*Chinmoy Biswal**

3.0 OBJECTIVES

Industrialisation is the hallmark of modern society. It is a phenomenon that is at once economic, technological, social, political, cultural and ecological. In this Unit, you will gain an understanding of this process — its origin, development, features and consequences. After reading this Unit, you should be able to:

- define industrialisation and describe an industrial society;
- examine the impact of Industrial Revolution;
- analyse the social changes brought about by industrialisation;
- describe the trajectory of industrialisation in India; and
- examine the consequences of industrialisation.

3.1 INTRODUCTION

If one compares rich countries with the poor ones, one can notice striking contrasts in the levels of their industrial development. The rich countries, described as advanced or developed countries, are highly industrialised while the poor countries continue to be predominantly agricultural. This difference reflects in spheres such as urbanisation, growth of cities, skilled manpower, technological advancement, levels of consumption of material goods and services, standards of living, aspects of human development like health, education, employment and occupational structure and so on. Now developing countries are trying to emulate the experience of developed countries in industrialising for faster growth. 'Industrialism' has come to dominate the thinking on development. We shall examine the various dimensions of this process.

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3.2 CONCEPTS AND MEANING

Industrialisation is a process of technological, economic and social change which transforms a pre-industrial society to an industrial society. This comes about by use of inanimate source of power and machine technology for mass production of goods. However, industrialisation uses a huge labour force too, both skilled and unskilled.

Economic activities are classified into three categories: primary, secondary and tertiary. Primary includes agriculture, fishing, forestry and mining, activities that are geared towards production of goods and raw materials for direct consumption as well as for industrial use. Secondary activities are those that process, fabricate and manufacture goods using these primary products. Tertiary activities include activities for distribution of primary and secondary products through transport, trade and commerce, and also include services. 'Industry' as a term refers to the activities in the secondary sector concerned with **manufacturing**. Because there are various classifications of industry such as basic and key industry, heavy industry, small scale industry, cottage industry and so on, a precise definition of industry is not always possible. But by and large, industry has come to mean production/ manufacturing in the **factory system,** in which a large workforce is employed in a factory for fast and voluminous production of goods. Industrialisation, therefore, is the process of expanding manufacturing activities in the economy.

An **industrial society** is one in which large scale industry is the characteristic feature of production (Aron, 1968). Since this type of society started after the Industrial Revolution in England, other forms of societies until that period, e.g. agrarian, pastoral and tribal societies, are categorized as pre-industrial societies. The term 'industrial society' was coined by Saint Simon.

The distinction between industrial and pre-industrial societies lies not only in production technology but also encompasses many other spheres. The **pre-industrial society** is traditional, occupied with primary activities and has simple division of labour. The industrial society, in contrast, is modern, and has high level of division of labour and specialization of occupations. Primary relationships, strong kin ties and networks, familial bonds characterize the pre-industrial society. In industrial society, there is preponderance of secondary relations and goal-oriented associations. There is secularisation of beliefs and attitudes; the society is open with high level of mobility. The society has achievement orientation where a person's status is determined by merit rather than ascription. Pre-industrial society gives primacy to hereditary and ascriptive identities and offers little scope for social mobility. It is treated as a closed society.

3.3 HISTORICAL CONTEXT

Although the production of finished goods from raw materials is not new, industrialisation as a historical phenomenon is only two and a half centuries old. Finished products used to be manufactured by artisans and craftsmen since ancient times when metallurgy, spinning and weaving, tools making, weaponry etc. were practiced. What industrialisation did was to radically shift their methods of production that changed the very organisation of production as an economic and social activity. Production now became a mass enterprise, located in a **factory**, away from the home of the artisan, where huge number of workmen came to labour in exchange for cash wages.

The history of industrialisation is the history of **Industrial Revolution,** a term made popular by Arnold Toynbee in 1884 in his three lectures on the transformation of Britain in late eighteenth and early nineteenth centuries. The Industrial Revolution beginning from around 1750 revolutionised production and output in Great Britain. It started with cotton textile mills in towns like Manchester and Lancashire which came to be called 'factory towns'. This revolution came through innovations in production technology driven by capitalist enterprise oriented towards profit making. Prior to this, manufacturing activities were mostly limited to cotton and woolen clothes making, besides metallurgy. These were carried out through the handicraft, guild or domestic (putting out) systems (see box 3.1). Factory system brought an end to these systems.

Box 3.1

Systems of Production

In the **handicraft system**, production was located at the home of the artisan who bought raw materials, produced the good and sold it himself by bringing it to the market. A similar type has been described by Toynbee. There were a number of 'small master-manufacturers' in Britain who owned their land, had some capital of their own and combined the small freehold pasture-farms with their handicraft.

The **guild system** came into being with the gradual development of markets. A guild is an association of craftsmen of particular trade such as weavers, goldsmiths and ironsmiths (craft guild) or merchants (merchant guild) based on mutual cooperation for protection and advancement of their professional interests, much like an interest group. Guilds developed in all civilizations. These were active in Europe between twelfth to sixteenth centuries.

The **domestic system** or **putting-out system** was widespread in seventeenth and eighteenth century Europe in which the rich merchant-employers, known as 'putters out', gave out work to labourers in their surrounding villages. The workers received raw materials, and returned the finished products to the merchant-employers for a payment. It differed from the handicraft system in that the workers neither bought materials nor sold the products themselves. The factory system mostly put an end to this system, often considered to be a form of proto-industrialization.

Toynbee has traced the causes of Industrial Revolution and the factory system to some significant developments in agriculture and manufacturing during the eighteenth century. In the early part of the eighteenth century, traditional agriculture underwent major changes in Britain. The three most important features were the destruction of the common-field system of cultivation, the enclosure of common and waste lands, and the consolidation of small farms into large. These changes had severe implications for the rural population as the number of farmers got reduced, and labourers were driven off the land because it became impossible for them to exist without their rights of pasturage for sheep and geese on common lands. But these changes brought distinct improvements for agriculture. There were a number of advancements in agriculture which included improvement in the breed of cattle, introduction of crop rotation, invention of steam plough and institution of agricultural societies. Agricultural production increased substantially and this 'agrarian revolution' played a significant role in the great industrial change.

At the same time, some path breaking innovations were made in the technology of textile manufacture: Hargreaves' "spinning-jenny" patented in 1770, Arkwright's "water frame" in 1769, Crompton's "mule" in 1779. The "spinning jenny" enabled an operator to spin multiple threads in one turn. Crompton's mule produced fine strong yarn. The most significant invention of the time was the Steam Engine of James Watt in 1769. This supplied a source of power to cotton manufacture from 1785.

Meanwhile, there was a revolution in metallurgy by the invention of smelting by pit-coal brought into use between 1740 and 1750, and by the application of the steam-engine to blast furnaces in 1788. This resulted in massive growth in iron manufacturing in a very short period

Further, there was the expansion of trade due to the great advances in the means of communication. There were massive developments in the canal system and road network. In 1830, the first railroad was opened. These improved means of communication caused an extraordinary increase in trade and commerce to distribute the goods in distant markets.

Industrial Revolution brought about a revolutionary change in the economy. Agriculture ceased to be the biggest economic activity, manufacturing took its place. It has also been seen that with the progress of industrialisation, the tertiary sector expanded rapidly and gradually grew to be the most important activity. The society which emerged from manufacturing to this stage is called the 'post-industrial society'. In industrial Britain, the proportional contribution of manufacturing increased rapidly while that of agriculture fell, but in the next phase, the share of manufacturing grew less rapidly and that of service sector such as commercial activities, trade and services etc. gradually rose (Hughes, 1972).

3.4 CONDITIONS FOR INDUSTRIALISATION

We shall discuss here the conditions necessary in a society for industrialisation to happen and sustain. You just read about the historical situation in which industrialisation developed in England. Was there anything specific to England at that time unlike with other European countries?

Eminent historian Eric Hobsbawm (1990) holds that the Industrial Revolution was not a sudden development due to the steam engine, but it has to be seen in the context of at least two hundred years of continuous economic development that preceded it. According to him, many of the usual explanations like the abundance of coal, long periods of good harvests or climatic and demographic factors are not useful. He gives primacy to England's escape from underdevelopment, possession of a single national market, no shortage of capital, highly developed manufacturing sector and even more developed commercial apparatus as the favourable conditions for the Industrial Revolution. Industrialisation expands its own markets by producing more and cheap, thus creating its own customers.

Rostow's growth model (refer to box 3.2), assumes the accumulation of capital for investment (under capitalist industrialisation where private entrepreneurs play a big role) as most important. Economies where the state is predominant, for example in a socialist country, it is the state that adopts measures for industrialisation by supplying the capital itself. But certain common conditions have to be met in either case. Like the extensive remobilization of 'factors' of production — land, labour, capital, organisation and entrepreneurship, along with availability of cheap power sources, high technological inputs, skilled workers and a well developed market for the goods produced. Capital can come from individuals who wish to put their wealth into setting up industries or from the state which can invest from its resources gathered through 'forced saving', taxation and fiscal policies. Industrialisation cannot happen in a pre-literate society with low levels of technology, unless it borrows technology. Labour is needed to be diverted from agriculture and related activities where there is a surplus. Skilled labour is essential to handle machinery, which will come through training and skill development. So investment in education is also a requisite for industrialisation. .

Box 3.2

Rostow's Stages of Growth

W.W. Rostow (1971), an economist, has proposed a model of growth in which industrialisation is the chief component. According to him, societies pass through the following stages in sequence: 1) Traditional society, (2) Preconditions for take off, (3) Take off, (4) Drive towards maturity, and (5) Age of high mass consumption.

The 'traditional society' devotes a very high proportion of its resources to agriculture. The technology is primitive, social structures are hierarchical; and behaviour is governed by customs and traditions. Per capita income is low, raw materials are exported and finished goods imported. The economy is mostly subsistence type. If and when this traditional economy finds resources for investment through a rise in per capita income, it meets the 'pre-conditions for take off'. The pre-conditions for take off were developed, for example, in a clearly marked way in Western Europe of late 17th and early 18th centuries. 'Take off' needs these 'preconditions' to be fulfilled such as investments have to be made and infrastructure developed for industrial growth. After this, the 'take off' stage is one of transformation of the economy and society. There is rise in investment from about 5 per cent of national income to 10 per cent, and rapid growth of industries and manufacturing. This period of industrialisation is "the great watershed in the life of modern societies" that causes cities to grow, population to move and incomes of people to rise. This stage will last for about 20 years.

After 'take off' stage follows a long period of sustained progress, the economy drives to extend investment up to 20 per cent of national income for ever increasing outputs. Technology improves constantly, new industries accelerate and older industries level off. There is diversified production to focus on technologically more refined and complex production processes. For example, a shift in focus from the coal, iron and heavy engineering industries to machine-tools, chemicals, and electric equipment. This maturity can be said to have come after about 60 years of the beginning of take off.

In the age of high mass consumption, the leading industries shift towards durable consumer goods and services. There is high per capita income, high share of urban population in the total and most workers are employed in offices or skilled factory jobs. The economy is fully developed industrially and every person has access to all available goods and luxury.

Source: Rostow, W.W. (1971)

Wilbert Moore has examined if certain institutional structures and psychological attributes are necessary conditions for industrialisation. Individual rights over land and assets must be recognized as these material factors of production need to be transferable from one hand to other – from supplier to manufacturer to consumers. A labour market needs to be in place where a labourer should be free to sell his/ her labour in exchange for wage rewards. A transferable labour would allow the labourers to move from one sector of the economy to another by better monetary wages, breaking free from traditionally fixed hereditary economic roles. The new capitalists in the mid- eighteenth century were engaged in a tussle with the feudal landlords over this question. In medieval Europe, under Feudalism, the farm labourer (called serf) was tied to his land and his lord. He could not move out of his land or to another landlord even if he wanted to. This created hurdles in the way of labour supply for industries. So it was in the interest of capitalists, capitalism and industrialisation that this old feudal mode of production broke down, which it eventually did.

Although industrialisation (Industrial Revolution) started off with the strong support of British state, advocates of capitalism call for minimising the role of state in economic affairs according to the principle of laissez faire, under which the direction and magnitude of industrialisation are to be determined by entrepreneurs. However, state's role is vital in formulating developmental policies and their implementation. It can gather capital from domestic and foreign sources, make necessary changes in social organisation, put in place legal frameworks, build infrastructure, arrange for education and human resource development etc. for faster and widespread industrialisation.

