CHAPTER 3

APPROACHES TO RURAL DEVELOPMENT: AN APPRAISAL
The broad objective of the present research is to investigate at the microlevel the forces underlying the dynamic stability of the low level equilibrium in the Bangladesh economy as discussed in Chapter 2. The rural sector is overwhelmingly dominant in the Bangladesh economy. Much of the problem of the economy is rooted in the failure of the rural sector to sufficiently develop and contribute to the overall economic development. Therefore, in most respects, the problem of the Bangladesh economy is the problem of rural development in general.

This chapter will review the basic literature on rural development. The review is expected to help us to choose the suitable approach, develop the conceptual framework, and select the appropriate methodology of the present study in the next chapter.

Although rural development is relatively a new field of research, emerging only in the 1970s, a large volume of literature on it has already cropped up. We shall try to highlight the main arguments of the important approaches to rural development. Even before that, it will be imperative for us to briefly discuss the traditional approaches to development of agriculture, since the modern approaches to rural development are mostly based on the traditional approaches to development of agriculture. In earlier times 'agriculture' and the 'rural economy' were almost synonymous—agriculture was almost the sole occupation and the sole source of income of the rural people. But, in view of the growing non-agricultural occupations in the rural areas in the recent past, the term 'rural development' has received a much broader
connotation than agricultural development - it is now a distinct approach to the development of the economy as a whole, rather than merely the development of agricultural production.\(^1\) However, there is a substantial overlap between the field of conventional agricultural economics and the concerns of rural development. It will, therefore, be quite appropriate for us to briefly discuss first the traditional approaches and then the modern approaches to agricultural/rural development before we discuss the specific approach of the present study.

This chapter is organized as follows: Section 3.1 will highlight the main arguments of the traditional approaches, and the relative advantages and limitations of each approach. Section 3.2 will discuss the modern approaches to rural development. Section 3.3 will discuss the "involution and shared poverty" approach - the approach on which the approach of the present study is likely to be based. A summary and comparative evaluation of the approaches and an outline of the exact approach of the present study will be discussed in the concluding section.

3.1. Traditional Approaches to Agricultural Development

The traditional approaches to agricultural development should include the approaches which appeared during the long

\(^1\) According to Harriss, the rural development as an approach is at once broader and more specific than agricultural development. "It is broader because it entails much more than the development of agricultural production - for it is in fact a distinct approach to the development of the economy as a whole. It is more specific in the sense that it focuses (in its rhetoric and in principle) particularly on poverty and inequality". See Harriss, 1982b, P.15.
period between the year of publication of Adam Smith's Wealth of Nations and the emergence of rural development as a distinct field of research. During these two hundred years various schools and sub-schools of economic thought dominated the literature on economics in general. However, the whole of the literature can be broadly divided into four main schools: classical, marxist, populist, and neo-classical. Although most authors of these schools paid attention largely to the problem of development of the industrial sector, a number of reputed scholars were there in each school who had made notable contributions to the issue of development of the agricultural sector. We shall confine ourselves only to highlighting the main arguments of the important approaches.

3.1.1. Classical approach

In orthodox classical theory, the optimum agrarian system - the agricultural system which maximizes the social efficiency of production - is the one which emerges as the natural outcome of the free play of market forces. The market eventually decides upon which form of organization will predominate over other forms or will supplant them altogether. These ideas are manifest in the writings of J.R. McCulloch, T.R. Malthus and D. Ricardo (Platteau, 1983). They were also of the opinion that, if allowed to take its own course, the system of large-scale capitalist farming will expand and become the dominant mode. In short, the spirit of laissez-faire dominated their writings on the problem of agrarian change.
However, James Mill and John Stuart Mill, basically the hardcore classicists as they were, approached the agrarian issue in quite a different manner. They did not believe that the spontaneous movement of market forces could be relied upon to establish an optimum agricultural system to meet the double requirements of productive efficiency and distributive justice. State intervention was deemed necessary to remedy the defects of the market to ensure that production will be maximized in the long run. They also believed in radical changes such as redistribution of productive assets and reshuffling of property rights. The two Mills thought that the interests of all classes are not fundamentally the same and that the market is not "a kind of miraculous mechanism capable of bringing social harmony in society and of gradually correcting initial imbalances in the distribution of power and income" (Mill; 1848: 762). They believed in the optimum allocation of resources, but argued that, even from the viewpoint of allocative efficiency, a change in the agrarian systems was desirable.

