

*Distinguished Lecture*

## **Redressing the Rural-Urban Imbalance**

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This paper focuses on rural poverty, its causes and effects, and suggests one of a number of possible measures to alleviate the problem. It examines why there exists an urban bias in development, and the impact it has on development patterns. The macro-implications derived from intensive longitudinal micro-studies of two South Indian villages are also examined. These studies throw into relief the key role income-generating opportunities play in rural societies. They show how the existence of such opportunities ensures the reduction of rural poverty and removes, or at least reduces, the need for rural-urban migration; whereas their absence has the reverse effect. As the growing rural population accompanied by increasing water shortages reduce the possibilities of continuing increases in agricultural productivity, there is an urgent need to urbanise *rural life* and to make it more attractive in terms of economy and infrastructure. Finally, an outline of a *Three-Level Rural-Urban Business Linkages* paradigm, which though putting emphasis on increased agricultural productivity, stresses the growing importance of establishing agro-based industries and the creation of other off-farm activities. It is presented as one option that may be pursued to redress the rural-urban imbalance and thereby reduce rural poverty. The paradigm involves a decentralisation of small goods productive processes in a setting of *Growth Areas* and *Growth Centres* that are linked with the nearest large towns and/or cities. As long as the political will exists and the necessary preconditions are met, the implementation of this paradigm constitutes a good chance of improving conditions in both rural and urban areas.

### **SETTING THE SCENE**

“Globally, 1.2 billion people are in extreme poverty. More than two-thirds of them are in Asia; South Asia alone accounts for nearly half of them.... Three quarters of the poor work and live in rural areas; significantly more than a half are expected to do so in 2025.... Progress with poverty reduction in the last decade has been slow.... The rural sector has largely remained neglected despite its great concentration of poor people....” [IFAD (2001), p. 1]. Over the past few decades rural areas have been exporting some of their poverty to urban settlements. “There are now more than 550 million slum dwellers in Asia; 187 million in Africa; 128

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million in Latin America and the Caribbean; and another 64 million in the world's 30 richest countries". [*The Guardian* (2003), p. 27]. The ever-growing rate of rural-urban migration of the poorer rural strata is the result of a combination of 'push and pull factors'. Absence of income-earning opportunities among the rural poor forces many of them to migrate to the cities in the hope of securing a livelihood for themselves and their families. A large proportion of them fail to realise their expectations and end up having to face life in urban slums, where they often find things much more difficult than they used to do in their native villages, mainly because urban life does not have the social cohesion that still exists in rural areas. For example, in cities like Dhaka, thousands of new immigrants live in squatter settlements set up on waste ground or on rubbish dumps. In Africa too the young of Burkina Faso and Mali migrate to different parts of west Africa seeking urban employment rather than try to scrape a living off marginal land. There exists also the *pull of the city*, the expectation of work and a more fulfilling life style fuelled by global TV networks and the media that entices particularly young villagers to move to cities. The explosive growth of world cities in the past few decades has left more than 900 million people living in urban slums with the probability that twice as many more will live in insanitary, overcrowded, unofficial settlements within 30 years.

Patrick Wakely, Professor of Urban Development, University College London states that

"at the beginning of the 21st century, half the world's population lives in cities and towns. Urban centres in Asia are expanding by an astonishing one million people a week—and rising. And the urban populations of Africa and Asia are set to double by 2025" [London (2000), p. 8].

The demographic forecast of a doubling of the African and Asian urban populations seems to be based on the assumption that the trend of rural-urban migration established over the last few decades will continue and that most rural dwellers long to uproot themselves just to live in an urban environment that they expect will offer them employment and business opportunities, better education and health facilities, and a variety of entertainment options. Therefore, many developers consider that the enormous growth of urban populations is inevitable and that nothing can be done to avoid it.

This rapid growth of urban centres is not only reflected in increasing crime and violence but also puts a lot of strain on local governments to provide services and infrastructures for the ever-growing influx of rural migrants. In turn this puts pressure on policy-makers to improve urban infrastructures so that cities can better absorb the increasing numbers of people. Such policies create a paradox: while on the one hand they will have the beneficial impact in helping to improve living conditions for rural migrants already settled in cities, on the other hand, by increasing the difference between rural and urban facilities they attract more rural

migrants which in turn leads again to deteriorating living conditions for the growing numbers of urban poor.

Presently National Governments and International Agencies concentrate on improving the infrastructures of secondary cities to reduce the pressure on capital cities. For example, the Karnataka State Government wanting to stop the further deterioration of Bangalore, the State capital, recently managed to secure a large grant from the Asian Development Bank to provide improvements in five of its secondary cities. However, what does not seem to be appreciated is that such expenditure can provide only temporary relief. Unless the volume of rural out-migration can be drastically reduced these secondary cities whose infrastructure is presently being improved will soon suffer the same fate that has already befallen the capital cities, such as large slum areas with substandard housing, excessive pollution and a high and continuously growing crime rate.

“The statistics are disturbing. Over 50 percent of the population of Karachi, Mumbai (Bombay) and New Delhi already live in slums. In Lagos and Nairobi, over 60 percent of households have no water connections, and in Jakarta the poor pay ten times more than the rich for clean water because they have to buy it from street sellers”. [Wakely, *op. cit.*].

It seems rather difficult to understand why academics and policy-makers accept the demographic forecast of a doubling of Africa's and Asia's urban population by the year 2025 as an unavoidable event. Rather than concentrate on preparing cities for their enormous growth and thereby continuing the urban bias in development, they would be well advised to seek preventive measures that will reduce the number of rural-urban migrants.