It has also been said that a society in which motivations for development are high would go for industrialisation. This is so because industrialisation makes a faster use of natural resources as raw materials and creates wealth abundantly and quickly. The national incomes of industrial nations go far up in comparison to less industrialised ones. This is one reason why governments across the globe have endorsed industrialisation as an essential ingredient of development planning. Thinkers like Karl Marx and Emile Durkheim have held industrialisation to be inevitable in the process of societal development.

"Entrepreneurship" has also been treated by many as a requisite for industrial development. Though all people desire better lives and more wealth, only a few would take the risk of setting up industries. So, along with skilled labourers, leaders of industry have also to be there for industrialisation.

There is also a structural transformation associated with this phenomenon. If industrialisation has to progress, then a massive relocation of labour must be made possible from agriculture to industry, until it attains a stage of maturity. After that, it is not viable to employ more labour but to shift them to trade, services and professions instead. This 'structural transformation' is brought about by industrial development by creating new avenues for use of labour.

Check Your Progress I

Note: Use the space provided for your answer.

1) Define industrialisation and discuss its historical origins.

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2) Explain in your own words the preconditions for industrial development.

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3.5 INDUSTRIALISATION AND SOCIAL CHANGE

Industrialisation transforms the economy and society by affecting a range of social institutions, creating new classes of population and changing prevalent values and attitudes. The advent of modernity in the medieval world was mainly due to industrialisation which changed the face of modern Europe and the world.

Expansion of Market

With industrialisation, monetary exchange comes to dominate economic and social relationships. Monetary exchange replaces exchange in kind and gradually there is a monetisation of the economy. After Industrial Revolution, traditional networks of economic exchange, like the jajmani system in India, patron-client system in medieval Europe etc. were seen to collapse with the freeing of labour for industrial work in return for monetary wage. Family and community grew less important in provision of services, giving way to more specialised, hired services. Financial transaction and market evaluation permeated every sphere of life.

Occupational Changes

Industrialisation brings in secondary occupations into pre-industrial economies which have mainly primary occupations. Industries need a variety of labour, with each workman performing a specialised task. In addition, the goods produced need to be sold in the market. So it leads to expansion of trade, commerce, transport, communication and other commercial activities through the "linkage effect". Also there is spread education, infrastructure and public services that necessitate new professionals to mind these occupations.

Moore (1972) has traced three processes of occupational change towards industrialisation: sectoral relocation, specialisation, and bureaucratisation. There is a shift of workers from agriculture and other pre-industrial activities to industrial and commercial employments, a process which is continuous and an accelerating one. Higher wages in manufacturing and skilled work motivates workers to relocate themselves from less productive to more productive ones. Along side, there is increasing subdivision of work into smaller units with increase in skills, much as Durkheim (1893) said of "complex division of labour" with increasing specialisation. So in a traditional society, an artisan would produce an entire good, but in an industrial society, he/she would produce only a part of it. This specialisation comes with demand for higher skills and experience.

Industrialisation also creates large administrative organisations where specialised workers are employed as managers. This 'bureaucratisation' is considered inevitable in the rational organisation of workforce, according to Max Weber.

Demographic Changes

The demographic impact of industrialisation is in all areas– on fertility, mortality and migration. As has been experienced in highly industrialised countries, a demographic transition takes place after industrialisation begins. There is reduction in mortality due to better living standards, public health measures and advancements in medical treatment. Fertility does not immediately come down; in fact it rises a little initially, leading to a rise in population. Later, it too comes under control and falls faster than mortality decline, causing the population to grow at a slower pace, then just be able to replace itself and finally decline. Many highly industrialised countries such as Sweden, Norway and Finland etc. have attained this final stage of demographic transition. Other countries are passing through different stages of the transition depending on their levels and periods of industrialisation. India is said to be in the early third stage of this transition with birth rates falling but still widely off the low death rate.

Added to this phenomenon is the massive spatial redistribution of population. As industries are set up, often near mines or sources of raw materials, new townships emerge where workmen live. These industrial towns draw labourers from rural areas and skilled manpower from other townships or cities. As a result, there is large scale rural to urban migration.

Urbanisation

Although urbanisation (refer to unit 2) did not start with industrialisation, and in fact, predates it by centuries, modern urbanisation has taken place mostly after Industrial Revolution. New cities have come up in industrial towns like Manchester, Liverpool and Lancashire, in England, or Rourkela, Bhillai, Bokaro, Jamshedpur, Navi Mumbai, Surat, Mangalore etc. in India. This is not to say that urbanisation is not taking place outside these industrial centers. In fact, the rate of urbanisation in newly developing areas generally exceeds the rate of industrialisation, as measured by employment in manufacturing (Moore, 1972).

However, these cities are not independent of the industrialisation process at the macro level. Many cities come up due to proliferation of tertiary activities like trade, commerce and services that depend on industrial and manufacturing products – for sale, transport, infrastructure, water, sewerage, public health measures etc. The availability of better life, occupations and readymade services motivate people to move to cities from countryside. This is, to say the least, a fall out of industrialisation which supplies both goods and services and also provides higher incomes in the hands of people. Cities and urbanisation, therefore, are linked to the process of industrialisation.

Changes in Social Structure

Industrialisation has brought far reaching changes in the society through its impact on family and kinship systems. The break-down of the 'extended' family of the agrarian society into numerous 'nuclear' families is one inevitable consequence. In pre-industrial societies, economic life is mostly organised around agricultural production. Land is the main resource, held jointly by a family or an extended kin group, operated jointly with the labour contribution of all family members, men and women. Property rights on land are not individual and land is not transferable. With industrialisation, though, new occupations pull out many into factories and related activities, often necessitating a movement away from the family home in the village to the workmen's ghetto in industrial townships. So, extended families break into smaller units and family ceases to be a unit of production. It only operates as a unit of consumption of industrial goods and services in the urban set up.

Since family is the basic social institution which is vital for any individual, many scholars have studied the effects of industrialisation on it. The foremost among them, Talcot Parsons (1959) views the "isolated nuclear family" to be the norm in industrial societies. This "isolated" nuclear family is structurally isolated because it does not form an integral part of the wider system of kinship relationships. This family has fewer roles to play. Schools, religious institutions, hospitals etc. take away most of its functions. It ceases to be a unit of production and remains a unit of consumption William J. Goode (1963), too, argues that industrialisation undermines the extended family and larger kinship groupings. The high rate of geographical mobility in industrial societies decreases frequent contact with kinfolks. The relatively high levels of social mobility take the upwardly mobile members away from the others and thus weakens kin network. Goode, however, considers industrialisation not to be the sole reason behind this drive towards nuclearisation, but only an accelerating factor.

We have already discussed that in pre-industrial societies, kinship is the organizing principle of social life. It regulates production and distribution of goods and services. Social and economic roles often blend together in the family and kin network. Industrialisation breaks down these networks and privileges secondary associations over kinship.

Status Changes

Industrialisation brings an alteration in status and authority patterns in society. With the erosion of kin network, traditional authority and status structures lose their place. Achieved status due to education, skill and experience take over ascribed status based on caste, age and gender. Bureaucracy takes the place of aristocracy and gerontocracy.

Changes in Gender Relations

Within the family, too, gender relations undergo change. It is generally believed that the status of women gets enhanced as they start gaining access to education and outside work. The breaking of extended family also adds to their freedom as women have better bargaining power and share in decision making in the nuclear family.

However, this view has been criticized by some feminist scholars who think that the status of women has gone down with industrialisation. According to Ann

Oakley, the consequence of industrialisation for women has been the "emergence of the modern role of housewife as the dominant mature feminine role." In pre-industrial agrarian societies, the women of the family share production work in agriculture as well as household industry (spinning and weaving, crafts etc.) As factory replaced the family as the unit of production, women were restricted to their homes while the men went out to do factory work. In England, between 1750 and 1841, women were employed in factories but still continued to do traditional textile work at home. With restrictions on child labour from 1819, children became dependent and women had to take up child care and supervision roles, which restricted them at homes. From 1841-1914, women's access to factory work was gradually restricted through many legislations. From 1914 to 1950, women's employment in factories increased but it coupled with the continuation of house wife role. With this institutionalisation of the house wife-mother role it is felt by same that, the status of women has not grown but diminished (Oakley, 1974).

Political Changes

Although industrialisation can happen under any kind of political regime– democratic, communist, monarchy– the experience of western industrialised nations tells us that it leads to changes in the political organisation through democratistaion. It is accompanied by enfranchisement of the public and rise of the welfare state, although this is by no means necessary or automatic. Industrial work gives the workers a chance to organise around common interest in trade unions and demand concessions from industrialists as well as the state for their rights. Welfare state is a response to meet the demands of the working class and the entire population by providing education, health care and social security free of cost. With the rights of enfranchisement and democratic polity, traditional authority is undermined in favour of a universal legal system and modern bureaucratic organisations based on rationality.

Changes in Religion

The Industrial Revolution was the product of renaissance and the new scientific spirit that challenged the hegemony of the Church as the source of knowledge in medieval world. With the progress of industrialisation, secular values dominate the social life and the role of religion diminishes. The cognitive function of religion is taken over by science. Religion loses its function of social control.

Check Your Progress II

Note: Use the space provided for your answer.

1) How does industrialisation lead to social change?

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3.6 CRITIQUES OF INDUSTRIALISATION

Industrialisation has had its share of critics from its very beginning. Of late, environmentalists and ecologists have started voicing their opposition to unregulated industrialisation for its unchecked exploitation of earth's limited resources at a fast pace by help of modern technology. Besides, in populous countries like India, there is opposition from agricultural communities and tribal people who lose their land and habitat to industries. In this section, we discuss these critiques following Webster's (1997) outline.

Populist Critiques

In the beginning of Industrial Revolution, industrialisation had met with stiff resistance from the landed aristocracy who felt threatened with the new power of industrialists and their fast accumulation of wealth. But it had to meet with resistance from the lower classes too, the prospective workforce, who protested against the plight of workers, their working and living conditions, and low wages (see box 3.3). The social disorder that followed the Industrial Revolution in England- slums, squalor, poverty and epidemics – led the Socialists and Liberals of the time to view industrialisation with open suspicion and instead argue for small scale industrial enterprise situated in rural communities under the communal control of 'free and equal' workers.

This critique did not have much success because manufacturing had entered a critical phase of mass production with incomparable efficiency. Never before were materials goods produced in such scale or speed, or reached as much population as it did now. Industrialisation had by now established itself as an ideology, a model of growth oriented development, whose alternatives did not seem lucrative. There were attempts by countries like Tanzania and China to adopt a rural socialist based growth approach with primacy to agriculture. But there could not be evolved an alternative approach which could provide the kind of growth that industrialisation did.

Ecological Critiques

Industrialisation uses raw materials for production whose only source is the Earth whose resources are finite and non-renewable, except only a few. The high rates of growth in industrial societies are by virtue of their consumption of earth's resources at a much faster rate, which puts enormous strain on Earth. This raises questions about the sustainability of this industrial mode of life. The enormous pollution is a threat to forests, land, water, and air, indeed everything that is vital for the survival of humankind. So, the biggest critiques of industrialisation now are ecologists who argue that further expansion of industrial development would mean global environmental disaster (Read more on this Block 2). But this ecological concern over resource use has had little impact on industrial economies.

Their second critique that industrialisation would bring a disaster by alarming levels of pollution has cut some ice with governments of the world. But there is no unanimity, and developed industrialised countries are not ready to cut the levels of emission of pollutants at the expense of decelerating their growth rates. Developing countries demand that the big industrialised countries must check their industrialisation first, after which they would follow suit. There seems to be an acceptance that industrialisation is the model of growth and development which cannot be sacrificed at any cost.

A third critique, somewhat in the lines of Marx's theory of alienation, is that the technology of industrialisation is 'dehumanising', In other words, industrial development has destructive impact on nature and also on culture of human society. The assembly line production system instituted by Henry Ford of the USA (termed by many as the Second Industrial Revolution) is cited as a typical example of this dehumanizing impact.