The womb of the classical approach contained twin offsprings which later on developed as completely separate entities: political economy developed along the line of argument of two Mills, and the neo-classical approach developed following the culloch - Malthus - Ricardo line of argument.

3.1.2. Marxist approach:

Marx developed political economy as a separate paradigm of economic thought to explain, among many other issues, the agrarian
question. Marx's original account was in places amended and extended by Kautsky and Lenin. The texts of Marx, Kautsky and Lenin put forward what might be regarded as a 'nineteenth century' paradigm, which orders patterns of resilience and change in pre-capitalist/peasant production in terms of a process of capitalist development. This approach places the ownership and control of resources at the centre of analysis. The structures of social relationships and of conflict - or the social classes - which are based upon differences in the ownership and control of resources by different groups of people are seen as one of the major sources of change. The process of commoditization and the development of capitalism, or the linking up of rural household producers with capitalist production in various ways is considered to be the dominant process of change in agrarian societies (Harriss, 1982b). With the development of capitalism in agriculture, the peasantry gets more and more differentiated, concentration of the means of production into a few hands becomes more acute, and the majority of the peasants become dispossessed of the means of production. Polarization between the rich peasants and the poor peasants become discernible and the middle peasants gradually disintegrate. With the development of market and increased commoditization and differentiation, feudal production relation is transformed into the capitalistic production relation.

In Marx's view, one of the pre-conditions for the disintegration of feudalism and emergence of capitalist relations
in agriculture is the development of land market (Marx, 1979:31). In his analysis of the preconditions of the emergence of capitalism in England (Marx, 1974:672), the emphasis was on the changes in property relations being a product of class struggle whereby the peasantry lost its land and a mass of landless proletariat gradually emerged. Engel was more concerned with the problematic of peasant differentiation and the factors that hasten the process of differentiation. He argued that the large farms based on wage labour is more efficient than the small farms and the small farms are doomed to face extinction in the face of competition with large farms (Engels, 1970:473). Lenin upheld the view of Engels and tried to substantiate it with empirical evidence from the contemporary Russia.

In his classic The Development of Capitalism in Russia, Lenin summarized the results of his intensive study of the existing statistical evidence on the rural economy of late nineteenth century Russia. He concluded that a process of differentiation of the peasantry was taking place and was developing the latter's extreme groups at the expense of the middle peasantry creating thereby the rural bourgeoisie or the well-to-do peasantry and the rural proletariat, the class of allotment-holding wage-workers (Lenin, 1977). This is the famous

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2. In a certain way, argued Ullah, this means simultaneous emergence of land and labour market. For, the development of the one is contingent upon the other. See Ullah, 1990, p.10.

"differentiation perspective" on which numerous subsequent analyses of the agrarian question have been based. Lenin, thus, vehemently opposed the populist thesis that the rural producers are a homogeneous mass.

Lenin also argued that, despite the emergence of the class of capitalist farmers, some factors were retarding the growth of capitalism in Russia. They were: use of capital in bondage and usury, independent development of merchants and usurer's capital and survival of carvee economy in the form of labour service specially by the middle peasants. According to him, so long as these conditions prevail a class of free labourers does not emerge (Lenin, 1977 : 189).

However, the view that the development of capitalism in agriculture, as in industry, must necessarily mean the increasing concentration and centralization of production into larger units could not gather support even from the history of the most advanced capitalist economies. Far from being 'squeezed out' by the development of capitalist farming, large numbers of marginal farmers continue to exist and provide the base for the deep

4. For valuable discussions of Lenin's scheme, See Alavi 1965; Patnaik, 1976; and Deere and de Janvry, 1979.

5. Lenin categorically pointed out, "Undoubtedly, the emergence of property inequality is the starting point of the whole process, but the process is not at all confined to property 'differentiation'. The old peasantry is not only differentiating, it is being completely dissolved, it is ceasing to exist, it is being ousted by absolutely new types of rural inhabitants - types that are the basis of a society in which commodity economy and capitalist production prevail". Quoted by Harriss (1982b:131) from Lenin (1977), Ch.II, Part XIII.
entrenchment of merchant/money-lending capital in these societies (Kay, 1975; Amin, 1982; Harriss, 1982b. However, Lenin was much less dogmatic than some of his followers have assumed. Lenin commented also that infinitely diverse combinations of elements of this or that type of capitalist evolution are possible. He mentioned that the very existence of 'commercial modernizing groups' may imply the existence also of much less successful groups of marginal farmers and landless people.