#### THE ORIGIN OF THE URBAN BIAS AND ITS EFFECT

Development of Less Developed Economies began to become an objective only after the second world war when colonies began to establish their independent nationhood. Seeing the much higher levels of living in Western countries it was reasonable for the governments of many of these new nations to take industrialised societies as their model. In many cases the first lot of Developing Country politicians and Chief Secretaries of Planning Commissions were either Western macro-economists or had been trained in the West. This was reflected in an urban bias that was built into the development paradigms used in countries where the majority of populations lived in rural areas and derived their livelihood from agriculture and/or animal husbandry. This urban bias “involves an *allocation* to persons or organisations in towns, of shares of resources so large as to be inefficient and inequitable, or a *disposition* among the powerful to allocate resources in such a way” [Lipton (1977), pp. 44–66]. Many developing countries' five-year plans show an excessive emphasis placed on industrialisation and a neglect of rural development.

Khurshed Alam Khan, Governor of Karnataka State in South India highlighted this when he pointed out: “that planners had neglected rural areas” and stressed “the need for setting up agro-based small scale industries in villages as that would create jobs. This would stop migration to cities and improve the quality of life of rural people”. [Deccan Herald (1998), p. 5]. Dr Nanjundappa, Deputy Chairman of the Karnataka State Planning Board expressed a similar concern when he said “rural development is still a non-starter in the State even after five decades of Independence..... He stressed that there was still a bias towards urban areas in the growth policies and cautioned that such growth policies would only increase the gulf between the poor and the rich and the rural and urban areas... While thousands of crores were spent for implementing the Cauvery fourth phase drinking water project to help Bangalore City, there were many villages without drinking water facility..... Hardly any honest attempt had been made to bring an ordinary villager into the mainstream of production, he alleged and stressed the need for changing the policies in order to bring about integrated development in villages.... The present technocratic strategy should be replaced by a strategy that allocates importance to the human component of development” [Deccan Herald (1999), p. 3].

Though it is widely recognised that there exists an urban bias yet to prove it is usually pretty difficult. ‘It requires demonstrating the widespread existence, inefficiency and inequity of substantially worse rural than urban *outcomes* and such material is extremely difficult to find’ [Lipton (forthcoming)]. Though official statistics of many Developing Countries provide a wealth of interesting data including totals for the respective expenditure on agricultural/rural and industrial Public Sector Development Programmes (PSDP) the expenditure on the remainder of the list’s sectors such as for instance ‘Education and training’, ‘Health and nutrition’, ‘Science and IT’, ‘Mass media’ ‘Research, Statistics and Planning’, ‘Transport and Commerce’ the figures fail to show separately how much of each item relates to rural and urban areas. Moreover, the periods of different sets of statistics often differ which adds another obstacle to establishing the extent of the relative per capita public expenditure in rural and urban sectors. For instance, the latest Pakistan PSDP figures refer to the year 2002-3 (see Table 1), whereas Pakistan population figures are based on the 1998 census (see Table 2). A tentative calculation that allocates 50 percent each to rural and urban areas of other sectors for which no such separate totals are provided and then uses population statistics indicates that the PSDP *per capita expenditure amounts to almost twice as much in Pakistan’s urban areas than it does in the rural sector*. Yet this is likely to be an underestimate because the actual expenditure e.g. on health services for urban areas is considerably greater than for rural areas (see Table 3). It is a well known fact that most Developing countries also spend a lot more on urban education than they do in rural areas. “Since market response—rural people moving towards better lives, urban capital moving towards better returns—would normally slash inefficient disparities of

Table 1  
Public Sector Development Programme, Pakistan (\*)

Sectors	Total PSDP 2002-03	Federal and Provincial Departments	(Million Rupees) Public Corporations	
			Budget	Non-budget
Agriculture	1738	1738	0	0
Industry	629	629	0	0
Minerals	233	233	0	0
Water	18026	17606	0	420
Energy	30068	579	11511	17978
Transport and Communication	33327	18685	14642	0
Physical Planning and Housing	9192	9192	0	0
Education and Training	9497	9497	0	0
Science and IT	7793	7793	0	0
Health and Nutrition	5855	5855	0	0
Rural Development	5342	5342	0	0
Mass Media	551	551	0	0
Culture, Sports, Tourism and Youth	517	517	0	0
Manpower and Employment	145	145	0	0
Women's Development	747	747	0	0
Population Welfare	2300	2300	0	0
Social Welfare	186	186	0	0
Research Stat. and Planning	1901	1901	0	0
Environment	961	961	0	0
Other Special Programmes	30387	30387	0	0
Total PSDP (Gross)	159395	114844	26153	18398

(\*)Source: Planning and Development Division, Table 16.3, Public Sector Development Programme Region.

Table 2  
Population Census 1998(\*)

Region	Population (000)		
	Both Sexes	Male	Female
<b>Pakistan</b>	132352	68874	63478
Urban	43036	22752	20284
Rural	89316	46122	43194

(\*) Source: PCO Table 2.4 Population Census 1999.

Table 3  
Access to Health and Sanitation—Pakistan

Adequate Sanitation (a) 1990–1997		Safe Drinking Water 1995(b)		Health Services (c) 1985–1995	
Urban	Rural	Urban	Rural	Urban	Rural
93	39	85	56	99	35

Source: (a) UNICEF (1999), (b) World Bank (1996b), (c) UNICEF (1996).

outcome eventually, the persistence of such disparities strongly suggests *relative* rural powerlessness and diffuseness, so urban power generates exogeneous intervention to maintain the disparities” [Lipton (forthcoming)].