Critiques from Alternative Technology

Technological innovations were the driving force behind industrialisation in the late 18^{th} century. Since then, technology has advanced rapidly. But it seems to be like a "mindless juggernaut, destroying the environments, obliterating human values, and assuming domination over the lives and minds of its subject" (Reich, 1979). There have been efforts to organise production around alterative technology which will be 'simple, cheap, small and non-violent'. Schumacher's Intermediate Technology Development Group tried in this line to develop new forms of technology appropriate for third world countries which are capital scarce, labour surplus and have finite resources. Schumacher's "technology of production by the masses" is supposed to be eco-friendly as well as people-friendly. His prescription for small scale industrial enterprises is four-fold:

1) Workplaces should be near people's living areas.
2) Workplace should not need large capital investment or costly imports to operate.
3) Production techniques should be simple so that demands for high skills are low.
4) Production should use local material and be oriented for local use.

Schumacher's ideas (1999), similar in many respects to those of the populist socialists, can be seen to have influenced many development plans such as small dams, small hydroelectric plants, biogas plants etc. But no third world country has abandoned industrialisation in favour of intermediate technology, which has yet to emerge as a viable developmental alternative to technology-intensive industrialisation.

Gandhi's Critique of Industrialisation

One of the foremost thinkers of our times, Mahatma Gandhi was a believer in sustainable development and wise use of earth's resources. "The Earth has enough for everyone's need, but not for anyone's greed," he said. Gandhi considered modern civilization as immoral and its craving for material satisfaction in consuming more and more goods as an evil. He held industrialisation and machines as the vehicles of this evil. He stood for everything an industrial society is opposed to. To mass production, Gandhi's response was self-production to meet one's own needs. To machine technology, his reply was simple technology like handicraft, and to machine power, one's own sweat and labour. Progress for him meant not advancement in material wealth, but in term of moral and spiritual growth.

Gandhi's reinvention of 'Charkha' (the spinning wheel) was not just a nationalist statement against foreign cloth, but also one in which a simple cloth making tool stood opposed to large mills that drove the Industrial Revolution in Britain. His model of development was village centered in which "cottage and village industries" will meet the needs of people, provide employment to the villagers, to women, and ensure the minimum needs of the poor population. Cottage and village industries symbolized a bottom-to-top approach of industrial development where industries do not mass produce and make consumers out of people, but production is a social enterprise to meet the needs of people. That way, there is much less stress on earth's resources and ecological costs are also avoided. It also brings self-reliance in the people and economy.

Schumacher's 'small is beautiful' model described in the proceeding section was clearly in the line of Gandhi's ideas. Gandhi's ideas have been enshrined in the Constitution of India under the Directive Principles of State Policy. Now, with the evils of industrialisation surfacing prominently and criticisms mounting, people are looking up to Gandhi's model in search for alternative paradigms of industrial development.

Box 3.3

Excerpts from The Condition of the Working Class in England

Friedrich Engels was one of the earliest to observe the living conditions in the slums of the industrial town Manchester. The son of a German manufacturer, Engels made these observations after first hand visits to the living quarters of workers and published them in a book *The Condition of the Working-Class in England* in 1844. Here are a few extracts:

"Manchester lies at the foot of the southern slope of a range of hills… Here one is in an almost undisguised working-men's quarter, for even the shops and beer houses hardly take the trouble to exhibit a trifling degree of cleanliness. But all this is nothing in comparison with the courts and lanes which lie behind, to which access can be gained only through covered passages, in which no two human beings can pass at the same time. Of the irregular cramming together of dwellings in ways which defy all rational plan, of the tangle in which they are crowded literally one upon the other, it is impossible to convey an idea.

….Such is the Old Town of Manchester, and on re-reading my description, I am forced to admit that instead of being exaggerated, it is far from black enough to convey a true impression of the filth, ruin, and uninhabitableness, the defiance of all considerations of cleanliness, ventilation, and health which characterise the construction of this single district, containing at least twenty to thirty thousand inhabitants. And such a district exists in the heart of the second city of England, the first manufacturing city of the world. If any one wishes to see in how little space a human being can move, how little air – and such air! – he can breathe, how little of civilisation he may share and yet live, it is only necessary to travel hither. True, this is the Old Town, and the people of Manchester emphasise the fact whenever any one mentions to them the frightful condition of this Hell upon Earth; but what does that prove? Everything which here arouses horror and indignation is of recent origin, belongs to the industrial epoch."

Source: Engels (1892)

Check Your Progress III

Note: Use the space provided for your answer.

1) Evaluate industrialisation in the light of its critiques.

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2) How are cottage and village industries relevant to India?

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3.7 INDUSTRIALISATION IN INDIA

Before the coming of the British, India had a flourishing handicraft industry whose products had a worldwide market. Prior to the Industrial Revolution in England, which incidentally started off in the textile sector, Indian textiles, silk, woolen and cotton cloth were chief items of export to Europe, West Asia, East Africa and the Mediterranean. These indigenous industries were the strength of the Indian economy whose backbone was, of course agriculture. What British rule did was a systematic deindustrialisation in the traditional manufacturing sector, handicraft and cottage industries. The Industrial Revolution in England needed an export market to survive, and India as the biggest colony supplied the ready market. It also supplied the new materials and finances needed for the Industrial Revolution in England. It was in the interest of British Empire and its modern industry to destroy India's thriving rural industry.

The Colonial Phase

The colonial phase of industrialisation began in India in the mid-nineteenth century with the building of railways and coal mines, and the setting up of jute and textile mills in Bengal, Bombay (now Mumbai) and Madras (now Chennai) presidencies. Jute Industry flourished in Bengal and the establishment of the first jute mill was set up in Rishra near Kolkata in 1859. Cotton mills had been set up earlier in Kolkata in 1818 but the industry took off only with the coming up of a mill in Mumbai in 1854. These industries spread to Ahmadabad in present Gujarat state, where cotton textile mills are predominant even on this day.

Although many of these early industries were British owned, Indian entrepreneurs also took up the task. Some from the trading community of Marwaris, who were operating as merchant-capitalists in Calcutta (now Kolkata), set up jute mills in Bengal while the Parsis set up cotton mills in Bombay (now Mumbai) in the 1850's. Indian bankers in Ahmedabad were the entrepreneurs establishing cotton mills during the same period (Oonk, 2004).

Iron and steel industry was a relatively late starter. The first successful attempts to manufacture iron and steel were made in Barakar in 1857 to produce pig iron. But the systematic large scale production began after Jamshedji Tata set up the Tata Iron and Steel Company (TISCO) at Jamshedpur in 1907. Later came up Indian Iron and Steel Company (IISCO) at Burnpur in Bengal in 1919. The first public sector undertaking started from 1923 at Bhadravati in Karnataka.

All these developments were occurring in the backdrop of expansion of transport and communication networks with the beginning of railways in 1854. Large scale mining of iron ore, manganese and mica also added to this industrialisation process. This pattern went on till about 1930s. The Second World War contributed enormously to the growth of cement, sugar, shipbuilding, dyes and beverages. Heavy chemical industry grew from 1941. Engineering industry like machine tools, electrical equipment, alcohol synthetic resin and plastic industries also flourished with massive expansion in the 1970s. From 1990s, there has been a growth in consumer goods industry, information technology and telecommunications.

Three Models of Industrialisation

Industrialisation as the means to economic progress had captured the imagination of leaders much before independence. But there was sharp opposition to this model. We have discussed how Gandhiji's ideology was sharply opposed to industrial modernity. But as independence approached, many looked up to the West's history of development as a model for India's future. The most impressive aspect of that history was the unparalleled prosperity and security that industrialisation had delivered to the peoples and states of the modern West.

According to Khilnani (1997), there were three currents which favoured an industrialisation path to economic development, each with its own idea of India's future: the industrial capitalists and businessmen, the technocrats, and the leftwing in the Congress party. In the mid 1940s, leading businessmen and industrialists like Sir Purusottam Das Thakurdas, JRD Tata, G.D. Birla, Sir Shri Ram prepared a document "A plan of Economic Development for India" popularly known as the "Bombay Plan". This envisaged India's industrialisation to be driven by expanding the textile and consumer industries in western India particularly in Bombay and Ahmedabad. They viewed only a limited role of the state, primarily in providing infrastructure, investing in expensive industries and protecting Indian industries from foreign capital.

The technocratic view, led by civil servants like Sir Ardeshir Dalal and engineer M. Visveswarya, disfavoured this leverage to private capital. Instead, they said, industries have to be willed, planned and systematically developed. This planning for industrial development would be done by an economic council of expert economists and businessmen.

The left-wing in the Congress, led by Pandit Jawaharlal Nehru and Subhash Bose, in sharp contrast to the view of industrialists, held that the future Indian state should commit itself to industrialisation by building the "key industries" or the heavy industries essential for building other industries as well as Indian self-defence. These heavy industries will be in state ownership.

After independence, the Nehruvian model of economic development was based on this view of industrialisation. India adopted a planned economy model in the Soviet style, where five-year plans would specify the targets and the means to achieve them. This was also called a "mixed economy" model in which private sector industry could coexist with public sector industries. As a result, the basic and heavy industries remained with the state while most of the consumer goods industry lay in private hands.

Industrialisation in Plan Periods

The First five year Plan (1951-560) gave emphasis to agriculture, not industry, because the country was facing food shortage. Only 2.8 per cent of the plan expenditure was allocated for industry and minerals. The emphasis was on enhancing the capacity of existing industries rather than setting up new ones. The thrust on industrial development came with the Second Plan (1956-61) and Third Plan (1961-66) when emphasis was laid on developing basic and heavy industries in which the public sector will play a key role. Three new state owned steel plants came up during the second plan at Durgapur, Rourkela and Bhillai. The Third Plan gave priority to basic capital and producer goods industries, with special emphasis on machine building so that India's growth is self-sustaining.

The next major boost to industrial development came during the Sixth Plan (1980-85) which marked the second phase of industrialisation in independent India. Special attention was given to capital goods industry and electronics industry.

Industrialisation post-reforms

The third phase came in 1991, when the government of India liberalised its industrial policy by removing entry barriers, de-reserving many areas meant for the public sector, allowing foreign investment and working out deregulation measures. These reforms have cut the monopoly of public sector enterprises, led to sell off of PSUs into private hands and disinvestment of state stakes in many industries allowing for private sector to dominate. Very recently, a new industrial model called the Special Economic Zone (SEZ) has come up. These SEZs located in various parts of the country are proposed to enhance manufacturing for faster economic growth. There are protests that setting up SEZs in agricultural lands will divert land from agriculture, endangering the country's food security. There are contentious issues of compensation and rehabilitation of the displaced agricultural population. Besides, there is the question of balanced industrial development.

Check Your Progress IV

Note: Use the space provided for your answer.

1) Discuss India's industrial development from colonial times to the present.

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3.8 A POST-INDUSTRIAL SOCIETY?

Of late, there has been some talk about a transition from an industrial society to a post-industrial society by moving from a manufacture-based economy to a service-based economy in which tertiary activities would dominate. The proponent of this theory, Daniel Bell (1973) views that as industrialisation matures, it transforms into a service-based economy with new occupations emerging and new structures of social and political order coming up. The post-industrial society would be characterised by domination of white collar workers, professionals, technocrats and scientists. University and research institutions will grow in prominence because "knowledge is the axial principle" of the society. Theoretical knowledge will be privileged over technical knowledge. Ritzer (2000) says that the post-industrialism would create new relationships between scientists and their products, and give better control over technology. Bell believed that the post-industrial society would solve many problems of industrial society such as alienation of worker, dehumanisation and impersonalisation. Although it is difficult to say if there exists a post-industrial society, Bell gave the West European countries and the USA as examples.

3.9 LET US SUM UP

In this Unit, we discussed the various dimensions of industrialisation beginning from its origin and development. We looked at industrialism as the dominant paradigm of development in today's world and its critiques. Industrialisation has brought a fast and large scale social change in many societies, particularly the advanced countries. We have also discussed India's industrial development from colonial to present times. Industrialism remains the dominant paradigm of development in today's world.

3.10 FURTHER READINGS AND REFRENCES

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UNIT 4 GLOBALIZATION

*Chinmoy Biswal**

Structure

4.0 OBJECTIVES

Globalization has changed our contemporary world very fast. Its impact has been felt almost everywhere. This Unit is meant to familiarize you with the various dimensions of this process. After reading this Unit, you should be able to:

- define globalization and discuss its dimensions;
- examine its impacts;
- discuss the facets of liberalization; and
- evaluate the impact of globalization on Indian society.