Karl Kautsky was another prominent Marxist thinker. His contribution to the issues of agrarian transformation is considered to be more comprehensive (Ullah, 1990) and more realistic than Lenin's (Djurfeldt, 1981). In his Die Agrafrage, Kautsky argued that development of capitalism in agriculture assumes a different form from that of industry. The difference results from the difference between the principal means of the two: while the principal means is reproducible capital in industry, it is the non-reproducible land in agriculture. He held that in industry the process of centralisation of capital may be different from the process of accumulation of capital, but in agriculture accumulation often presupposes the centralisation of capital. As to the second issue, Kautsky argued that capitalism in agriculture may develop retaining some features of the earlier

6. The book was published in 1899, shortly before Lenin's The Development of Capitalism in Russia appeared. The book was written in German language. Complete translation of the book is yet to be published. However, Banaji (1976) has translated a selection of passages.
production relations and that the small farms may continue to exist, rather than being completely demolished, even as capitalistic mode of production assumes dominance in agriculture.

The persistence of small holdings, according to Kautsky, is due more to the power of endurance than to the efficiency of small holders. The power of endurance is not based upon higher productivity but lesser needs. The small farms depress down their consumption standard whenever needed. Moreover, a chronically deficit small farm continues to survive by adopting all kinds of survival strategies like adopting a subsidiary occupation, engaging in wage labour activities and temporary migration.

Kautsky also mentioned some other factors which have stabilized the small scale farming. These include: the support provided by the state to these producers, changes in taste and expenditure pattern of the capitalist class (for example, its

7. Kautsky explained also the tardy growth of land market (along with the persistence of small holders) with this power of endurance of them. He quoted a report from the Weimar district of Germany to give a final brush on small peasant endurance: "If, inspite of so much poverty, land sales are not more frequent, this is because our peasant, in order to preserve independence, knows how to endure an incredible amount of suffering. As long as small holders do not plough their own fields but instead work as day labourers, they are relatively well off" (Banaji, 1976: 27). This endurance of small peasant necessarily meant independence at the cost of self-deprivation and tardy growth of land market even in the context of late 19th century (Ullah, 1990: 22).
craze for handicraft products), restraining family size, and long distance migration. Moreover, the small peasant gets his work done by the members of his family who can be goaded to do the maximum labour. But this is not true of the wage labourers engaged by the large scale capitalist farmers. It may be mentioned, however, that in Kautsky's opinion, exertion of too much labour leads to insufficiency of consumption and competition by hunger.

However, while conceding that the small farms can persist, rather than completely disintegrate, as most of the classical Marxists predicted, Kautsky strongly felt that in the development of capitalist farming it is the role of the large scale farms which matters. Large scale capitalist farming is not possible without big landownership. The advantage of a real large scale

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10. At the same time he warned that large scale landownership may not necessarily give rise to large scale farming and it may rather lead to the emergence of dwarf-like enterprises. See Banaji, 1976.
enterprise in agriculture lies in its capacity to subjugate nature through application of the methods of science in its favour. The small farms which face a multiplicity of odds in marketing their products, procuring loans to bridge cash gaps and bringing in technological innovations are helpless in the face of vagaries of nature. If the large scale enterprise does not possess enough technical means to multiply some of the damages done by the nature, it possesses the financial means to do so through insurance.

3.1.3. **Populist approach**

In contrast to the Marxist-Leninist "differentiation perspective" of the process of agrarian change, a school of thought emerged in Russia in the first quarter of the twentieth century which is known as "populist school". Based on narodnism and led by A.V. Chayanov, this school argued that the peasantry is homogeneous and composed of comparable household farm units. The populists argued that if there is differentiation amongst the peasantry then this is brought about by cyclical processes caused mainly by demographic factors, so that there is no long-term developing trend of polarization of classes. The distinctive peasant economy survives.

