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## Special Session (SS10) on: Rural Transformation

## **Organiser:**

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## The aim and scope of the special session:

Rural transformation is often defined as a wider process of structural change that involves a region or country and that witnesses a decline in the relative weight of agriculture in the overall economy, a corresponding increase in industry and services (for example, people become reliant on distant places to trade), migration of people from dispersed villages to urban areas, and a transitory period of rapid population growth. While there might be many factors that are active behind rural transformation, three of them that have been indicated in the above definition are particularly important: (1) the diversification of rural economies deviated from absolute dependence on agriculture; (2) globalization of agribusiness systems; and (3) the urbanization of rural regions. In these perspectives, studies from the different regions of the world have a possibility to yield various interesting findings.

In the last 40 years, the world history has experienced remarkable changes. The total population of the world has grown by 3.2 billion people—almost double—and now, for the first time, there are more people living in urban areas than in rural areas. The emergence of a global open economy, driven by the new international liberal dynamism and technological advancement, has deeply modified the world's development prospects. However, there is some evidence from several developing countries which indicates that while as a result of structural transformation the contribution of agriculture sector in the GDP has drastically come down, a relatively large number of their workforce is still found to be engaged in the agriculture sector. This suggests that shift in output structure has not been significantly translated into corresponding shift in employment structure. In view of the declining employment elasticity of agriculture, finding gainful livelihood opportunities for the rural labour-force is the task of the day for the policymakers. In view of this, studies on the relevant policies are likely to add greater clarity to our understanding.

While diversification of rural economy is an important factor behind rural transformation, (investments in) agriculture cannot be ruled out to be playing crucial role in the process. In countries with a predominantly rural population and with heavy dependence on agriculture for livelihood of a significant number of population, increased agricultural incomes and more equitable distribution of this income in rural areas can step up effective demand for higher-value and more processed agricultural produce, and for industrial goods and services. As already

indicated, rural transformation requires diversification of rural economies into such activities. Increasing incomes and diversifying production both entail improvement and expansion of infrastructure (including power supply, transport, communication, housing, water supply, marketing, storage facilities and so on), with scale and technology corresponding to the needs of rural populations. Growth in agriculture, using cost decreasing as well as labour saving technology, would tend to push extra labour out of agriculture and that is why expansion of infrastructure through both public and private investments is considered important as this would facilitate absorption of surplus agricultural labour into non-agricultural activities. All this would provide ample scopes for having interesting discussions in the conference on a variety of topics under a very contemporary and relevant theme called Rural Transformation. Authors are encouraged to submit their papers that fall under this broad theme.

SUBMIT AN ABSTRACT