4.1 INTRODUCTION

Globalization is a buzzword of our times. There is every chance that you have read about it from newspapers or heard about phrases like 'global village'. You also see frequent visits of heads of governments and top officials across countries and the signing of bilateral agreements on an unprecedented scale. International brand soft drinks, clothes, vehicles, mobile phones are available in every nook and corner of the world. It is far easier to wear branded clothes or perfumes, drive imported cars and travel to any country than ever before. One can be located in a small town 'call center' in India and work for a foreign multinational company. We are witnessing a time when spaces between people and between nations are reducing. Interactions between countries are rising, business is becoming limitless and the peoples of the world are coming closer in making the world 'global'. Simply put, this is what globalization is.

One may say that trade and commerce, travel and tourism, movement and migration of people from one part of the globe to another are age old phenomena, nothing new. European traders came to India, Asia and Africa; travelers like Heun Tsang,

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Fa Hien, Ibn Batutah visited places far off from their homelands, and conquerors went to distant lands to extend their territories. So the world was always global.

However, there is a difference. As the Human Development Report of 1999 notes, the present day globalization is characterized by (1) new markets, (2) new technology tools like internet, cellular phones etc. (3) new actors like the World Trade Organization (WTO) with authority over national governments, the multinational corporations with more economic power than many states, the global networks of non-governmental organizations (NGOs) and other groups that transcend national boundaries, and (4) new rules - multilateral agreements on trade, services and intellectual property, reducing the scope for national policy (HDR, 1999). What we refer to as globalization here is a post-1980's phenomenon. Although it manifests primarily as increasing trade and commerce between countries, it is not limited to that. Globalization is more than the flow of money and commodities— it is the growing interdependence of the world's people. Globalization is a process integrating not just the economy but culture, technology and governance (HDR 1999). It is an economic, political, social and cultural phenomenon, aided by rapid developments in communication and information technology. As a social work professional, you will encounter the various dimensions of globalization and its impact on different societies.

4.2 DIMENSIONS OF GLOBALIZATION

Globalization, according to Giddens (2001), can be seen as a process of social change that has brought distant and different parts of the world into inter-relation with one another. It started off as an economic phenomenon but now cuts across different spheres. We discuss these in this section.

Economic phenomenon

As an economic phenomenon, globalization stands for greater integration of national economies into a world economy (global economy) in which the market predominates. It is an expansion of economic activities across the political boundaries of nation states. It is a process of deepening economic integration, increasing economic openness and growing economic interdependence between countries in the world economy. Three related aspects of economic openness constitute the most important dimensions of globalization. These are openness to international trade, international investment and international finance in a world integrated more tightly through improvements in communication technology (Bhaduri and Nayyar, 1996).

The economic dimension is evident most clearly in the 'global market place' which comprises the production as well as distribution of goods on a global scale. Much of the consumer goods that we purchase have originated in the 'global production system', as it is sometimes referred to. Production becomes globalized in that different components of a product are manufactured in different countries or places, and later assembled together. Multinational companies have branches all over the world to produce different parts with the cheapest material and labour costs. They have supply chains and marketing networks to sell them all over the world. Consumers everywhere are now surrounded by such global products (McMichael, 1996).

The second is the globalization of finance. As a market phenomenon, globalization invokes smooth flow of finance capital from any part to the other, with no restrictions or regulations on its movement by any country. You must be reading in newspapers about the stock markets in India booming with investments and the sensex reaching new heights every day. Much of these investments are by foreign companies and individuals. Investors are now able to buy shares of companies which invest in numerous ventures in various countries. So, a factory in Jharkhand may have investors from Germany and Ethiopia.

Globalization as an economic process rides on the backs of liberalization and privatisation. We will discuss more on this in the section on liberalization.

Social Phenomenon

As a social phenomenon, globalization refers to the process of integration which is intensifying world wide social relations and interdependence among nations and people for creation of a global society. This is as a result of adoption of economic liberalization and market-oriented models of economy, and also due to the developments in communications and transport. It has deep implications on our lives at various levels. It has brought the distant global world to our local world by making available goods and services and also taken our local products to the global market. It has brought societies and communities into a sphere of interactivity through trade and commerce, movement of people and delocalization of production. There is also a growth of global institutions like World Bank, Multi National Corporations or Trans National corporations. There is exchange of cultures, ideas and systems of knowledge between various parts of the world like never before.

Political phenomenon

As a political phenomenon, it transcends political boundaries and calls for moving beyond nation states to transnational governance in which international governmental organisations dominate. Thus there is undermining of the authority of nation state. Globalization can be thought of as the relaxation of the authority of the State in favour of the Market. As you know, the State is the dominant institution in all societies, whether industrial or agrarian. Globalization erodes the dominance of the institution of State. The State can no longer decide its economic priorities all by itself because it operates in the context of an integrated global market where other nations are also participating. The boundaries of nation-states are becoming redundant due to deregulation of export and import and due to transnational corporations playing a major role in the economies of many countries. Globalization also entails the coming together of the states for efficient management of resources and their development. This means a loss of power of the State and rise in power of other institutions like market, financial organisations and non-governmental organisations.

Cultural Phenomenon

Globalization is leading to homogenization of cultures and rise in consumption of global goods across cultures. So you can have Thai food in US, ‘Kentucky Fried Chicken’ in Mongolia and ‘idli sambhar’ in Italy. You may be dancing to pop music while a French man is listening to Indian classical music. No doubt, this has resulted in exchange of ideas and thoughts the world over.

Contested Phenomenon

You may have seen pictures of protest marches in various countries against economic globalization. Whenever the G-8 summit or the World Trade Organisation (WTO) meets are held, thousands of people from all over the world gather to voice their protest against globalization and liberalization. According to them, globalization is a process of new economic domination by the West and advanced industrialized countries over the Third World and poor nations. The coming together of nations, relaxation of trade barriers and deregulation of economies are meant to facilitate the rich and developed nations to access the vast markets in the Third World to sell their products. This is highly disadvantageous to the latter that end up losing their economic sovereignty. Therefore, globalization, according to them, is a new name for economic subjugation of poor nations to the few rich and powerful nations, and a few trading blocks. Going by the Human Development Reports, there seems to be some valid grounds to this discontent.

Globalization has become a thorny issue which has polarised opinions into staunch support as comprehensive denunciations (Dreze and Sen, 2006). There are also those who view globalization as offering a variety of opportunities to all but with the risk of marginalizing those who cannot benefit from it. David Held (1999) has summarised these views in three district categories: 'hyperglobalisers' (pro-globalization), 'sceptics' (traditionalists) and 'transformationalists' (middle path).

The hyperglobalisers see globalization as a very real phenomenon that is of benefit to all. They say increasing trade and commerce between countries will bring prosperity to all. The sceptics doubt the potential of globalization in removing poverty and making all nations and peoples prosperous. According to them, the globalized economy is controlled by the USA and Europe, not equally by all nations. Globalization is a buzzword used by corporate capitalists of the first world to monopolise global business and subordinate poor nations in a neo-colonial structure. Pursuing a middle path, transformationalists perceive globalization as having the power to transform the realms of economy, polity, society and culture and individual lives by setting up a new world order, but also a risk of marginalising some sections in the process.

Check Your Progress I

Note: Use the space provided for your answer.

1) Define globalization and discuss its dimensions.

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2) Discuss the different views that prevail about globalization.

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4.3 WHAT DRIVES GLOBALIZATION

What processes have been behind the increased rate of globalizationin today's world? Giddens (2001) identifies information technology, end of the Cold War, rise of international institutions and growth of transnational corporations to be the factors behind increased globalisation.

Proliferation of Information and Communication

A global world would not be possible without improvements in communication. For greater integration and interconnectedness, people across places must have rapid information flows and fast communication networks. While people in medieval world travelled in ships, the last century has seen rapid advancements in aviation, linking every part of the world. More significant are message and information flows, bringing in an era called "information age". It is now possible, at the 'click of the mouse', for someone sitting in Washington to chat with and send instant messages, data files to another person located in a far off place.

Besides, this possibility in increasing contact has led to the growth of a number of 'global communities' whose members interact through internet. Often the issues are not limited to national borders. People get involved in each other's lives and come forward to voice their concern for humanity in parts of the world they may never have seen. People across the globe sign petition against war or terrorism or violation of human rights, or for humanitarian assistance for disaster victims, or to take part in public action against displacement of people due to development projects and so on. This is also contributing to some extent in defining people's identity. Many call themselves not citizens of any nation but citizens of the world.

International/Global Institutions

The integration of countries under globalization has been facilitated by various international and national modes of governance. You must have read about the League of Nations which was formed after World War II to settle disputes between nations on a common platform so that they do not go to war. This League later developed into what we today know as the United Nations Organisation or simply the United Nations (UN). Similarly, the European Union (EU) of the 1990s, or the ASEAN (Association of South East Asian Nations), the SAARC (South Asian Association for Regional Cooperation) of which our country India is a member, or the NAM (Non-Aligned Movement) are common grounds for nations in different regions. Giddens considers the EU as the pioneering form of transnational governance because the member states have to relinquish a certain degree of their national sovereignty to be a part of the union. They follow a common currency, common laws, and have a common European Parliament, as also common foreign policy.

Globalization is also being driven by inter-governmental organisations (IGOs) and international non-government organisations (INGOs). Intergovernmental organizations are bodies whose members come together to take part in an activity or address an issue that is of common concern and therefore transnational in scope. They range from the Universal Postal Union to space exploration to global warming. International Non-Government Organisations are non-government bodies that address issues concerning the humanity at large. Their activities are wide ranging -environmental protection, human rights, arms control, drugs control, poverty alleviation and education, issues that are truly global. Greenpeace, Amnesty International, World Wildlife Fund, International Coalition for Food Sovereignty, the Earth Institute etc. are working for creating global consciousness and addressing global issues.

Business Without Borders: Trans National Corporations

Globalization is driven by transnational corporations (TNCs) who operate on a global scale. Many of the TNCs prefer to call themselves multinational corporation (MNCs) as this characterises their true operation. As already discussed, they operate in what is known as 'global market'. In fact, much of the international trade is done through these MNCs who undertake trade on behalf of governments.

What facilitates such operations by TNCs? As we saw, the information and communication technologies (ICTs) have brought a revolution in the financial sector as well. Banks, financial institutions, stock markets operate through the 'click of the mouse' and it is easy to shift money from one corner of the globe to the other in seconds. This is not without danger, however. The flight of capital and investments from an economy in a matter of a few seconds can cause the economy to collapse, as happened in case of the South East Asian currency crisis in late 1990s. It is said that the "Asian Tigers" were reduced to "Asian Lambs" within a few seconds.

Changes in World Political Scenario

The world witnessed big changes in global polity in the decade of the 1980s. After the fall of the USSR in late 1980s, and end of cold war, there came an end to two blocks of power – the US and western countries representing the capitalist block, and the USSR and East European countries like the former Czechoslovakia, Poland, Hong Kong, Estonia, Latvia etc representing the socialist block. Many new countries emerged out of this block, willing to come closer to the west European countries and the US for trade, commerce and investments. This brought an end to the isolation of the previous era, and now all countries are gradually coming together in an integrated world.

Check Your Progress II

Note: Use the space provided for your answer.

1) Discuss the role of transnational corporations in globalisation.

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2) How has technology facilitated globalization?

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4.4 LIBERALIZATION

The overriding component of globalisation, as we have seen, is economic. An understanding of Liberalization is therefore essential to understand the globalization process.

Liberalization essentially means opening up of an economy to free trade and competition of private sectors by removing controls and regulations, and restricting the role of the State or government in economic affairs to the minimum. It believes that the market forces should have greater role in deciding the aspects of the economy through the laws of demand and supply, and that there should not be any hindrance in the way of doing business. Where as capitalist countries have always followed liberalization to a great degree, in the context of socialist economies or mixed economies which give primacy to economic planning by the central State, liberalization is seen as a 'reform' measure to open their economies and give more leverage to the market.

Privatisation lies at the heart of such a measure. It means reduction of the role of government and of public sector to give more scope to the private sector. Privatisation measures would include sale off of public assets (public sector industries, corporations etc.) to private hands, and disinvestment (reducing the stake of government in public sector undertakings) to encourage more private ownership. The underlying thinking behind liberalization and privatisation is that competition between private players brings efficiency in resource allocation, production and distribution of goods and services in the economy, while the state's intervention distorts it. Privatisation is a part of internal liberalization measure. External liberalization means removal of non-tariff barriers to imports, lowering of import duties and allowing foreign investment in the country's economy.

Historical Context

Liberalization and globalization have come into being in specific historic circumstances. We have already stated that a global production system was in existence during colonial period. But no one talks of that period as that of globalization. The political economic developments after the end of World War II facilitated the coming of the globalization era. We shall discuss it here.