11. In fact, the school was referred to as neo-populist school in the contemporary literature in order to distinguish it from an earlier school known as "narodnism" or populism. We call it populist school to distinguish it from modern populism which will be referred to as neo-populism.

Chayanov tried to give a concrete theoretical and empirical shape to the populist perspective of the Russian society through a theory of peasant mode of production. In contrast with Lenin, Chayanov argued that what appeared to be polarization of the peasantry into rural bourgeoisie and proletariat at the turn of the century was a mere optical illusion. While the overall distribution of land apparently differentiated peasantry into markedly polarized groups (which was termed by him as "social differentiation"), behind this distribution there was taking place a constant circulation of land as farm families in their initial years purchased land and later sold their land, proceeding through a standard cycle of household expansion and decline, and family distribution by size also determined to a considerable extent the distribution of farms by size of sown area and numbers of livestock. This was termed by him as demographic differentiation.

The populist school was not confined merely to advancing the theory of demographic differentiation; it went far beyond that to deal with a number of primary issues of the agrarian question. Harrison (1975, 1977) has nicely reviewed Chayanov's contribution


to the theory of peasant economy. According to him, the populist tradition emphasized the viability of agriculture and its ability to survive and prosper under any circumstances. For the peasantry had no necessary tendency to develop the increasing economic inequalities and class antagonisms of bourgeoisie industrial society: there was no tendency to create increasing groups of rich and poor or landless peasants with a more and more unstable group of middle peasants in between. The village was an overwhelmingly homogeneous community, able constantly to reproduce itself both economically and socially. Consequently, Chayanov saw the modernization of traditional small farming as lying along neither a capitalist nor a socialist road, but as a peasant path of raising the technical level of agricultural production through agricultural extension work and cooperative organization, at the same time conserving the peasant institutional framework of the family small holding (Harriss, 1982b: 246).

The populists attacked the very application of the law of value to peasant commodity production.16 Even Marxist Kosinsky abandoned the notions of wages and profit, variable capital and surplus-value in his economic analysis of peasants. Kosinsky's peasants sought to maximize total factor income, not the rate of profit or the marginal product of labour.17

16. Other than Chayanov, Shcherbina and Makrov were the leading populists.
17. Mark Harrison has discussed Kosinsky's ideas in details: See Harrison, 1975.
Chayanov introduced the notion of a trade-off between total factor income and leisure, that is utility maximization. In the manner of Jevons he defined a shortrun partial equilibrium with respect to family labour supplies, and in applying it to peasant economy called it the "labour consumer balance". In doing so, he developed a systematic theory of peasant economy based on the specific structure of peasant economy - the application of non-wage family labour to the family household farm. This theory is independent of whether or not there is commodity production.

According to Chayanov, the family farm is an organism of the rational economy. In abstraction from external relations, the peasant family becomes the unit of production, distribution and exchange. To this atomistic, self-determining entity Chayanov applied the logic of utilitarian individualism. The labour process is dominated by the relationship between work done and income received. Increased income brings diminished marginal utility, and increased intensity or duration of labour brings increased marginal disutility. In consequence, the elasticity of demand for income with respect to income per day worked lies between zero and minus. Chayanov reached the conclusion with his utility theory that the peasants neither aim at a unique subsistence level of income nor maximize income per period; they seek to maximize the net utility of income and leisure.

At the theoretical level, Chayanov drew the following inferences. First, peasant economy involves an intrinsic social relation: 'self-exploitation' of labour power. The measure of self-exploitation is the number of days in the year which the peasant 'chooses' or 'compels himself' to work. The inequalities within peasant society spring from this subjective relation, and do not involve the exploitation of some people by other people. Second, peasant economy reproduces itself through the family. The family is the progenitor of the family life-cycle and of population growth. It is the owner of property. As such, it expresses the fact that the aim of production is household consumption, not feudal rent or bourgeoisie profit. Third, peasant economy embodies a contradiction between human needs and the forces of production. This is what generates the laws of motion of both household and economy, and which propels agricultural production towards more highly developed systems of cultivation and more valuable products. But this contradiction is not antagonistic. Not only is the scale of peasant production technically appropriate, it is also more efficient and more competitive than capitalist production.

