



Cover Page



## RURAL URBAN TRANSFORMATION: A SOCIOLOGICAL CONSEQUENCES – A PERSPECTIVE

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### Abstract

The economic reforms in India accelerated flows and connectedness of people, goods, technology, information and capital. At the same time, globalisation has intensified exclusion, marginalisation and disconnections among different class of people, regions and city and countryside. Different people are looking at the reforms from their own perspectives. The upper class is very happy with the ongoing reform process. They have more televisions, more channels on cables, more imported goods and so on. Nobody is any longer ashamed of conspicuous consumption. The middle class is seeing this as an opportunity of its advancement to the upper class. Many feels making money one way or the other will get them into the high consumption category. The lower classes want jobs and less inflation. The economic reforms have created mutually opposed tendencies like universalisation and particularisation, homogenisation and differentiation, integration and hybridisation in India. They transformed ailing developing economy into a market economy, attracting foreign direct investment but far away from self-reliant and indigenous development. This paper to be discussed “Rural Urban Transformation: A sociological Consequences – A Perspective”.

**Keywords:** Globalisation, Liberalisation, Social Transformation, Economic Stability and Social Justice.

### Introduction

#### Statement of the Problem

**“The country doesn’t deserve anything less than success from us, Let us aim for success.”**

**ABJ Abdul Kalam**

Former President of India

With the advent of capitalism, its character changed. Production became unplanned. When it accumulated in excess, markets slid down into depression in cyclical fashion every 25 to 30 years. Economic globalization can be best seen as the more advanced form of capitalism. Liberalisation and globalisation came to India through the economic reform and is gradually transforming our culture and self-image. Capital worked hard at promotion of neoliberal policies and finally succeeded. This paper proposes to theories the transition of the Indian economy and situate the process of economic liberalisation in India in its wider context and in a long-term perspective. The structural shifts within the World economy had implications on the process and the nature of India’s integration to this global system. Contemporary globalisation became a neo-liberal project. It is a political project characterized by the dominance of neo-liberal capitalism, by which the speed and intensity of global flows have increased. The theories and discourses on social change and transformation till 1970s and 1980s were largely associated with industrialisation and the gaps between the rich and poor nations. Marx and many other scientists discussed the Industrial and French Revolutions and their social ramifications. Some influential global paradigms in sociology on social transformation were: Modernisation theory which propagated an urban, industrial milieu for modernity; Dependency theory postulated that underdevelopment in the periphery was the direct result of the historically evolving structures of capitalism, the World System Theory viewed nations in relation to their placement within a global division of labour between core, periphery and semi periphery. The new literature on globalisation moves beyond the poor versus the rich nations and lays emphasis on how interconnected and integrated the world has become. The early 1970s breakdown of the Bretton Woods system of fixed exchange rates and national controls of capital flows marked a major watershed in the globalisation of trade, finance and investment.

### Global Society

The recent history of liberalisation in India can be located within the longer history of global capitalism. The Great Depression of the 1930s and the destruction during Second World War were followed by a new phase of capitalism. The Depression marked the end of British economic power. America defined the terms of post-war reconstruction. By the 1970s the post-war boom was over, the American economy faced a crisis. The United States had sustained its military expenditure and international commitments through monetary expansion, and which led to inflationary pressures. Subsequent efforts at monetary regulation, that is, increasing of interest rates and restriction of money supply to curb inflation slowed economic activity. While the recession of the 1930s destroyed British hegemony over the world economy, politico-economic developments during the 1970s and early 1980s questioned the basis of American power. The 1980s became a period of re-negotiation of international economic order. These shifts in the structure of world economy and the trends towards globalisation crucially affected the third world. International finance, an



Cover Page



important mechanism of global integration, came to define the cycles and rhythms of the new international order. The multinational corporations and the financial institutions, like the IMF and the World Bank, started playing a major role in defining the shape of the global order and the internal economy of the debtor countries like India.