End of Colonial Mode of Production

A production system quite similar to that of global production system existed during the colonial era. It has been called the colonial mode of production. The colonial mode of production was a precursor to globalization in that it was its first instance of integration of colonial economies with the world economy as suppliers of raw materials and consumers of their products. This mode brought countries of Europe, and those in Africa, Asia and Latin America (today's Third World) closer in a global system.

Colonial mode of production also saw the emergence of finance capital and the export of capital from rich nations (colonial powers) to the colonised nations of third world. This was called export of finance capital from the 'Centre' to the 'Periphery'. The rise of joint stock companies, public limited companies, quest for free trade and deregulation were its chief features. You may recall that the British East India Company had pleaded with the then Nawab of Bengal for a cut in taxation and import duties, besides urging for free trade with native businessmen.

Debt Crisis

With the colonies gaining independence by 1950's and 1960's, the structure of world economy got transformed. Many of the newly formed post-colonial governments tried to reverse the trends of colonial governments by introducing social sector investments, infrastructure building and manufacturing industries. But these newly independent countries did not have the necessary capital to meet their ambitious development projects. These were made available to them through loans from the advanced industrialized countries (Najmi Kanji, 1991). The loans would be repaid through currencies available from export of primary commodities, or through capital flows from the developed to the developing counties that included private direct investment (now called foreign direct investment or FDI) and loans made by government programmes or guaranteed by government agencies.

With the oil shock of 1974-75 and resultant rise in interest rates in early 1980s, the capacity of debtors to service the debts (i.e. making interest payments) drastically declined. Access to further loans too became more difficult. Gradually more and more share of their export earnings went in debt servicing.

As the towering amounts of debt servicing grew into a debt crisis in the early 1980s, when countries like Brazil and Mexico threatened to default on their debt repayments, International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank) stepped in to bail them out. But they put certain conditions in the form of structural adjustment policies to be implemented to these economies to make them conducive to free market operations for higher growth.

Structural Adjustment Policies

These structural adjustment policies (SAP), as the name implies, were concerned with changing the structure of the economy over the medium term through measures to improve exports. The "reforms", as they are called, included institutional reforms to reduce the role of the State and make the economy more market-oriented, abandoning centralized planning. A typical adjustment package would include (a) cumulative devaluation of currency to discourage imports and encourage exports, (b) reduction in government expenditure in the social sectors through privatisation and withdrawal of subsidies, (c) trade liberalization through the abolition of price and import controls, and free entry for multinational corporations, and (d) privatisation of government enterprises and/or retrenchment of workers, wage freezes and increase in prices (Najmi Kanji, 1991).

These structural adjustment policies are called the measures of liberalization and privatisation, which would lead to globalization. Advocates of these three measures- Liberalization, Privatisation and Globalization- say that they help to create a world where each nation plays according to its advantages and achieves high growth through trade. This growth "trickles down" to poor nations and poorer populations in the course of time.

4.5 IMPACT OF GLOBALIZATION

The impact of globalization has been felt everywhere and in all spheres. No country institution or individual can keep aloof from this megalith that touches upon every sphere of life. Its effect can be seen on agriculture, industry, service sector, markets and finances (economy), on states and government institution (politics), on social mobility, social institution, family, social networks (society), cultural aspects, on ecology and environment and on technology - practically all systems and subsystem of the society. Moreover, its impact has been felt by all social groups, albeit differentially. While the educated, upper and middle class has seen to be benefit from it, the poor, marginalised sections, indigenous people, workers, peasants and women have been alienated from its fruits. It has also increased the inequality between nations. In this section, we shall examine is impact of the process on various spheres of life as well as on various social groups.

On Economy

If anywhere the impact of globalization has been mostly felt then it is in the sphere of economy. Therefore, many choose to call this process "economic globalization" instead of simply globalization (Vanaik, 2001).

Globalization has set in motion the demise of planned economy by integrating all national economies to the global market dominated by TNCs and MNCs. Now the production and allocation of goods and services are done in global scale. Thus the role of States in controlling their economies has been considerably reduced (Hirst & Thmopson, 2001). The denationalization of production has led to increasing industrialisation of the Third World agrarian countries. Labour markets have become flexible, there are more of mergers and acquisitions. The global movement of capital and investments has lessened the dependence of third world nations on multilateral institutions such as IMF and World Bank as they can now directly acquire capital and finances, through FDIs and global capital markets. Due to globalization, consumers have access to a wide range of products and services.

On Polity

Globalization has affected the political structure of States by changing their institutional characters and modes of governance. The secrecy and power of nation States, more of the ruling elite are on its way out, and transparency and accountability is coming up. There is growth of new institutions of governance, reorganization of power at various levels. Political power is not circumscribed inside the territorial limits of the State. Since globalization started off in the West, there is a spread of democratic institutions and governance worldwide.

But, at the same time, the power of the working class is on the decline as globalization responds to the alliance of international financial institutions and global market, rather than any organised political group. It has also created pockets of the First World everywhere - elites in cities have become similar in life styles and attitudes. Globalization has created a hierarchical world in which the US and global capital are the dominant power. It has, on the other hand, brought the traditional 'left' and national right into an interesting coalition, defending national sovereignty. There are growing New Social Movements (NSM) like those of women, peasants, displaced people, ethnic communities and indigenous people for their rights in the globalised world.

On Culture

As stated, globalization creates a homogenised 'global culture' that is opposed to 'national' or 'ethnic' culture. The proliferation of print and electronic media has brought in a swift flow of cultural information to all parts of the world. National governments have little hold over them.

The consumption of goods produced by MNCs has risen considerably. It is said that McDonalds and Blue Jeans are best symbols of globalization because the entire world is adopting them. Some have even termed globalization as 'MacDonaldisation' (Ritzer, 2003). The massive flow of people and migrations has created a hybrid culture of the metropolis all around the globe. There is, however, cultural pluralism and erosion of conservatism. Globalization is pushing modernity to new heights by emphasising individualism over collectivism, modernity over traditionalism. Traditional pattern of identities are getting dissolved due to emergence of new occupations and employment avenues.

Check Your Progress III

Note: Use the space provided for your answer.

1) How does globalization reshape the contemporary world?

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4.6 GLOBALIZATION AND INEQUALITY

Of the most debated issues on globalization, the most significant one has been on its impact on inequality among nations, and among different sections of population within nations. Globalization is said to be perpetuating a new system of inequality between rich and poor nations because the MNCs and richer nations are taking the benefits of trade and commerce whereas poor and developing economies are often complaining of having lost out in this race. Developing countries complain of unfair trade practices by rich nations while expecting fair treatments from them. In international trade and commerce, the developed world has wide presence and the provisions of liberalization and globalization are suiting them to enhance their wealth at a faster rate.

This fact is reflected in the United Nations Human development Report in1999 titled *Globalization with a Human Face.* The Report states that global markets, global technology, global ideas and global solidarity can enrich the lives of people everywhere, but the challenge is to ensure that the benefits are shared equitably and that this increasing interdependence works for people—not just for profits. It argues that the present era of globalization, driven by competitive global markets, is outpacing the governance of markets and the repercussions on people.

The report acknowledges that markets can go too far and squeeze the non-market activities so vital for human development. Fiscal squeezes are constraining the provision of social services. A time squeeze is reducing the supply and quality of caring labour. And an incentive squeeze is harming the environment. Globalization is also increasing human insecurity as the spread of global crime, disease and financial volatility outpaces actions to tackle them (HDR 1999). The report shows that nearly 1.3 billion people live on less than a dollar a day, and close to 1 billion cannot meet their basic consumption requirements.

The global labour market is increasingly integrated for the highly skilled—corporate executives, scientists, entertainers and the many others who form the global professional elite—with high mobility and wages. But the market for unskilled labour is highly restricted by national barriers.

Inequality has been rising within many countries. In China, for example, the report says, disparities are widening between the export-oriented regions of the coast and the interior. For example, Organisation for Economic Cooperation and Development (OECD) countries have registered big increases in inequality after the 1980s—especially Sweden, the United Kingdom and the United States.

Inequality between countries has also increased. The income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960. In the nineteenth century, too, inequality grew rapidly during the last three decades, in an era of rapid global integration: the income gap between the top and bottom countries increased from 3 to 1 in 1820 to 7 to 1 in 1870 and 11 to 1 in 1913. By the late 1990s the fifth of the world's people living in the highest-income countries had:

- 86% of world GDP—the bottom fifth just 1%.
- 82% of world export markets—the bottom fifth just 1%.
- 68% of foreign direct investment—the bottom fifth just 1%.
- 74% of world telephone lines, today's basic means of communication—the bottom fifth just 1.5%.

The decade of 1990s also showed increasing concentration of income, resources and wealth among people, corporations and countries:

- OECD countries, with 19% of the global population, have 71% of global trade in goods and services, 58% of foreign direct investment and 91% of all Internet users.
- The world's 200 richest people more than doubled their net worth in the four years to 1998, to more than $1 trillion. The assets of the top three billionaires are more than the combined GNP of all least developed countries and their 600 million people.
- The recent wave of mergers and acquisitions is concentrating industrial power in mega corporations— at the risk of eroding competition. By 1998 the top 10 companies in pesticides controlled 85% of a $31 billion global market—and the top 10 in telecommunications, 86% of a $262 billion market.
- In 1993 just 10 countries accounted for 84% of global research and development expenditures and controlled 95% of the US patents of the past two decades. Moreover, more than 80% of patents granted in developing countries belong to residents of industrial countries. All these trends are not the inevitable consequences of global economic integration—but they have run ahead of global governance to share the benefits.

These concerns are articulated also within nations. A few sections of the population who have access to education, skills, social capital etc. are able to acquire lucrative employments, earn big incomes and enhance their standard of living while the majority poorer sections have had to suffer. The liberalization policies of their governments in withdrawing the state from social sector have deteriorated their conditions. These inequalities have been more pronounced in the developing societies where large scale income and wealth inequalities exist, along with massive poverty and deprivation.

Check Your Progress IV

Note: Use the space provided for your answer.

1) Critically examine the link between globalization and inequality.

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4.7 INDIA IN THE CONTEXT OF GLOBALIZATION

You have read in Unit 3 that India adopted a mixed economy in which public and private sectors were to coexist. This Nehruvian model of planned economy with private sector participation went on till the 1980s. India took a decisive step towards globalization in 1991 with the adoption of the New Economic Policy.

The decade of 1980s saw a decline in India's balance of payments. The Second Oil Shock has pushed import bills (India imports about 70 percent of its Oil) while exports were falling. As a result there was a 'balance of payment crisis'. Trade deficits had soared up and foreign exchange reserves had come down to $1.1 billion in June 1991 which could not have supported the imports beyond two weeks. India was also on the point of defaulting on its debt servicing for earlier loans it had taken from international financial institutions. To meet this crisis, India approached the IMF and the World Bank for assistance who put the conditionality of stabilisation and structural adjustment programme to be taken up. India took up the measures by adopting the new economic policy in 1991 which is briefly described below.

New Economic Policy

India adopted the new economic policy (known as the 'reforms') with the aim of liberalization, privatization and globalization, to be brought through the structural adjustment programmes. The essential components of the reforms were (a) Stabilisation, meaning cutting down of fiscal deficits and money supply (b) Domestic liberalization like relaxing restrictions on production, investment, price controls, and increasing the role of government in resource allocation, and (c) External sector liberalization to ease the inflow of goods, services, technology and capital (Ray, 1993).

India took up measures in different sectors to implement these liberalization policies. In the industrial sector, it abolished industrial licensing for all projects except a few specific groups, dereserved many items until now reserved for public sectors, and started a disinvestment of public sector undertakings.

As trade policy reforms, the earlier regulations and controls on imports were removed, non-tariff barriers for foreign goods on all items except consumer goods were removed. This was a policy of import liberalization.

In the financial sector, private banks were permitted to operate; foreign investments in capital market were allowed. Exchange rate policy was revised. Rupee was progressively devalued to facilitate exports and encourage inflow of foreign direct investments into the economy.

These measures were the first steps towards India entering the globalized world. In the years to come, the governments have devised policies to expand these measures and put the country more firmly on the path of liberalization and globalisation.