Chayanov's theory came under fire by the contemporary Marxist economists. The Marxists argued that if a multidimensional stratification criterion is used, then one would

find that Russian rural society had been highly stratified along class lines as argued and empirically shown by Lenin (1977), and not along the lines of Chayanov's demographic differentiation thesis. Chayanov completely ignored the market relations that ultimately embrace different strata of peasantry, including even the middle peasants. A cumulation of advantages and disadvantages through the market network is likely to differentiate the peasantry along the class lines and thus there can be social differentiation. His contention that the inequalities within peasant society involves self-exploitation of labour-power and not the exploitation of some people by other people seems to be the most unrealistic of all of his propositions in the context of any peasant society, whether developed or developing. Viewed from this perspective, Chayanov's theory of peasant farm does not stand the test of critical scrutiny. 20

3.1.4. Neo-Classical approach

As is already pointed out in sub-section 3.1.1, the neo-classical approach developed following the Culloch-Malthus-Ricardo line of argument. This line of thinking gained momentum and obtained a comprehensive framework at the hands of Marshall and Pigoue during the turn of the last century and dominated economic thought upto the early second quarter of the present century, till the emergence of the Keynesian revolution. The scholars belonging to the neo-classical school visualized the capitalistic economy as

an aggregate of atomistic individuals who make their decisions autonomously. According to them, relative prices and quantities are determined simultaneously in equilibrium as an outcome of the interplay of forces of demand and supply generated by the optimizing quantity of choices of individuals subject to their individual resource - constraints. The role of prices as a scarce-resource allocator, given the resources, dominates the theory, as contrasted with its resource creational role (Kaldor, 1972).

Until recently, neo-classical school was mainly concerned with efficiency of resource allocation in the industrial sector, and its emphasis on the issues relating to the development of the agricultural sector was minimal. Even then, it had occasionally addressed some issues of farm economics such as allocation of resources on the farm and farmers' responses to markets and innovations. More particularly, the debate over efficiency of share tenancy has loomed large in economics ever since Marshall.

The volume of literature on agricultural economics has experienced rapid growth and extended dimension in the recent era. Even the text books discussing at length the relevance and application of neo-classical theories and tools to agriculture have appeared.\(^{21}\)

The upsurge of the literature on the neo-classical economics of agriculture dates back to the early 1960s when the 'green revolution' first started taking place and the main concern of the

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21. Such basic texts include Found (1971) and Upton (1973).
Economists and policy-makers was the apparent 'resistance to change' of many peasant household producers even when the change in technology in agriculture clearly promised increased well-being. One simple but extreme explanation of this was that the peasants are inherently conservative or 'tradition-bound' and thus naturally resistant to change. In its more modest versions it suggested that they have "limited horizons of ambition" or they have the "image of limited good". This idea of the 'traditional peasant' lost most of its ground in the 1960s when mounting evidence became available demonstrating that peasant farmers do in fact respond, for example, to changes in the prices of commodities they produce, like the 'rational economic men' of the economists' models (Jones, 1960). T.W. Schultz further advanced the idea of peasant's rationality by propounding the thesis that peasant farmers are efficient but poor (Schultz, 1964).

Schultz treated agriculture as a source of economic growth. He considered that the main analytical task is to determine how cheaply and how much growth can be realized from transforming traditional agriculture by means of investment into a more productive sector. He held that hitherto economists who were studying economic growth have with few exceptions put agriculture aside in order to concentrate on industry. The growth economists concluded that the economic stagnation of traditional agriculture will be overcome when farm people learn the economic virtues of

22. Kusum Nair coined the phrase "limited horizons of ambition" in her book on Indian agriculture, Blossoms in the Dust, and Foster developed the concept of "the image of the limited good" in his article, "peasant society and the image of limited good", American Anthropologist, 67, 2, pp.293-315. Harriss has quoted them. See Harriss, 1982b, p.212.
"work and thrift" and thus of saving and investing, but they never thought about the profitability in traditional agriculture. 23