### Development of Indian economy

The people of India, after independence, voted for democratic planning and mixed economy model of development. Nehru went with a planned economy because soon after the epic independence struggle people would have not accepted another form of colonization. The term „permit-license quota” Raj was used to describe the system of State-directed economic development planning instituted under Nehru. India took to the middle path of „growth with equity” which was sought to be achieved through a growing and dominant public sector covering the basic strategic and core industries. The States catalytic, participatory and regulatory roles in bringing about planned socio-economic development of the country matched the blossoming and growth of the public sector into the pivotal sector of the Indian economy.

The move toward liberalisation of the Indian economy and dismantling of Nehruvian State-directed planning took place under Indira Gandhi with some relaxation of price controls, import restrictions, and creation and expansion of industries and industrial capacity. Rajiv Gandhi seemed much more favourably inclined to free market principles and began a process of liberalisation of the system of import controls and „licensing regulations” and limitations on the expansion of existing industrial enterprises. There was a sudden spurt in industrial production in the sphere of consumer durables and a corresponding „consumer boom”. For a while, it appeared that the Indian economy was on a new growth path, but it was short-lived. India had to turn to the World Bank and the IMF for help. India managed to do without this help very soon and then embarked on a course of cautious liberalisation.

What was started under Indira Gandhi in the early 1980s was taken further by Rajiv Gandhi in the second half of the decade. It was christened as India’s „New Economic Policy” (NEP) to take the country into twenty-first century. The NEP was intended to revive Indian industrial growth which after the impressive performance in the fifties and early sixties, had virtually stagnated. The liberalisation of the 1980s had resulted in jobless growth, declining employment and a huge debt. This was a period of intermittent incremental liberalisation.

The external debt crisis, which surfaced in early 1991, brought India close to default in meeting its international payments obligations. The balance of payments situation was almost unmanageable and the rate of inflation was high. The underlying fiscal crisis was acute. It was the outcome of persistent mistakes in economic policy that accumulated through the 1980s. Fiscal deficits met by borrowing at home, mounted steadily. Also, the receipts from foreigners, in hard currencies like the US dollar, were less than payments to foreigners leading to current account deficits in the balance of payments. It led to borrowing abroad which grew larger steadily. The internal imbalance in public finance led to a rapid accumulation of internal debt that the government owed to its people.

Besides the economic factors, there were some political factors also according to Jalan (1991) which had a bearing on the economic crisis that surfaced in June 1991, the breakdown in law and order following the announcement of implementation of the Mandal Commission report, the Ram Janambhoomi-Babri Masjid conflict in Ayodhya, and the fall of the V.P. Singh Government in November 1990

### Theories on globalization

Globalisation is the new regime of tempo-spatial connectedness and joining of societies and nation-states. It strives to make the world as its market where all the people are being brought as buyer and seller in unequal terms. Held et al. (1999) identify three theoretical positions in relation to globalization, those of the hyperglobalisers, the skeptics and the transformationalists. Hyperglobalisers argue that globalisation is a real and powerful phenomenon and represents an unprecedented change in recent years, so that global flows have undermined the existence of the nation-state. They are primarily concerned with politics and power. Sceptics like Hirst and Thompson argue that the idea of globalisation is overrated and that current levels of interconnectedness are not unprecedented. Some skeptics focus instead on processes of regionalization which are intensifying activity within major financial and trade groups. Transformationalists see globalisation as primarily a social phenomenon and analyse it in terms of qualitative change and that it is transforming many aspects of the current global order but the old patterns still remain. Now let us analyze some of the approaches to globalisation and their applicability in the Indian context.