Impact of Liberalization

India's road to globalization has been like a joy ride for some but also torturous for many. The impact of economic liberalization on Indian society is a mixed one, which has generated much debate among scholars. While many view this with optimism and call for further liberalization, there are others who point at the social costs. In general, the post-liberalization period has been a period of high growth for the economy, of increased opportunities for some sections of people, particularly of the middle class who have found increased incomes from employment in information technology and other such lucrative sectors. But is has also affected the poor, peasants, workers in the country with their loss of income, employment and well being. (See unit 5 also).

The compound rate of growth in the second half of the 1980s was 5.8 per cent per annum but in the reforms period starting from 1992-93, the growth rate came to 6.5 per cent per annum rising to 6.8 percent till 1998-99. It has risen further to cross the mark of 8 percent in 2006. Following liberalization, there was an industrial revival with industries coming out of recession. Fiscal deficit has come down to 4.4 percent in 2004-05 from 5.7 per cent in 1992-99 and 8.5 percent during 1985-91. The government has therefore managed its fiscal situation very well after the reforms (Kapila, 2007).

The inflation rates have been in the decline since 1992. India's foreign exchange reserves have soared from $1.1 billion in 1991 to $217 billion in 2006. Sensex has touched new heights to cross the unprecedented 17,000 mark signalling the health of the capital market.

However, it is said that globalization has had differential impacts on sections of population, often diametrically opposite in nature. India's globalization venture does not seem to have achieved much in terms of its impact on overall social development. On poor and weaker sections, its impact has been dismal.

There has been a rise in food grain prices and other goods of mass consumption at a faster rate than prices of other goods. This indicates that the share of burden of adjustment by different sections of society has been uneven and weaker sections may have been affected more (Kapila, 2007). The impact of food security is found to be negative, with the average consumption of food grains going down from 177 kg to 155 kg per head per annum from 1991 to 2001, almost to the level of 1947 figures (Patnaik, 2007). This has been compounded by stagnation in agricultural sector while there has been a growth in the service sector.

On poverty, the effect of reforms has been controversial. According to Planning Commission, poverty has declined from 36 percent of population (head count ratio) to 26.1 percent in 1999-2000. But many scholars have disputed these figures because of a change of criteria in poverty estimation (Dreze and Sen, 2006; Patnaik, 2007). There may have been a change in the poverty scenario but the exact quantification is a matter of debate.

Dreze and Sen (2006) note that India's liberalization has not achieved much on poverty reduction and social progress despite an acceleration of growth because of its lack of emphasis on inclusion of all sections for a 'participatory growth'. So where as particular sectors, especially oriented to more specialised and more middle class skills, have shown growth, there has been no change in poverty reduction and social progress. The recent growth performance has been driven by the accelerated growth of service sector in which the country has made remarkable progress—in information technology and related services. The potential benefits of the growth has been diluted by imbalances in growth patterns, growing inequalities and state inaction in crucial social fields of human development The potential of globalization to bring progress to all must be brought through an emphasis on equity, justice and participation by focussing on non-market institutions of human welfare.

Impact on Different Sections

Globalization has created islands of prosperity amid poverty in India. While the service sector has shown tremendous growth driven by the IT sector, industrialisation has not shown much result, as manufacturing has only marginally grown. As we will see in Unit 5, the unemployment rates have been higher than the pre-liberalization period and a sizeable workforce is out of work. Also, the contraction of public sector employment has hit the organised sector workers hard. Policy of hire and fire and contractual employment has meant job insecurity for workers. The condition of unorganised sector workers has further worsened. The stagnation in agriculture due to lack of government investments has resulted in food insecurity, unemployment, casual employment and loss of income to the rural masses. There are new farming systems coming into agriculture like contract farming, capital intensive farming and corporate-controlled farming, threatening the livelihoods of small and marginal peasants. The big farmers and corporate have benefited from export-oriented agriculture while the poor peasants have suffered the distress. Markets have not delivered the promises of higher return to small cotton farmers in Vidarbha, driving thousands of them to commit suicide.

Under the liberalization regime and penetration of markets into tribal areas, tribal people are being alienated from their land, water, forests and livelihoods. The resources are being taken over by corporate houses to set up industries, or for mining. With increasing industrialisation under the liberalized regime, tribal areas will witness massive environmental degradation and further marginalisation of tribal communities.

The urban areas have shown growth and a rise in incomes. But most of it has been cornered by the middle classes whose size is swelling. It is estimated that by 2020, half of the Indian population would comprise of the middle class. This class has befitted from globalization and has emerged as its ardent supporters.

Dreze and Sen (2006) point out that globalization has shaped the progress of the world through thousands of years and there is much to be gained from increasing contacts with the world. But the main issue is to make good use of the potential of economic interaction and technological progress in a way that it pays attention to the interests of the deprived. This is because ultimately the value of wealth (meaning economic growth) lies in expanding human development. You will read more on this in the next Block.

Box 4.1

Challenges before Globalization

Today's globalization is being driven by market expansion—opening national borders to trade, capital, information—outpacing governance of these markets and their repercussions for people. More progress has been made in norms, standards, policies and institutions for open global markets than for people and their rights. And a new commitment is needed to the ethics of universalism set out in the Universal Declaration of Human Rights. Competitive markets may be the best guarantee of efficiency, but not necessarily of equity. Liberalization and privatization can be a step to competitive markets—but not a guarantee of them. And markets are neither the first nor the last word in human development. Many activities and goods that are critical to human development are provided outside the market—but these are being squeezed by the pressures of global competition. There is a fiscal squeeze on public goods, a time squeeze on care activities and an incentive squeeze on the environment. When the market goes too far in dominating social and political outcomes, the opportunities and rewards of globalization spread unequally and inequitably—concentrating power and wealth in a select group of people, nations and corporations, marginalizing the others. When the profit motives of market players get out of hand, they challenge people's ethics—and sacrifice respect for justice and human rights. The challenge of globalization in the new century is not to stop the expansion of global markets. The challenge is to find the rules and institutions for stronger governance—local, national, regional and global—to preserve the advantages of global markets and competition, but also to provide enough space for human, community and environmental resources to ensure that globalization works for people—not just for profits.

Globalization with:

- Ethics—less violation of human rights, not more.
- Equity—less disparity within and between nations, not more.
- Inclusion—less marginalization of people and countries, not more.
- Human security—less instability of societies and less vulnerability of people, not more.
- Sustainability—less environmental destruction, not more.
- Development—less poverty and deprivation, not more

Source: Human Development Report 1999

Check Your Progress V

Note: Use the space provided for your answer.

1) What is liberalization? How has India taken up a path to globalization?

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2) Discuss the impact of globalization on India.

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4.8 LET US SUM UP

In this Unit, we discussed about the dimensions of globalization. You saw that globalization is an economic, but also social, cultural and political phenomenon. Transnational corporations, information technology and international non-governmental organisations are the driving force of this process. You also read about liberalization and its essential tenets. India adopted this measure in its drive towards globalization, resulting in a high growth rate which is continuing. Its impact on Indian society has not been even though. We also discussed the impact of globalization on society and on inequality and on sections of the Indian society. We read about the need to make globalization a just, fair and equal process.

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UNIT 5 CHANGING OCCUPATIONAL STRUCTURE AND IMPACT OF LIBERALIZATION

Structure

*Chinmoy Biswal**

5.0 OBJECTIVES

After liberalization in 1991, the Indian economy is undergoing a transformation. Its impact has been felt in employment and occupations. This Unit is designed to give you an insight into the changes in work and occupational structure. After going through this Unit, you should be able to:

- define occupation and occupational structure;
- explain how occupational structure changes;
- describe the trends in employment and unemployment in India;
- examine the changes in occupational structure after reforms; and
- explain the emergence of new occupations in India.

5.1 INTRODUCTION

You have already read that liberalization of trade and commerce and opening up of the economy for world market is an essential feature of globalization. It has deep impact on the internal structure of the economy, especially on work, employment and occupations. As a result of this process, old occupations undergo change and new occupations emerge. After liberalization, new occupations are emerging in the fields of information technology, business process outsourcing, sales and marketing, research etc. opening up newer opportunities for the younger age group.

5.2 DEFINITION AND MEANING

Occupation may be defined as the economic role played by a person outside of household/domestic activity which accrues the person an income and a general

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social status. Simple societies have very few occupations. With progress of a society from simple to complex, and with increasing division of labour, new tasks emerge, so do new and more occupations. Hence, the occupational structure of a complex society is far developed and broad ranging than that of a simple society. For example, an industrial society will have predominantly manufacturing based occupations along with service-based ones, in addition to agriculture, fishing and the like.

The Oxford Dictionary of Sociology defines occupational structure as the aggregate distribution of occupations in society which are classified according to skill levels, economic functions, or social status.

There is neither a universal system of classifying occupations nor any universal occupational structure (see box 5.1). It is determined by a number of factors such as the geography of a place, level of technological development and productive forces, division of labour and specialisation, levels of per capita income, structure of the economy and so on. Geography and ecology of a place put constraints over the choice of work by the availability of resources. For example, a coastal area rich in fishing resources will have fishing as the predominant occupation. Even in developed industrialised countries like Norway, Sweden and Canada, forestry (a primary activity) provides sizeable employment as does fishing in Japan. As technology advances, productive forces are developed and there is diversification in the occupational structure. It is a historical experience that when the per capita income of an economy is low, sizeable labour force is employed in agriculture, animal husbandry, fishing and forestry. As the per capita income rises, demand for manufactured goods rises, thereby expanding the output in manufacturing industries in the secondary sector. Thus a labour shift occurs from agriculture and allied activities to industrial occupations.

Box 5.1

Occupational Structures

An example of occupational structure is as following: professional, technical, managerial, clerical, sales, skilled, semi-skilled, and unskilled. These categories may be further sub-divided into a number of particular occupations.

The International Standard Classification of Occupations (ISCO) of International Labour Organization draws a pyramid-like hierarchal structure consisting of 10 major groups, subdivided into 28 sub-major groups, 116 minor groups and 390 unit groups. Industrial structure may classify according to broad areas like primary, secondary and tertiary or further sub-divide them into agriculture, manufacturing transportation, communication, government trade, and other services.

In India, the Census classifies occupations using categories such as ‘primary sector’ sub-divided into cultivators, agricultural labourers, livestock, forestry and fishing, mining and quarrying; ‘secondary sector’ sub-divided into household and other industry, and construction; ‘Tertiary sector’ sub-divided into trade and commerce, transport, storage and communications, and other services.

The Census of India, 1991 drew an occupational structure using the following category: professional, technical and related workers; administrative, executive and managerial workers; clerical and related workers; sales workers; Farmers, fishermen, hunters loggers and related workers; service workers; production and related workers; transport equipment' operators and labourers; and workers not classified by occupations.

As evident, the classification depends on the goal of the agency which is classifying it as well as the particular situation of occupation in a society.

Occupational mobility is defined as the change of job or occupation by a person after acquisition of new skills. It can be intra-generational when a person changes occupation within his working life, or intergenerational when a person pursues an occupation different from one's father. It can be upward when the new occupation is of higher status and reward, or downward when it is the opposite.

Societies can be classified as 'status society' and 'occupational society'. A status society is one in which one's social status (usually ascribed by birth, gender, age) determines what occupation one would pursue. Caste societies in India were status societies since occupations were fixed on the basis of caste. Status societies have little or no scope for occupational mobility. In contrast, an occupational society has high level of division of labour, a highly developed cash economy and relatively free labour markets. One's occupational status is distinct from one's other statuses and there is great degree of mobility.

5.3 HOW OCCUPATIONAL STRUCTURE CHANGES

Changes in occupational structure reflect the changes in the structure of division of labour and functional interdependence of the society. According to Karl Polanyi (1944), growth of scientific knowledge, changes in work organization due to technological changes, growth of markets, rise of industrial and commercial centers and other societal changes affect the composition of occupational structure and the behaviour of workers both within and outside it. Sometimes, the changes are so extensive that many occupations become obsolete, new occupations come up and there is great deal of movement of workers from one occupation to another. It usually happens at times of large scale changes in the economic structure and markets, and during technological changes like the one that occurred during Industrial Revolution. It also occurs due to continuous technological evolution. For instance, when offset printing came, letter-type setting became obsolete and compositors lost their occupation. In such transition periods, there is growth of temporary, irregular and multiple job holdings, along with unemployment. Occupational structure also undergoes change when the power, prestige and economic rewards (income) associated with different occupations change. These changes are by means of occupational mobility of individuals as well as groups.