Traditional agriculture is obviously niggardly; but he thought that this niggardliness may be the function of a unique set of preferences related to work and thrift. In traditional agriculture, Schultz continued to argue, incentives to work more than these people do are weak because the marginal productivity of labour is very low; and incentives to save more than they do are weak because the marginal productivity of capital is also very weak. But the peasants are rational and profit-maximizers. There are comparatively few significant inefficiencies in traditional agriculture. The crucial feature of traditional agriculture is the low rate of return to investment in agricultural factors of the type that farmers have been using for generations. In order to transform this type of agriculture a more profitable set of factors will have to be developed and supplied. To develop and to supply such factors and to learn how to use them efficiently is a matter of investment in both human and material capital. Incentives to guide and reward farmers are a critical component. Once there are investment opportunities and efficient incentives, "farmers will turn sand into gold" (Schultz, 1964 : 5). 24

23. E. Lundberg (1959) discussed these limitations of macro-growth models in details.

24. Even such a Schultz could not resolve the puzzle why people in backward agriculture do not change their equipments and outlook (Schultz, 1964 : 28).
Lipton critically examined Schultz's argument, from the neo-classical viewpoint of course. In the course of doing so, he modified some of the assertions of Schultz and elaborated the domain of the neo-classical approach to agricultural economics (Lipton, 1968b). Lipton argued that Schultz' assertion depends on the assumption that small farmers are profit maximizers, but in reality the small farmers cannot behave like profit maximizers because of the conditions under which they have to operate. The peasant farmers are so much subject to conditions of risk and uncertainty that they must be 'optimizers' - who seek to strike a balance between the objective of maximizing profits or yields, and that of keeping the risks of failure to a minimum. Another classic study of peasant decision-making is that by Gould (1963). Gould related actual cropping patterns of Ghanaian peasant farmers to the 'mini-max' solution predicted by the theory - that is, the solution which permits the highest possible level of output to be achieved whilst also keeping the risks of failure to a minimum. He appeared to imply that farmers have hit upon the 'right' answer by a long process of trial and error. Similar game theoretic analysis was carried out by the anthropologist Davenport (1963) for fishermen of a Jamaican village.

The neo-classical theories of the peasant economy had phenomenal impact both on the policy-makers searching for development strategy and on the economists and social scientists. Schultz's "the efficient but poor" thesis was of great practical significance in the 1960s, when it served to provide a theoretical underpinning for the strategy of "transforming traditional
agriculture" by means of the introduction of new technologies together with training and extension help and the provision of infrastructure. Lipton's "theory of the optimizing peasant" and the game-theoretic findings of Gould have a considerable explanatory power, and it has often been found possible to explain patterns of peasant behaviour - as for example over the adoption of innovations - in terms of the minimization of risk and uncertainty. Lipton's approach takes us back at the same time to the societal level, for of course farmers are not all equally endowed and do not all have the same capacity to withstand risk.

Despite this, the contributions of the neo-classical approach to the peasant economy are only of very limited significance. This approach emphasizes the 'individual' too much and ignores the social character of the individual. It explains the success or failure of the individual within the system, but leaves the system itself out of the analysis. For example, this approach provides an excellent analysis of the farmers' responses to imperfect factor markets, but what explains the reasons for and the operations of those markets is left out of the analysis. Besides, this approach focuses mainly on "allocative efficiency" and virtually ignores the aspects of "utilization of resources".

To sum up the discussion in this section: the economists have addressed the issues related to agricultural development since Adam Smith's age. However, the issues gained momentum in the later age, mainly during early 19th century, at the hands of the Marxist and Populist scholars. The main argument of the Marxist school was that, with the development of capitalism in
agriculture, the peasants become polarized into two extreme groups, and the middle and the small peasants gradually disintegrate. With the development of market and increased commoditization and differentiation, the feudal production relation is transformed into the capitalistic production relation. Among the classical Marxists, Kautsky showed liberal attitude. He argued that the small peasantry can survive, at least for a long time, by dint of their power of endurance. The populists, notably Chayanov, advanced the theory of demographic differentiation, in contrast to Lenin's perspective of social differentiation. Chayanov argued that increase in members in peasant households and increase in population pressure in the economy will manifest a degree of inequality across the national peasantry. But, such differentiation is cyclical in nature and thus temporary. He considered that the peasants are rational, the peasant production is efficient, and the peasant economy will survive as a separate mode of production. The focus of the neoclassical economists was on the decision-making behaviour of the individual peasants. The neoclassical approach is concerned mainly with the issues of farm economics such as allocation of resources on the farm and farmer's responses to market and innovations. The underdeveloped agriculture can be transformed, according to them, only through increased investment in both human and material capital.