### FACTORS RESPONSIBLE FOR RECENT CHANGES IN RURAL ECONOMIES

Until not so long ago villagers depended for their livelihood primarily on what their lands could produce. As long as the population did not exceed the landholding capacity of cultivable lands at least a minimum level of living was assured for each village resident. Landholding patterns and inheritance arrangements varied greatly from society to society and were reflected in socio-economic differentiation between wealthier and poorer villagers. There existed a direct correlation between the acreage for which individuals could claim land titles and their social status. Those who had only small landholdings or were landless depended for much of their income on wages earned as agricultural labourers on larger properties.

In many parts of rural India there existed the *Jajmani* system according to which labour relations were hereditary between ‘patron’ and ‘client’ households. *Jajmani relations* involved also a wider nexus of inter-dependence. Though clients were in a weaker position the system provided benefits to both parties: landowning patrons were assured of sufficient labour whenever needed as well as of ritual and political services from their clients. Their dependent clients in return were assured of at least a minimum of social security. Though many of them lived in extreme poverty and were indebted to their patrons, they knew that in an emergency, such as for instance an accident, they could always count on their patrons’ support. Under these conditions land was the scarce factor of production, while water was assumed to be available in abundance. It was this that encouraged the establishment of International Crop Research Institutes where research was conducted with the objective of optimising the productivity per unit of land. This led to the production of High Yielding Varieties (HYV) of seeds and brought about the Green Revolution, the success of which depended on ample supply of water. In the earlier post war period there were numerous cases of investment by international agencies in irrigated agricultural development, many of which have been reasonably successful. However, three major factors have brought about fundamental structural changes in rural economies.

#### (i) Unprecedented Population Growth Rates

These high rates, which occurred only since the last war were in most cases not due to increased fertility but rather the result of improved medical facilities that led to falling mortality rates, particularly infant mortality. The increasing numbers in rural areas put growing pressure on limited land resources at a time when there were hardly any alternative off-farm income-earning opportunities available. This

accentuated rural poverty and strained village social relationships. The simultaneous introduction of land ceiling legislation encouraged the break-up of joint family living which led to the division of joint holdings. In societies where inheritance rules specify that all sons or all children have rights to inherit equal shares of their parental property the individual's fortune depends on how many brothers or siblings he/she has. Under condition of growing village populations such inheritance arrangements can over one or two generations make many holdings lack viability. The resulting land sales turned many smallholders into landless labourers thereby increasing the pool of agricultural labour at a time when the introduction of mechanical equipment in cultivation practices reduced demand for agricultural labour. This change in the landholding and cultivation pattern undermined the traditional system of patron-client relationships; patrons referred to employ contract labour on a daily basis. The breakdown of hereditary labour relationships between landholding patrons and their landless clients brought about a radical change in the social fabric of Indian village life; it resulted in increasing levels of poverty. Many client households lost not only their chance to derive a regular income from working as agricultural labourers but they also could no more rely on the minimum social security from which their ancestors had benefited. In return, clients refused to continue to perform the traditional ritual and political services for their patron's households, which their ex-patrons strongly resented. The difficulty of securing a livelihood as agricultural labourers forced many of the poor to seek off-farm employment in the village or migrate to the city in search of work. This started the impetus of the growing volume of rural-urban migration in India, which continued to be fuelled by population growth in rural areas.

As it usually takes more than one generation before family planning begins to be generally accepted present demographic structures particularly among rural populations are now so heavily weighted in favour of the under 15 years old that even if every couple from now on practices family planning the overall population increase will continue for more than another generation. This means that the growing surplus of rural labour will continue to present a problem, which unless it can be solved will make the urban growth forecast come true.

#### **(ii) Increasing Demand and Decreasing Supply of Fresh Water**

In many parts of the world water has now become the scarce factor of production. Only recently have people begun to realise that fresh water is a finite and vulnerable resource, essential to sustain life, development and the environment. Only one percent of the world's water resources provide the fresh water necessary for human consumption, agriculture and industry. "The ever growing world population continues to increase the world demand for clean water, while the volume of available fresh water is in constant decline, owing to the continuing pollution of these finite resources by industrial waste and domestic

sewage. The per capita area of agricultural land under irrigation is also shrinking and competition for water is increasing. Not only are there disputes over water between urban and rural populations, there is also competition between intra-country regions and across international borders” [Epstein and Jezeph (2001), p. 1443].

“Problems arising over sharing the Indus river water between Pakistan and India after their establishment as independent States provide an example of water disputes between two different countries. It became an international issue as two countries disputed each other’s quota of water from the river systems that watered lands in India and Pakistan. This was resolved in 1960 with the intervention of the international community and the signing of the Indus Water Treaty by Pakistan and India. Then in 1991 the Federal Government of Pakistan introduced the ‘Water Apportionment Accord’ to assist each of the four provinces of Pakistan to optimise its use of the apportioned supplies within a provincial framework. However, the implementation of the Water Apportionment Accord has often deviated from the agreed parameters and the Punjab farmers benefit most from such deviations.