With progress in industrialisation, the occupational structure goes through a definite trend — from primary occupations to secondary to service sectors. Initially it draws labour from those already employed in agriculture. As a result, proportion of workers in manufacturing and urban areas rise. With further progress of industrialisation, technology is transferred to agriculture raising its productivity through mechanization. This releases agricultural workers to be transferred to manufacturing and other sectors (Kerr, 1962; Form, 1972). Eventually, manufacturing employs higher proportion of workers than any other sectors. But the same phenomenon starts operating here as industrialisation matures. The quest for efficiency leads to more and more technological inputs in production and cutting down of labour costs. It is then that more and more workers shift to service industries like trade and commerce, transportation and communication professions, government services etc. So, eventually the tertiary sector would employ the majority of urban workers. In deed, this phenomenon observed in some advanced industrialized countries led Daniel Bell to conceptualize the 'post-industrial society'.

However, this pattern may not be universal. All newly industrialising economies may not undergo this pattern exhibited by early industrial nations. Clark Kerr gives three reasons for this. One, newly industrialising countries rely heavily on import of industrial technologies and organisation from developed countries. These are highly advanced. So the receiving countries need not undergo the same structural processes to reach at these levels in technology. Two, the independent evolution of an industrial structure is not required because the organisation structure necessary for industrialisation is also imported, for example, educational systems, legal systems, regulatory agencies, knowledge generating institutions, employment services, administrative and professional services. Three, each industrialising nation would adapt and invent in its own unique way due to difference in demography, social and cultural milieus from those of the advanced industrialised nations. It is therefore possible for a highly advanced manufacturing sector and service sector to coexist with traditional agriculture or primary sector in an economy. It is said to be the case in India.

Is the Change Automatic or Planned?

It may seem from the above discussion that changes in occupational structure occur automatically by responding to changes in the economic structure. But it is not so. Change in occupational structure is also a matter of careful planning. There are various groups who try to shape the occupational structure to meet their own interests or those of the state (Form, 1972).

These deliberate efforts to change the occupational structure are needed to meet the ever changing and ever emerging needs of the economy. When there is unemployment or underemployment due to technological or market changes, or emergencies like wars, disasters etc. which require more people in specific jobs, or when educational institutions cannot supply the required persons for new industries, a need for such intervention arises. Also, there are demands in a democratic polity to provide equal employment opportunities for disadvantaged groups in society. The Government of India, for instance, has taken up affirmative action for disadvantaged groups like SCs and STs through its policy of reservation in jobs. So, interventions to change the occupational structure may be aimed at meeting the changing demands of labour market and also at addressing social concerns.

Three agencies are involved in this process: State, educational institutions and occupational associations. It is the duty of the State to ensure employment for all and maintain economic growth. So it plans sectoral allocation of labour and establishes agencies to train workers, and employs them in industries. Educational institutions (both of the State and private bodies) like schools, colleges, universities etc. impart education and skill, preparing students to pursue certain occupations. But they may not be able to supply all the labour to meet the diversified needs of the occupational structure. Moreover, their curriculum and subject matter of teaching is also shaped by broader educational goals, not just to meet demands of job market.

Occupational associations have a monopoly over knowledge and skills by virtue of which they influence the size of their respective occupations. They open training schools, arrange placements and meet the demands of industry from time to time. They may also influence the educational and governmental programmes to control entry, training and placement of workers.

Check Your Progress I

Note: Use the space provided for your answer.

1) Define occupational structure. Give examples.

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2) Discuss how an occupational structure undergoes change.

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5.4 LIBERALIZED ECONOMY IN INDIA

You have already seen in Unit 4 that economic liberalization is the chief vehicle of globalization. The opening up of India's economy by the New Economic Policy of 1991 has brought changes in various sectors of the economy, mainly in trade and investment. Deregulation and liberalization for foreign investment, and privatization and disinvestment to give bigger role to the private sector were the central aspects of these reform measures. Internal liberalization included measures that were against the direction Indian economy had hitherto moved — relaxation of the industrial license regime, de-reservation of a number of sectors for private investments which were until now a domain of the State, disinvestment of shares in many public sector enterprises and outright sale of some, decontrol of administrative prices and financial liberalization. External liberalization meant removal of non-tariff barriers to imports, lowering of import duties and allowing foreign investment in Indian stock markets. The liberalization measures initiated a period of economic growth in the country, expanded investments, including foreign investments, and led to a swelling up of foreign exchange reserves. It is also supposed to have expanded employment opportunities and generated new occupations. We will analyse the impact of these measures on employment and occupation in the next section.

5.5 IMPACT ON OCCUPATIONAL STRUCTURE

Although the exact impact of these macroeconomic reforms in various spheres is still being studied, there are indicators by which we can assess the trends. The employment and unemployment rates, work participation rates, marginal and main workers etc. are reliable trends to assess the impact. We will begin by looking at the impact on workforce and the occupational structure based on the data collected by the Census of India 1991 and 2001, National Sample Survey Organisation (NSSO) over various rounds, mainly the 93-94 and 2000 rounds. The National Family Health Survey (NFHS) data was collected over two periods 1992-93 and 1998-99, roughly corresponding to the pre-liberalization period and post liberalization periods.

Work Participation Rate (WPR)

The work participation rate or ratio is defined as the ratio of economically active population to the total population. In other words, it is the per centage of working population (male and female) in the total population. As can be seen from table 5.1, the work participation rate of main workers has gone down in the liberalization period (from 1991 to 2001). This is true for both male and female workers. The NSSO survey also shows a decline in work participation ratio in the period of liberalisation during 1993-94 to 1999-2000. However, the Census Survey, 2011 shorts a increase in the work participation ratio in the period 2001-2011.

Table 5.1 : Work Participation Rate of Main Workers

(in percentage)

	1971	1981	1991	2001	2011
TOTAL	30.5	33.5	34.2	30.5	**39.11**
Male	52.6	51.6	51.0	47.8	**51.7**
Female	12.1	14.1	16.0	14.7	**25.6**

Source: Census of India, 2001

The NFHS data on urban India shows that the overall work participation rate in urban India has declined during the period 1992-93 to 1998-99 (the periods of two NFHS surveys). The biggest decline has been for the population above 45 years but the rate remains constant for the prime working age group (20-59 years). A significant finding is that the work participation rate has declined for the age group of 50 and above. So it can be said that the Voluntary Retirement Scheme during the privatization drive (an internal liberalization measure) has affected the elder age group in urban India (Mohanty, 2004).

The female work participation ratio in urban India has risen from 19 per cent to 21 per cent for the prime working age group (20-59 years) during the period while that of males has remained almost constant at 88 per cent. In addition, the work participation of prime working age group has shown a decline in large/ capital cities- from 57 per cent to 55 per cent, but it has shown an increase from 53 to 55 per cent in small cities, and from 54 per cent to 55 per cent in towns. In other words, the employment opportunities seem to have increased marginally in small cities compared to large cities.

Employment and Unemployment

Table 5.2 gives the growth rate of employment over three periods. The period from 1993-94 to 1999-2000 can be taken to assess the impact of liberalization. There has been a slow down in overall rate of growth of employment in this period compared to earlier periods in both rural and urban areas. While rural employment growth rate has seen a massive fall (from 2.03 per cent to 0.66 per cent), it has fallen comparatively slowly in case of urban. Urban employment still shows higher rate of growth than rural. So, there has been an overall slowdown of employment in the reform period, more so in the rural areas.

Table 5.2 : Growth Rate of Employment

(per cent change per annum)

Period	Rural	Urban
1983 to 1987-88	1.36	2.77
1987-88 to 1993-94	2.03	3.39
1993-94 to 1999-2000	0.66	2.27

Source: Chandrasekhar and Ghosh (2006)

The NSSO data on employment and unemployment situation in the country collected in the 50th round (1993-94) and 61st round (2004-05) gives a fair idea of this unemployment trend. It reveals that unemployment rate has gone up in the period corresponding to liberalisation both in rural areas and urban areas among both male and female population. On the basis of current daily status (in which each day of the seven days preceding the date of survey as the reference period), unemployment rate for males has increased from 5.6 per cent to 8 per cent in rural areas, and from 6.7 per cent to 7.5 per cent in urban areas. For females, the unemployment rate rose from 5.6 per cent to 8.7 per cent in rural areas and from 10.5 per cent to 11.6 per cent in urban areas (Economic Survey, 2005-06 and 2006-07).

There has been a comparative change in the scenario in rural and urban unemployment for males in these periods. While urban unemployment rates were higher than rural unemployment rates for both males and females in the 50th round, the unemployment rate for rural males is found to be higher that of urban males in the 61st round.

The trends of higher unemployment rates on the basis of current daily status imply that there has been absence of regular employment for many workers and a high degree of intermittent unemployment.

Marginalisation of Work

The Census of India defines **main workers** as those who work for at least 183 days in a year, and **marginal workers** as those who work for less than 183 days in a year. If there is a growth of marginal workers in the work force, we call the phenomenon as 'marginalisation'. It is a sign of general deterioration in the condition of employment and in the economic condition of the workers.

The share of main workers in the workforce is on a decline while that of marginal workers is on a rise during the period of liberalisation, as can be observed from the changes in per centage share of main and marginal workers (compare column 2, 3, 6 and 7 in Table 5.3). The share of main workers in 2001 has come down to 30.5 per cent from 34.1 per cent in 1991. At the same time, the share of marginal workers has gone up from 3.4 per cent to 8.8 per cent. There is a slight improvement in the category of non-workers.

Table 5.3 : Per centage of Workers by Category to Total Work Force, 1991 and 2001

	1991				2001			
	Main	Marginal	Non-worker	Total	Main	Marginal	Non-Worker	Total
Total Persons	34.1	3.4	62.5	100	30.5	8.8	60.7	100
Male	50.9	0.6	48.4	100	45.3	6.6	48.1	100
Female	15.9	6.3	77.7	100	14.7	11.0	74.3	100

Source: Census of India 1991 and 2001

Although in absolute numbers, both main and marginal workers are increasing and the main workers still constitute about three and a half times that of the marginal, the growth rate of the latter is much higher (12.66 per cent) in comparison to the former (1.17 per cent). Also, the rate of growth of main workers has slowed down from 2.37 per cent to 1.17 per cent, while that of marginal workers has rapidly grown from 2.44 per cent to 12.66 per cent (See Table 5.4).

Table 5.4 :Main and Marginal workers 1971 to 2001 (Number and annual growth rate)

Year workers (in crores) (per cent)	Main growth rate	Annual workers (in corres) (per cent)	Marginal growth rate	Annual workers	Total
1971	17.50	-	0.57	-	18.07
1981	22.07	2.35	2.13	14.09	24.20
1991	27.89	2.37	2.71	2.44	30.60
2001	31.32	1.17	8.93	12.66	40.25

Source: Tata Service Ltd. Statistical Outline of India 2001-02; Census of India, 2001.

This shows a trend of marginalization of workforce in the economic reform period. Changing labour legislations due to liberalization has led to “hiring” of contract workers, casual workers and daily wagers where permanent workers were employed earlier. A process of casualisation can be seen here which has converted many main workers into marginal and also squeezed the space of main work for new entrants into the workforce who now join as marginal workers.

Since the 1990s, there has been a positive growth rate in rural workers and urban workers. In the decade of 1980s, the annual growth rates of both urban and rural workers were falling. But the growth of urban workers has always remained above that of rural workers. This can be explained by the migration from rural areas to urban areas in search of work and livelihood, not due to any demographic factors. This fact points towards the squeezing of employment opportunities in rural areas and expansion in urban areas.

How to explain the higher rate of growth of urban workers when the rate of growth of main workers itself has remained low in the 1990s? This can be explained as due to the increase in number of marginal workers in urban areas after 1991. This is another indicator of casualisation of labour post-economic reforms.

A comparison of male and female workers shows that while both categories have reversed the falling growth rates compared to the decade 1981-91 (compare annual growth rate figures for 1981, 1991 and 2001), the rate of growth for male workers remains higher than the decade of 1971-81 while that of female workers remains lower (3.77 compared to 5.61). It has been explained by the higher rate of influx of male workers as marginal workers in the post-1991 period. Female workers also joined the labour force as marginal workers, but their numbers remained lower.

Occupational Structure

The nature of change in occupational structure can be assessed from National Sample Survey Organization (NSSO) data collected over different rounds in various time periods. Table 5.5 presents three rounds of NSSO survey: 1983, 1993-94 and 1999-2000. The period 1993-94 and 1999-2000 can be taken as the liberalisation period because the liberalisation, introduced in 1991, started showing its impact in a couple of years.