Wallerstein (1974) has stressed the centrality of capitalism to the process of globalisation (both past and present). For him, the logic of historical capitalism is necessarily global in reach. The entire globe is operating within the frame work of singular social division of labour called the capitalist world economy. The world economy is conceived as having a distinctive, unequal structural



Cover Page



arrangement with core, semi-peripheral and peripheral areas each of which has a specific functional role in sustaining an overall integrity of the system. The economy, therefore, embraces both processes of global integration and fragmentation, which produces instabilities and contradictions, which Wallerstein believes, will eventually lead to its collapse. Giddens and Robertson conceptualized globalisation in terms of cultural economy perspective, that is, as a process of historic progression of the world. Instead of a single casual logic, they stress the multiple causal logics of globalisation as a historical process. Giddens points to four discrete and intersecting dimensions of globalisation: capitalism, industrialism, surveillance and militarism. He considers globalisation as a consequence of modernity. It involves „time-space distanciation” and „disembedding” of social relations. The increased interconnectedness leads to reflexivity that is increase in global awareness and consciousness. Even in India, especially the urban India, social activity is constantly informed by flows of information and analysis which subject it to continuous revision and thereby constitute and reproduce it. Global migrations, both legal and illegal, have forced a rethinking on the concept of citizenship. The notion of dual citizenship, which Vajpayee and also Manmohan Singh promised in the Pravasiya Bhartiya Diwas, is the result of such reflexive processes in India.

The world is being increasingly characterized by extensive connectivity or interrelatedness and extensive global consciousness, a consciousness which continues to be more reflexive. Robertson (1992) defines globalisation as: “Globalisation as a concept refers both to the compression of the world and the intensification of consciousness of the world as a whole.... both concrete global interdependence and consciousness of global whole in the twentieth century”.

### Social cultural consequences

All countries following neoliberal policies follow the IMF line which thrusts export promotion at the cost of real development and import substitution. Structural adjustment is an essential part of program and leads to misery and food riots. IMF has a record of leaving devastation behind in Africa and Asia. Neoliberals never worry about the poor or welfare, culture or ecology. The Economic Reforms in India made India integrated with the world market, liberated from constraints of time, space and currency. It brought about changes in patterns of communication, technology, production and consumption, which in turn led to gradual transformation in caste, tribe, family, village and occupational structure or to put it generally, the way in which people live and work. This is because people, capital, goods, information and images are flowing around the globe at an intensified speed. Appadurai’s cultural flows, in terms of ethnoscapescapes, mediascapescapes, finanscapescapes, technoscapes and ideoscapes, are happening in India. This is erasing diversities of our culture and economic entity and transforming our thought systems. Coke, McDonalds, Nike, Ford and other international products are being consumed by the middle- and upper-class Indians. All these are not causing homogenization but a mélange culture leading to a postmodern world of differences, disjuncture, new social movements and pluralisation.

### Widening disparities

Liberalisation has often been identified as a new form of economic imperialism of technologically advanced, richer and stronger nations as against the relatively underdeveloped, poorer and weaker ones. Liberalisation as a policy is not congenial to poverty-alleviation but poverty-perpetuation through exploitation of all sorts. While the economic reforms of the 1990s did much to liberalise and stimulate growth, the direct beneficiaries were more affluent urban dwellers. Social reforms have lagged behind economic reforms. The trajectory of development with the LPG model now has created two India – one that has access to modern state, technology, market and the other which is way behind. With the withdrawal of the State in education and health sectors, the divide between the two India has increased creating crises. It has resulted into social oppression and brutalisation of the poor. India seems to be distancing itself from Gandhian principles of bridging the gap between the metropolises and the countryside. The chasm between glittering upper-class lifestyle of cities and rural poverty is increasing day by day. The widening of regional and interstate disparities during the 1990s, despite overall economic liberalisation, highlights the importance of strengthening slow-growing states. Wealth is generally more concentrated in urban rather than rural areas where the majority of Indians live. Economic growth also tends to be higher in wealthier states in the south and west such as Gujarat and Maharashtra than poorer states like Bihar, Orissa, and Uttar Pradesh in the north and east. Investment naturally flocks to the more developed regions equipped with infrastructure advantages. Additionally, with mounting pressure from internal migration from states like Bihar, investing in human development and poverty reduction in states left behind is key to enhancing the national stability that allows liberalisation and growth to proceed. Besides inequality and exclusion, another darker side of globalisation is violence. It leads to violence of all kinds – physical, in terms of displacement of people by developmental projects and also ethnic upsurges (creation of Special Economic Zones and land acquisition has led to more Maoist violence) (Pandey 2017), against children, in the form of child labour; and against women, minorities and marginalised.