This triggered off an intra-country dispute between two Pakistan provinces: Sindh and the Punjab. The continuing protest in Sindh province against the favoured status of the Punjab reached its climax when the proposal for the construction of the Kala Bagh reservoir and Thal canal in the Punjab was mooted. In 2000, a large number of farmers in Sindh began an agitation movement against the inadequate supplies of irrigation water to lower Sindh, defying the Federal Government’s prohibition on public gatherings and demonstrations. These agitations were based on the fear that the nineteenth century famines would recur in Sindh. Several Sindh political networks abroad have given wide publicity to these agitations and have ‘internationalised’ the issues. One international website on Sindh summarised the current crisis as follows: ‘Famine feared in Sindh due to shortages of water. River Indus from Kotri to Keti Bunder is dying, Tharis would face starvation’ [Sindhtoday.com, (2002)]. In this context, unless Sindh could negotiate a better Water Apportionment Accord with other provinces of Pakistan, particularly with the Punjab, most of the lower Indus basin, especially the command area of the Kotri barrage would soon go out of cultivation, and such abandoned land would become saline before long” [Perera (forthcoming)].

Rajasthan’s drought prone areas provide another case of intra-country problems arising from shortage of water. The region is already badly affected by water shortages. The most important concern of the people who live there is the fall in milk production by their 10,000 to 15,000 head of cattle. Five percent die each year as they will this year, because as Asharam Bishnoi, an out of work farmer says: “this year is like any other year, no water, no crop, no fodder” [Financial Times (2000), p. 12].



The increase in number and severity of disputes over water made the President of the World Bank Group remark: “these tensions have given rise to the suggestions that the wars of the 21st century may be fought over water rather than oil.... There is no way we can continue with business as usual. By 2025, we will need 40 percent more water for cities and 20 percent more for food.... In Yemen, once regarded as the garden of the Arabian Peninsula, the introduction of diesel pumps over the last 30 years risks literally pumping the country dry. In the basin around Sana’a, for example, four times more water is pumped out than is recharged by streams and run-off. Water tables are sinking several meters every year” [Wolfensohn (2000)]. Villagers are increasingly becoming aware of the severity of water shortages. ‘A farmer in Kenya said: ‘Water is life and because we have no water, life is miserable’ and an old woman in Ethiopia remarked: ‘We live hour to hour, wondering whether it will rain’ (ibid).

Klaus Toepfer, Executive Director of UNEP and Acting Director of Habitat supports the view that the battle for the conservation of water will be won or lost in the mega-cities of the world. As evidence for his statement he refers to the fact that the rapid growth of the world’s urban population has led to extensive increases in urban water usage; as a result during the last century, the combined municipal and industrial use of water worldwide grew 24 times while agricultural use of water increased only five times [UNEP/65 (2000)]. To cope with the enormous demand for water in the rapidly growing urban centres will require a large increase in investment. The World Bank estimates that investments will have to double over the next 25 years from some US\$70 billion today.

The Asian Development Bank (ADB) too is greatly concerned about meeting demands for water in the cities of Asia and the Pacific; about 830 million people in that region of the world do not have access to safe drinking water and two billion lack proper sanitation facilities. This is far more than two-thirds of the total world population who suffer water shortages and have no sanitation. In its 1999 Annual Report, the ADB calls this situation “a major human tragedy”.

### **(iii) Declining Support for Rural Development**

The growing concern over the expected enormous urban growth has led Governments and International Agencies reduce their support for rural development in general and the rural poor in particular. “The proportion of official development assistance going to agriculture has fallen from about 20 percent in the late 1980s to about 12 percent today. Assistance to agriculture from international financial institutions has followed a similar path.... Aid even more than public investment, goes disproportionately to countries—and increasingly to non-rural sectors—where most of the poor do not live or work” [IFAD (2001), p. 2]. There seems to be very little realisation at present among policy-makers that by neglecting the urgent needs

of rural populations they foster the rapid urban expansion which they now consider the major problem on the development horizon.

There exist of course numerous different options whereby a government can encourage rural development and at the same time ensure an increasing Gross National Product (GNP) growth rate. One such option emanates from my own longitudinal in-depth micro-study of rural transformation in two South Indian villages.

### MICRO STUDIES AND THEIR MACRO IMPLICATIONS

The two South Indian villages that I have continued to study since 1954 are Wangala,<sup>1</sup> a wet land village which got access to canal water in the 1930s and Dalena situated near Wangala where lands remain dry because they are above canal levels. The villages are located near the town of Mandya in Karnataka State.<sup>2</sup>

#### (i) Wangala Village

The second world war delayed the impact of irrigation on the village economy. Wangala farmers began to grow sugarcane and paddy as cash crops on an increasing scale only in the late 1940s. These cash crops required considerably more labour before the more recent onset of mechanisation than was required for dry land farming. Therefore ties between Peasant caste farmers on the one hand and their landless Craft Castes and Scheduled Castes (S.C.) clients on the other were strengthened. This in turn re-enforced the traditional social system. The subsequent Green Revolution with its High Yielding Varieties (HYV) of seeds and beginnings of mechanisation of agricultural activities further improved Wangala's agricultural base, so much so that village lands could support a trebling of population between 1955 and 1991. This strong economic base made Wangala people *village introverted*.

The number of houses in Wangala greatly increased and their appearance has changed considerably. Many now are urban-style well-furnished two storey structures with modern facilities, private water taps and some even with latrines; some also have telephones and/or television sets. Moreover, there are public water taps so that all households have easy access to water. The housing of the poorest too has improved greatly; there are now many fewer conventional small thatched huts; these have been replaced with more modern and more lasting structures. Street lights

<sup>1</sup>To keep the anonymity of my informants I use pseudonyms for the villages: Wangala, with W to denote a *wet* land village and Dalena with a D to denote a *dry* land village.