Table 5.5 : Employment by Sectors

(in number and per centage)

INDUSTRY	Employed workers (million)			Per centage		
	1983	**1993-94**	**1999-2000**	**1983**	**1993-94**	**1999-2000**
Agriculture	207.23	242.26	237.56	68.4	64.2	59.8
Mining and Quarrying	1.76	2.7	2.27	0.6	0.7	0.6
Manufacturing	34.03	42.50	48.01	11.3	11.3	12.1
Electricity, gas and water supply	0.85	1.35	1.28	0.3	0.4	0.3
Construction	6.78	11.68	17.62	2.2	3.1	4.4
Trade	19.22	27.78	37.32	6.3	7.4	9.4
Transport, storage	7.39	10.33	14.64	2.4	2.8	3.7
Communication	1.70	3.52	5.05	0.6	0.7	1.3
Community, social and personal services	23.20	35.13	33.20	7.9	9.4	8.4
Total	**302.76**	**374.45**	**397.00**	**100**	**100**	**100**

Source: Economic Survey, 2001-2002

The following observations can be made from table 5.5

1) There has been a decline in the share of agricultural employment since 1983 to 2000. In addition, the absolute number of workers has also fallen between 1993-94 and 1999-2000. However, agriculture is still the largest employer in the country.

2) There has been an upward growth in number of workers employed in manufacturing in the entire period, the larger growth having been achieved between 1993-94 and 1999-2000.

3) The rise in share of manufacturing is not high enough (from 11.3 per cent to 12.1 per cent) to provide employment to those who are not employed in agriculture any more.

4) Trade comes up as the next biggest occupation employing about 9.4 per cent of workers. Its share is also growing.

5) Community, Personal and social services employ about 8.4 per cent of the workforce, but there is a fall in its per centile share in 1999-2000 as compared to 1993-94, so also in absolute number of workers employed.

6) There is growth in employment in construction, communication and financial services.

The **NFHS-2** (1998-1999) listed 98 occupations in **urban India** which were regrouped into 19 categories and further into 5 main groups for analysis (Mohanty, 2004). It shows that that the predominant occupation in urban India is skilled manual: 13 per cent in urban India, 11 per cent in capital/large cities, 14 per cent in small cities and 13 per cent in towns. The second most practiced occupations are those of merchants, shopkeepers, wholesale and retail trade which is of similar proportion in all urban areas. The third most practiced employment is those of labourers (11 per cent). The clerical and related workers are the fourth largest practiced occupation. Their proportion is higher in large/capital cities than small cities and towns. Among the other main occupations, 6.5 per cent are in administrative, executive and managerial while 2.1 per cent are medical professionals. The architect and engineering occupations constitute about 1.3 per cent of total working population, while agriculture and allied activities are the occupation of less than 1 per cent workers in capital/large cities of India.

To understand the distribution, these 19 groups are further regrouped into five broad groups as follows:

Group I: Low paid jobs (workers, laborers, domestic worker, transport worker, service worker, housekeeper and agriculture and allied activities and others)

Group II: Moderately low paid jobs (skilled manual, sales and machinery and electrically skilled worker).

Group III: Average (clerical and related workers, teachers and artists)

Group IV: Moderately well paid group (Merchants, shopkeepers, wholesale and retail trade and manufacturing agents and money lenders

Group V: High paid jobs (Administrative, executive, medical professionals, social scientist, architect and engineering)

About 42 per cent of employment in urban India are of low paid jobs (Group I) followed by 25 per cent in moderately low paid jobs, 13 per cent each in average income group and moderately high paid jobs and 8 per cent in high paid jobs (Group V). There is a difference by type of urban locality. About 37 per cent of the labour force is working in low paid jobs in large cities, 40 per cent in small cities and 46 per cent in towns. On the other hand, the proportion of workers in high paid jobs is higher in large cities, followed by small cities and towns, although their differential is not that large.

More than two-third work force among males is engaged in low paid jobs (Group I and Group II). The proportion is even higher for females.

Among males in urban India, about 14 per cent are working as merchants, shopkeepers, wholesale and retail trade followed by 11 per cent as skilled manual, 11 per cent as labourers and 8 per cent each as clerical and related workers. On the other hand, among all working women in urban India, about 19 per cent of them are working skilled manual, 13 per cent as agricultural workers, 12 per cent as teachers as well as service workers and 8 per cent as clerical and related workers.

The gender differentials in occupation pattern becomes clearer from the following: *in capital cities*, the most practiced employment among females is as domestic workers followed by clerical and related workers, skilled manual and teachers. About 19 per cent of women workers in capital/large cities work as domestic workers, compared to only 2 per cent of males.

The occupational differential on the basis of social and religious categories is also clear. About 64 per cent of working population among STs is engaged in low paid jobs as compared to 60 per cent among SC and 37 per cent among others. On the other hand, only 9 per cent working population among ST are engaged in well paid/moderately well paid jobs (Group IV and V) as compared to 10 per cent among SC and 23 per cent among others. The implication is that the social inequality with respect to caste in occupation is prevalent in urban India.

Among Hindus as well as Muslims, a large proportion is engaged in skilled manual jobs and as merchants, shopkeepers and retail trade followed by labourers. Among Christians, a higher proportion is engaged in clerical and related work followed by teachers, and labourers.

Organised and Unorganised Sectors

Data collected on various rounds of NSSO show that employment in organized sector is on a decline as also in the unorganized sector (refer to table 5.6)

This is another indication of the impact of reforms on occupational structure and employment. After a growth rate of 1.2 per year between 1983-94 (due to governmental thrust on employment generation in the Sixth Plan), the growth rate in organized sector employment fell to 0.53 per cent between in 1994-2000, a post-liberalisation period. This is due to the downsizing of public sector employment. Interestingly, public sector employment has been hit worst registering a decline in absolute number between these periods while the private sector employment has definitely risen. This is clearly an effect of liberalization.

The decline in the rate of growth in unorganized sector is interpreted by many as a sign of prosperity and demographic changes. This is not the case, because the labour force has in fact risen during this period. On account of liberalization, income inequalities have gone up and the unorganised sectors workers have been worst affected. If workers are not joining the unorganised sector work, it is not because they have become prosperous now, but because there is not enough work available to them, on account of a "jobless growth" during this period.

Small scale industries have been forced to close down due to fierce competition from cheap imported goods, leaving the workers without work. Agriculture is already saturated and cannot absorb any more workers. This explains why there is decline in growth rate of unorganized sector during the first few years of liberalization.

Table 5.6 : Employment Growth in Organized and Unorganized Sectors

	Employment (Million)			Growth rate (per cent per annum)	
Sector	**1983**	**1994**	**1999-2000**	**1983-94**	**1994-2000**
Organized sector	24.01	27.37	28.11	1.20	0.53
Public sector	16.46	19.44	19.41	1.52	-0.03
Private sector	7.55	7.93	8.70	0.45	1.87
Unorganized sector	278.7	347.08	368.89	2.01	1.02
Total employment	302.75	374.45	397.00	2.04	0.98

Source: Economic Survey, 2001-2002

Check Your Progress II

Note: Use the space provided for your answer.

1) Assess the impact of liberalization on urban workers.

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2) Examine the employment impact of liberalization.

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3) Discuss the changes in occupational structure in the reforms period.

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5.6 THE GROWTH OF NEW SECTORS

One of the boons of liberalization has been the expansion of particular service sectors and also creation of new sectors which have great employment potential for educated workforce. As restrictions in trade and business are lifted, any country is able do business anywhere, multinational corporations are relocating much of their business operations in the third world countries with educated skilled human resources to meet their needs so that they can cut costs. Many countries including India have benefited hugely from this growth. India has emerged as the favourite destination of overseas outsourcing jobs, both in the highly skilled knowledge intensive work and also in semi-skilled business process outsourcing work. These are service sector jobs and have flexibility in employment. The presence of large number of educated graduates with good ability in English language has been to India's advantage. The favourable climate for business due to freeing of market has attracted many foreign multinational companies to set up here. This has expanded the occupations in sales and business. An interesting phenomenon after liberalisation is the diversion of attention of educated youth from government jobs. Public sector and government jobs do not any more seem lucrative enough in comparison to private sector jobs. Also these new occupations are removing educational qualification barriers. People from diverse educational backgrounds are entering these occupations after acquiring the skills.

Knowledge Sector

The knowledge sector comprises high skilled knowledge occupations, information technology (IT) and information technology enabled services (ITES). Global giants in automobiles, telecommunications, chemicals, biotechnology, pharmaceuticals etc. are employing skilled human resource from India in their Research and Development (R&D) activities. Occupations in these sunrise industries have grown manifold.

IT sector is the biggest employer of highly skilled manpower. Now a day, anyone who studies engineering does not finally become an engineer, but may turn into an IT professional or a "software professional". Private software companies like Tata Consultancy Services, Wipro, Satyam, Infosys, Accenture, and thousands of smaller companies are providing jobs to these professionals. Bangalore has emerged as the IT capital of the country, with virtually all major software companies opening their offices there. The software workers are educated and technically qualified, most of them coming from urban middle class background.

Much of the IT jobs in India are dependent on 'foreign projects', coming mainly from the USA, Japan and other advanced countries. The Silicon Valley in USA, which is the hub of software, has the highest per centage of Indian workers. But the growth of IT sector in India is primarily due to what is known as "outsourcing", whereby foreign firms hire Indian companies to get their work done. So, a company located in a developed country gets its work done by professionals working for another company in India. Indian professionals get jobs because it is cheaper for the parent company to get it done here due to lower payments. So, professionals in India get work at the cost of their counterparts in advanced countries.

ITES are the services which have come up due to rapid advancement in information technology. Most prominent among them are BPOs, financial services, KPOs etc. which have developed due to developments in information technology. IT and ITES sectors contribute to around 20 per cent of India's export employing around 2 million people.

New Service Sector

You must have heard the word 'call center'. Ten years back, no one in India would know its meaning, but now everyone in urban areas knows it for sure. Call center is the typical example of the new service sector that has come up in the cities like Hyderabad, Delhi, Mumbai, Kolkata, Bangalore and Gurgaon. The new service sector has created jobs through outsourcing. Outsourcing means to let out certain operations of a company to a third party to cut costs as well as to streamline a firm's operation by focusing on its core competencies. For example, many consumer goods companies outsource their customer care operations to small firms who take calls from customers and attend to their problems. These are called call centers.

Outsourcing can be domestic or off shore. Domestic outsourcing is when the services of another party within the country are hired. It is offshore when a company outsources services to a third party in a country other than the one in which the client company is based, primarily to take advantage of lower labor costs.

These offshore outsourcings have caused an employment boom in India, referred by many as the "BPO boom". It includes not only Business Process Outsourcing or BPOs, but also Knowledge Process Outsourcing (KPOs), Legal Process Outsourcing, medical transcription, telemarketing, event management, market research etc. which are all IT enabled services. The BPO sector has shown maximum growth among these because post-liberalisation, MNCs have started operating in India in large numbers, hiring many BPO firms for tasks like customer care. The BPO workers are typically urban and English educated with good communication skills so as to be able to cater to their overseas clients too. These Customer Care Executives are the new professionals of the new economy earning good income.

Sales and Marketing

After liberalization, multinationals are coming to India for the vast market it supplies for their consumer goods. Called the "Fast Moving Consumer Goods" (FMCG) companies, they employ a sizeable portion of skilled manpower in managerial, sales, marketing, advertising and other such jobs. With huge salary packages, they attract middle class youth to take business management degrees and pursue these highly paid occupations. The field level marketing of goods are done by lower levels, unskilled or semi-skilled workers who are employed as salesmen, marketing executives etc. in urban areas. These occupations have expanded due to pro-business environment in the country after liberalization.

Check Your Progress III

Note: Use the space provided for your answer.

1) Discuss the emerging occupations in new Indian economy.

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5.7 LET US SUM UP

In this Unit, we discussed how an occupational structure undergoes change. We saw that economic liberalization has had diverse impact on the employment and occupational structure in India. Rate of employment growth has slowed down, and there is a general trend of marginalization of labour. Public sector employment has suffered while private sector employment has grown. This is reflected in the changes in occupational structure. New sectors and new occupations are coming up due to information technology and outsourcing, but mainly for the educated youth population.

5.8 FURTHER READINGS AND REFERENCES

Government of India (2007): *Economic Survey,* 2006-07. Read also the latest published every year.

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