Urban middle class has benefitted from the fast growth of white-collar jobs in IT sector, but the blue-collar jobs in India’s manufacturing sector have grown only marginally. This causes widening disparities not only between classes but also different sectors



Cover Page



of the economy leading to social crises. There are many unintended consequences which the technological growth in India, leading to a risk society which Beck (1992) had talked of. Besides global environmental risks (For example, global warming) and health risks (GM food), the contemporary social life has been witnessing a series of changes leading to social crisis, such as erosion of traditional family norms, many unconventional jobs and heightened job insecurity, multi-cultural identity amidst global signs and images and shifting employment patterns. All these are socially disruptive and bring tension to the fabric of society.

### Income Generation and inequalities

Globalisation gives a premium to people with high levels of education and entrepreneurial skills, who are better equipped to survive and succeed in a competitive world. As a consequence, the unskilled labour, uneducated workers and marginalised population are likely to benefit less in a more competitive economy with both public and private players in the market. The economic reforms have meant loss of livelihood to many people in traditional jobs like rag-picking (because of import of waste paper from developed countries), silk-spinning (because of Chinese thread and yarn), vendors and hawkers in cities (because of FDIs and super-markets) etc. Thus, income and wealth inequality are amplified. If economic growth is to continue, employment opportunities must be made available to India's rural poor. India must strengthen labour-intensive industries like manufacturing if it is to reduce poverty and increase growth in rural areas. Fewer workers are being employed in the agriculture sector as the use of machinery and labour-reducing cropping techniques have increased. Only around 0.1% of India's population are benefiting from employment in India's rapidly growing outsourcing, IT, and services industries. In the globalized version of capitalism, people of the countries where corporations are headquartered are also ignored through outsourcing, because wages in countries such as India, China and the Far East are very low and the difference go into the corporate pockets. The lives of these IT professionals, business executives and managers have become very stressful because of excessive pressure to efficiently perform and compete in this „hire and fire” environment

### Summing Up

Economic reforms in India in pursuit of globalisation have made the country a consumer society. There is also a growing culture of consumerism and also commodification of culture. Indian urban life has been transformed with a new found consumer spirit and the burgeoning information technology industry. While the social consequences of this consumerism boom are frightening enough, the environmental implications are also serious. The rapid rise in production of luxury goods has serious ecological consequences from resource extraction (mining, tree-felling, etc.) to production (pollution, working hazards, etc.). Besides consumption, environmental impacts are too felt in the increasing wastes, which are generated. In this respect, the phenomenal rise in the use of plastics, detergents, and other non-biodegradable or hazardous materials in the last few years are alarming. Thus, the economic reforms in India accelerated flows and connectedness of people, goods, technology, information and capital. At the same time, globalisation has intensified exclusion, marginalisation and disconnections among different class of people, regions and city and countryside. Different people are looking at the reforms from their own perspectives. The upper class is very happy with the ongoing reform process. They have more televisions, more channels on cables, more imported goods and so on. Nobody is any longer ashamed of conspicuous consumption. The middle class is seeing this as an opportunity of its advancement to the upper class. Many feels making money one way or the other will get them into the high consumption category. The lower classes want jobs and less inflation. The economic reforms have created mutually opposed tendencies like universalisation and particularisation, homogenisation and differentiation, integration and hybridisation in India. They transformed ailing developing economy into a market economy, attracting foreign direct investment but far away from self-reliant and indigenous development.

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Cover Page



DOI: <http://ijmer.in.doi./2021/10.08.110>

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