<sup>2</sup>For more detailed information on the development of these two villages please refer to:

Epstein (1962) *Economic Development and Social Change in South India*. Manchester: Manchester University Press.

Epstein (1973) *South India: Yesterday, Today and Tomorrow*. London: Macmillan.

Epstein, Suryanarayana, and Thimmegowda (1998) *Village Voices—Forty Years of Rural Transformation in South India*. New Delhi: Sage Publications (India).

and drainage are also important innovations. Most houses have access to drainage. This makes the village cleaner looking and healthier.

The headquarters for the Village Council located in Wangala cover also four neighbouring villages. This makes many Government officials as well as residents from other villages frequently call at the Wangala council offices. Throughout the day buses, cars, scooters and bicycles stop off in Wangala on their way to other destinations. Such busy traffic was unknown in 1955.

The hustle and bustle around Wangala's main road—where most Peasant caste families still reside—gives the impression of a small but thriving urban settlement. Indeed people often refer to their village as “Little Mandya”, a small replica of the nearby town of Mandya. Many stores carry boards with big lettering indicating the nature of their business. As was to be expected the branch of the Corporate Bank occupies the most solid and impressive building. This bank also caters for neighbouring villages and therefore attracts many visitors.

In the morning when school begins and in the afternoon when it ends crowds of boys and girls neatly dressed in uniforms stream through the village streets; many go to the shops and treat themselves to snacks. A large proportion of children attending the different levels of Wangala's school complex live in neighbouring villages. Small specialist shops and restaurants cater for a variety of consumer requirements. They all appear well frequented throughout the day.

Since the onset of irrigation only very few villagers have worked outside Wangala and even fewer have moved out. The economic expansion in fact attracted immigrant labour even from as far as the neighbouring State of Tamil Nadu. Wangala now enjoys most of the amenities that towns offer—such as electricity, piped water, a primary health centre, a large educational complex with a library, telephone, radio, TV connections, numerous trade stores, coffee shops, banking and postal facilities, etc.—without having to suffer the disadvantages of urban life such as for instance pollution. During the past 20 years Wangala's economy has diversified mainly in terms of tertiary industrial development to meet the expanding intra-village demand pattern. There is enough demand within the village and in the surrounding area to sustain a thriving services sector.

#### **(ii) Dalena Village**

Dalena village displays much more radical socio-economic and political changes than have taken place in Wangala, although it remained a dry land enclave in the midst of an irrigated belt. Dalena lands were actually traversed by a canal yet remained completely dry. Across the canal Dalena farmers would see immediately before their eyes the benefits resulting from irrigation and exactly what was involved in growing cash crops. This spurred many of them onto efforts leading to their own economic progress, and encouraged them to participate in the economic growth

resulting from irrigation in the region. Dalena villagers, like their Wangala counterparts, referred to the advent of irrigation as the turning point in their history.

Alternative economic opportunities which occurred in the new wet land region made dry land farming comparatively less advantageous to Dalena farmers. They were eager to take part in the economic expansion they saw happening around them. Realising that they could do so only by reaching out into the wider economy they looked for opportunities outside Dalena. Whenever possible the village dry land continued to be cultivated, but mainly by female labour. This allowed men to take up other income-earning opportunities. Since they could not grow cash crops in their own village, many purchased newly irrigated land in neighbouring villages, where they would then grow crops for sale. Dalena families were shrewd and tried to marry their daughters into neighbouring irrigated villages to make sure they would be the first to hear whenever land came onto the market there. By this and other methods they managed to acquire considerable wet land acreage outside their own village. Their extra-village network of relations put them into a strategic position to venture also into work outside farming.

A fair number of Dalena men acted regularly as contractors for the building of canals and the accompanying road system. Most of Dalena's poorest farmers and landless have worked at one time or other as labourers for private contractors or for the Public Works Department directly. Their contact with the Administration made Dalena people realise the importance of literacy in particular and education in general.

Accordingly, some sent their sons to secondary school in the nearby town of Mandya. Some of these educated young Dalena men secured jobs in the town's Agricultural Office and transmitted the latest techniques of farming to Dalena farmers. The village headman was thus encouraged to experiment with the Japanese method of paddy cultivation on wet land he cultivated in neighbouring villages. Surprisingly as it seemed for a native from a dry land village he won the prize for the best-irrigated paddy cultivation in the region in 1954. Their many extra-village contacts enable Dalena men to take advantage of the new economic opportunities resulting from irrigation in the region. They are employed outside their village working as unskilled labourers or skilled mechanics and electricians, clerks, orderlies or drivers. Some have even become doctors and surgeons, or lawyers. A considerable proportion of those in employment outside Dalena have left the village and moved near their place of work. Many others have migrated to cities in the hope of finding work only to join the masses of urban slum dwellers. There is ample evidence available that urban work opportunities attract many more rural migrants than can find employment in cities. Thus a growing number of these people have no other option but move into shanty settlements where they usually have little or no access to the basic services like education, health care, safe drinking water, electricity etc.

The tendency among Dalena villagers was to respond to the onset of irrigation in their region by diversifying their economic activities to try and meet demands arising in the wider economy. Thereby they were instrumental in creating a regionally integrated economy. The poorer Dalena villagers who lacked education and resources remained marginal to this economic expansion and saw no option but to emigrate to cities in search of a livelihood. Dalena's population increase was thus less than Wangala's: it doubled between 1955 and 1991. The meagre economic base that dry land provided forced people to become *village extroverted*.

Spontaneously, and against the plans of regional authorities Dalena people helped to meet the demands irrigation had initiated in neighbouring wet land villages and in the rapidly expanding nearby urban centres. Whereas Wangala's economic diversification focused on the services sector Dalena's concentrated on secondary industrial activities. In doing so Dalena helped to provide the basis for an effective specialisation and division of labour in a regionally integrated economy. It enabled wet land farmers to concentrate on crop cultivation without having to worry about where to get the inputs they needed and how to market their output. However, government policies neglected rural development and therefore migration to urban areas has come to rank high on Dalena's agenda. It led to continuing *village extroversion*, that has torn apart the village social fabric and has made conditions worse for many of Dalena's poor.

### **(iii) Macro Implications**

The account of the changes that have occurred in these two villages clearly indicate how economic growth in rural areas can make people *village-introverted*, so much so that they see no need to migrate to cities as a survival strategy. Canal irrigation triggered off an overall improvement in economic conditions in Wangala. By contrast urban migration is an ever-growing phenomenon in Dalena, where villagers have exhausted possible intra-village income-earning opportunities. Dalena villagers claim that about 300 individuals from their village have left during the last three decades. Those with education who managed to work as professionals in cities still keep in touch with their rural kin, but the majority who had no skills besides farming and therefore faced great problems in securing work in cities have given up contact with their native place, which probably indicates their shame about having failed in their endeavour and having been forced to join the growing numbers of urban slum dwellers. Their village kin often do not even remember them. Dalena's social cohesion which used to provide the poorest with a minimum of social security has given way to *village-extroversion*. Population growth, limited availability of cultivable lands and water shortages are making it increasingly more difficult for villagers to rely on agriculture for their livelihood. Wherever it is still feasible to improve agricultural output this obviously needs to be done. However, in areas where water shortages or poor soils make this impossible off-farm income-earning

opportunities need to be put within reach of villagers to make it possible for them to secure a reasonable livelihood in their home villages.

Mr Thimmegowda, a Wangala villager who is now a highly respected IAS officer stressed in the book and the documentary both entitled *Village Voices—Forty Years of Rural Transformation in South India* [Epstein, *et al.* (1998)] that Wangala has the potential of becoming a *Growth Centre*. The next section explores how the development of such Growth Centres might help to strengthen the linkage between rural and urban development and thereby redress the existing rural-urban imbalance.

### **LINKAGES BETWEEN RURAL AND URBAN DEVELOPMENT**

So far rural and urban sectors have competed for access to limited public and private resources. Yet the two sectors can complement each other and thereby create mutual benefits and reduce rural and urban poverty levels. The creation of network relations between farm households, agro-based processing enterprises and small domestic industrial enterprises in rural areas by creating a spider web of rural growth areas and growth centres can create the off-farm work income-earning opportunities that will encourage villagers to remain in their native places rather than uproot themselves and migrate to cities in search of employment. Just as global linkages encourage Western businesses to shift increasing proportions of their activities to low labour cost countries so can Developing Countries urban manufacturers of small goods benefit from lower rural labour costs by sub-contracting productive processes to rural areas. Such urban-rural industrial linkages will lower productions costs and will also relieve rural producers from worries about how to market their products; marketing has proved to be the major problem facing rural entrepreneurs. The decentralisation of small goods production will raise living standards in rural areas, discourage urban migration and is likely event to attract migrants to return home; this will considerably reduce the rate of urban growth. Similar rural-urban partnership linkages have already been successfully implemented in parts of South East Asia.

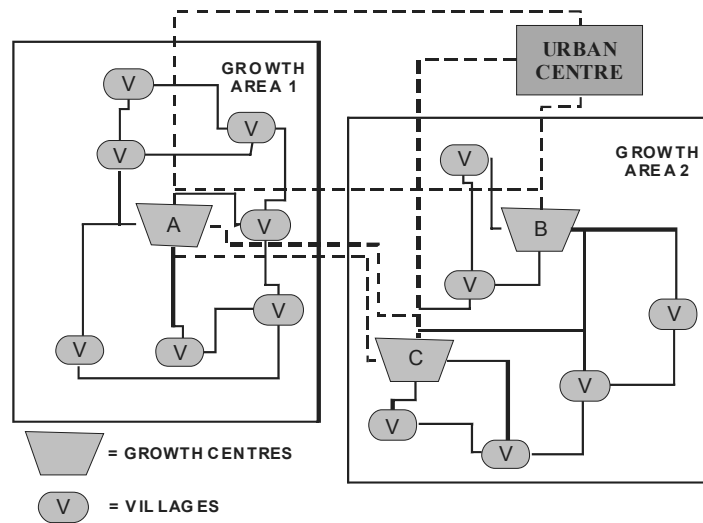
### **THREE-LEVEL RURAL-URBAN PARTNERSHIP LINKAGES**

(See Figure 1)

Such rural-urban partnership linkages can be made a reality by establishing a three tier network.

#### **(a) Rural Growth Areas**

Reliable resource and market surveys can provide expert socio-economists with the basis to suggest the most appropriate size and location of growth areas that facilitate easy access and communication between the different settlements that constitute one rural growth area but also between different growth areas and urban centres.

**Fig. 1. Three-level of Rural-Urban Partnership Linkages.****(b) Rural Growth Centres**

The nuclei of growth areas will be growth centres that have two-way socio-economic relationships with neighbouring villages as well as with urban and rural suppliers and markets. Wangala is already offering to a large extent what Growth Centres are intended to provide in terms of formalised services for the population residing in villages in the vicinity of the different growth centres. This will enable villagers to have easy access to the various facilities they require without having to move to another place of residence in search of an income.

**(c) Urban Centres**

Cities will have a growing volume of network linkages with rural partners, suppliers and buyers. The resulting increasing rural incomes will through the multiplier effect also raise demand for urban-produced goods and will therefore also increase urban employment opportunities.

**ESSENTIAL PRECONDITIONS**

However, a number of preconditions have to be met before such rural-urban partnership linkages can be expected to operate successfully.

- (i) **Political commitment** to poverty alleviation by removing the urban bias and to attain a balanced rural-urban development.
- (ii) **Local participation** in such a revised development strategy need to be ensured.

- (iii) **Decentralised education and training facilities** have to be need-based to make sure that villagers acquire appropriate skills without their studies alienating them from their rural background.
- (iv) **International crop research** should focus on producing HYV seeds for crops that will maximise the output per unit of water.
- (v) **Establishment of an industrial extension service for rural areas** to offer advice on credit availability, links with urban manufacturers etc.
- (vi) **Promotion of agro-based industries** that will retain more incomes in the rural areas.
- (vii) **Appropriate shareholding arrangements with legally binding obligations** formalised under a local statute or regulation.
- (viii) **Rural infrastructures must be improved and maintained** to give rural societies access to effective road networks linking settlements within growth areas and with growth centres and growth centres with the nearest large town or city. Such public works activities will have the beneficial by-product of providing many de-centralised employment opportunities and further boost the rural economies.

### CONCLUSION

The rural-urban partnership development paradigm outlined here constitutes a sustainable venture. Once implemented it would bring urban facilities to rural areas instead of increasing numbers of villagers being forced to migrate to cities in search of a livelihood. It would raise levels of rural and urban living conditions. Domestic industries could help also to improve gender relations not only by allowing men to remain part of their family unit rather than migrate to the city leaving their wives and children to fend for themselves but also by empowering women to become income-providers.

This paradigm if adopted would thus offer a number of quite considerable advantages both for rural and urban development. The most important factor for it to succeed in redressing the rural-urban imbalance is the political will and commitment to a balanced rural-urban development process.

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## Comments

### 1.

It is a pleasure to be a discussant on Professor Epstein's paper. As we have learnt in the introductory remarks to this session, Professor Epstein is an economist by formation. However, she has worked as an anthropologist for the better part of her professional life. Since we do not receive very many anthropologists at this meeting, I am very happy that she is here.

I share professor Epstein's concern about the development imbalance between the rural and urban areas in developing countries, where the dice has been loaded in favour of urban areas. I will limit my comments to a few points with reference to Pakistan that have a bearing on the three 'Levels of Rural-urban Partnership Linkages' proposed by Professor Epstein in support of her argument for the "urgent need to urbanise rural life", given the higher levels of poverty in rural areas, the consequent tendency to migrate to urban areas, and the objective of poverty alleviation. It is true that the thrust of development policies in Pakistan has had an urban bias. However, this is not to say that rural development has been ignored. Despite resource constraints, particularly during the 90s, which adversely affected interventions in the rural areas, numerous studies, including our own, reveal health, education, and agricultural development to be an important part of overall development efforts. Moreover, despite the threat of a reversal in agricultural growth in the wake of the growing rural population and the increasing water shortages, towards which Professor Epstein draws attention, the importance of agriculture cannot be discounted. The overall performance of the country depends on this sector. Stagnation of agriculture provides a stagnant market for other sectors and impacts on the overall growth of the economy. Hence agricultural development is vital to reduce poverty and sustain food security. As such it deserves high priority [Asian Development Bank (2001)]. Besides, Pakistan's agriculture presently employs about 45 percent of the total labour force (ibid). Therefore, although it is important to increase off-farm employment, because poverty is known to be relatively low in areas where people have an opportunity to support their income from non-agricultural sources, measures such as more intensive use of land and water resources, that were discussed in yesterday's session, also need to be adopted in order to acquire higher agricultural production. It is furthermore necessary to institute the necessary infrastructure, and to encourage the processing of high value crops like fruits and dairy products, in addition to investing in small village based industries, in order to pull small farmers and landless workers out of poverty.

Professor Epstein refers to the tendency to migrate to urban areas in the face of rising poverty. Such a tendency may be based on the expectation of finding jobs in urban areas rather than actual employment, because unemployment rates in urban areas are high. The 1998 Pakistan census does not carry information relating to rural/urban migration. However according to Karim (2003), previous censuses do record a major migration stream. During the past 10 years however, he notes, the movement has been relatively low. Our own fieldwork revealed such decline. The reasons given were: absence of another male adult to look after the family while the head was away; scepticism about the ability to find a job in the city; apprehension about being able to meet expenses in alien surroundings; discouragement on account of failure reports of others; the deteriorating law and order in the city etc. Where seasonal migration does take place, or earlier urbanisation has taken place, the pattern has been rather haphazard. According to a recent PIDE study (2003), many district headquarters receive migrants from nearby rural areas. The inflow swells the suburbs of these towns and cities. The model proposed by Professor Epstein thus could bring about more balanced development. It could also check the motivation to migrate and encourage migrants to return home.

However, for the model to work, good governance is a fundamental prerequisite. In Pakistan, in addition to the preconditions mentioned in the paper, weak governance is recognised as the major contributing factor to rising poverty. The management and delivery of public services and public utilities have been plagued by inefficiency and corruption. The present government has sought to redress the governance and urban/rural imbalance problem via a devolution plan. A fair amount has already been said at this meeting about the Local Government Plan 2000 whereby power is transferred from the federal and provincial levels to the district. Suffice it to say that the plan aims at an integrated rural/urban structure at the union council and *tehsil* levels, and is expected to enhance economic activities in small and medium sized cities because the district becomes the basic governance and development unit. A system of checks and balances, together with citizen monitoring of elected representatives is designed to check the abuse of authority and also increase transparency and accountability.

However, poverty, we know, is a much broader concept. A major cause for Pakistan's current economic and social crisis, beyond the caloric and basic needs criteria, is assigned to the lower level and deteriorating quality of its human resource. The ability to live a communally useful and healthy life can come not only with education, but also access to opportunities. A healthier, skilled labour force can contribute to improving productivity and economic growth. In this context, issues of gender equality are paramount. Improvements in the living conditions of women at home and outside, to the recognition of their role at the level of policy-making is necessary. The rise in female health and education can give them greater control over their lives, and lower fertility rates. Attention also needs to be paid to female labour

force participation that has increased only marginally. Diversity in occupation moreover has not taken place despite attempts to increase accessibility of females to formal credit.

In addition to the government as the implementing agency, it is important to mention the role of NGOs. Rural people need partnership with government and other support organisations through increased participation in the processes that directly influence their well-being. The NGO sector has grown rapidly in Pakistan because of their capacity to reach out and build grass root leadership and bridge the gap between the formal sector and the poor. NGOs provide physical infrastructure and social services, introduce a variety of skills through short-term training, and provide credit for agricultural inputs and rural small-scale enterprises. However, the role of NGOs is viewed with suspicion because of their dependence on foreign donors. In order to be effective therefore, NGOs would need to establish their autonomy, credibility, and competence.

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## 2.

This is a great privilege for me indeed to have got the opportunity to give my comments on this paper by the distinguished scholar Prof. Epstein. It was actually a difficult decision for me as I was asked yesterday to be a discussant both to accept as well as not to accept this. Measured on Prof. Epstein I felt myself very small. She is actually the teacher of my teacher Dr Naveed-i-Rahat the ex-chairperson of our Department. She has told so many fascinating stories about her. So I was thinking how could I comment on this paper. But on the other hand I am a great admirer of Prof. Epstein. I have read her earlier book on “South India Yesterday, Today and Tomorrow” which actually deals with these two villages which are discussed in this article. And then I thought how could I miss such an opportunity of having first hand discussion with her. So I opted for the second.

Coming to the topic it is such an excellent paper it was really a pleasure to read it. Both the comments of my economist colleagues yesterday were true. One said it is so easy to read (I thought in the beginning it was meant sarcastically I know economists are used to complex models) and yes I found it very easy to read. The other colleague said it is such a down to earth approach and that she never knew anthropology was like that and that is also true. I am happy this is a good introduction of anthropology to the economist. Prof. Epstein is a re-known economic anthropologist. I would recommend her book south India yesterday, today and tomorrow to my Economist colleague for further understanding the way of working of economic anthropologists.

While reading the paper especially the part on the villages I felt like being there. While reading this article I was wondering why research articles have to be so complicated—perhaps to impress the poor? This paper of Prof. Epstein I could divide into two parts. The first part consists of an in detail description of the rural poverty in many parts of the world especially South Asia and Africa and a detailed account of causes of this poverty. She described the old social structure of the village especially the Jajmani system, which prevailed in these South Indian villages. We have rather had a very similar if not the same system in Pakistan especially in Punjab known as sypi system. (I have slightly different views about that system compared to Prof. Epstein but that is not the main focus here.) Prof. Epstein described the factors responsible for changes in the rural economies like the unprecedented population growth rates, the increasing demand and decreasing supply of fresh water, and declining support for rural development. Then she describes and compares two

villages in south India. One as wet village and the other as dry village. The changes that the irrigation system in wet village made possible and the changes which were different in the dry village. The type of economies which developed as a result of the factor irrigation i.e. its presence or absence.

This part of the study I really enjoyed reading and I appreciate it. There have been several papers and presentations about poor and poverty in this conference. But I did not have the feeling the experts had the first hand knowledge and experience of what poverty is and how it is to be poor? We are all in a way selling poor and poverty for our own ends. I must say I did not have the feeling the poor were represented, it was all the time more a sort of top down approaches. Poor as those down below and we must do something for them—not in the sense of the presence and participation of these poor in the development. In this paper of Prof. Epstein you have a picture of the village life from a participants point of view. She lived and worked in these villages for a long time and then she has visited them again and again since 1955.

The second aspect of this paper is about alleviation of poverty. The route she gives is through urbanising the rural life. She described the urban bias in development spending and the origin of this bias. In her views for fighting poverty we have to stop rural urban migration and that is by urbanising the rural areas. Prof. Epstein presents a three level Rural-Urban business Linkage paradigm. This puts emphasis on increased agricultural productivity, stresses the importance of establishing agro-based industries and the creation of other off-farm activities.

The beauty of this model is its inductive origin i.e. she has not imported a model she has tried to understand how and what ways changes have taken place in the villages over a period of about 50 years and how these changes could be utilised to alleviate poverty. I have two questions from Prof. Epstein:

1. My first question is whether this Wangala and Dalena experience is replicable? I do not know whether it will work every where, the circumstances and environment will not be the same. The situation, which you described about the two villages, was actually more or less taking place without a planned intervention. The question is whether it will have the same effects as a planned intervention.
2. Then the second question is how this replication should take place. This model needs micro level planning and especially micro-level implementation. Who should implement this model—perhaps the local government? But your paper and presentation hardly mentions this institution.

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