3.2. Modern Approaches to Rural Development

"Rural Development" has emerged as a distinctive field of policy and practice, and of research in the 1970s, particularly
since the inception of the New Strategy for development planning by the World Bank and the U.N. agencies (Harriss, 1982b: 15). The term refers to a distinct approach which is at once broader and more specific than agricultural development. It is broader because it is an approach to the rural economy, or for that matter, to the economy as a whole. It is more specific in the sense that it focuses particularly on poverty and inequality (Harriss, 1982b). To be specific, "rural development essentially means continuous and self-sustaining improvements in the levels of living of rural people" together with decreasing inequality (Kocher, 1973: 5). The broad issue of rural development involves certain subissues. First, rural development primarily implies generalized increases in rural labour productivity. This, in turn, implies transformation of agriculture, because agriculture is the most dominant component of the rural sector. Technical change in agriculture can increase productivity which will lead to increased income, increased agricultural surplus (Johnston and Cownie, 1969) and expanded market (Kocher, 1973). Second, rural development requires

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25. The World Bank's definition of Rural Development as "... a strategy to improve the economic and social life of a specific group of people - the rural poor" (Harriss, 1982b: 15) appears to be very narrow; it does not include the need and programme for modernization of the whole rural economy. Johnston and Kilby's understanding of the concept of rural development as "advancing structural transformation, raising the welfare of the farm people, and fostering changes in rural attitudes and behaviour that will have beneficial effects on the process of modernization" (Johnston and Kilby, 1975, chapter 4) seems to be too broad and somewhat abstract.

26. For a detailed discussion on the issues of rural development, see Kocher, 1973, PP.5-10.
continuous increase in rural employment opportunities, both on farm and off-farm (Kocher, 1973). Third, it requires reduction of poverty and inequality not merely for social justice and humanism, as Streeten (1981) suggested, but equally for growth itself. A large number of economists now believe, contrary to the views of earlier development economists, that increased equity, rather than increased inequity, increases savings as well as effective demand (Lele and Mellor, 1972; Seers, 1969; Cline, 1975). This is specially true for the agricultural and rural sector (Dorner and Kanel, 1971; Myrdal, 1968). Finally, rural development increases capacity of the rural sector, through increased productivity and income, to make its essential contributions to overall development. The rural sector should generate sufficient surplus for investment in the urban industrial sector (Nicholas, 1969; Johnston and Kilby, 1975), as well as substantially increase

27. There has been a considerable debate on the issue whether there is a trade-off or complementarity between the twin objectives of economic development, namely, growth and equity, and whether higher equity actually reinforces the growth-promoting processes. The antithesis between growth and equity in the early phase of development was based on a modified Ricardian view of the growth process where it was assumed that savings come exclusively from profits (and rents), and increased savings were a precondition for higher capital accumulation and higher rate of labour absorption into more productive activities (Chakravarty, 1990). Against this, Myrdal (1968) argued that growth was probably more closely correlated with the improvement in the quality of human labour devoted to production. It has been argued further that institutional reforms, specially relating to land ownership and access to public goods, could promote growth with equity. For a detailed discussion on the debate relating to "growth and equity", see Kuznets, 1955; Adelman and Morris, 1973; Ahluwalia, 1976; Sen, 1981. For the opposite view, i.e., equitable distribution is inconsistent with the goal of maximizing growth in agricultural output, see Adams, 1970; Petras and La Porte, 1970; Nicholas, 1971.
effective demand for industrial products (Eicher, 1969; Kocher, 1973). These are the issues involved in the rural development perspective which the approaches to rural development seek to address.

In the recent years, a large volume of literature on rural development has emerged. Categorization of the existing literature into some broad approaches is likely to simplify the task of review. But categorization itself is a difficult task. Some authors viewed the entire question of rural development as the one which centres around the "technology versus institution" debate (Bhaumik, 1989, : 1). Chambers (1983) divided the entire gamut of literature on rural development into another two categories: physical ecology cluster and political economy cluster. Boesen (1980) suggested still another categorization of agrarian studies.

But we prefer the simple categorization as done by Harriss (1982b) because it appears to us best to reflect the debate that

28. The followers of technologist approach consider the whole problem of rural development as technological and the technocratic solution rely on technological packages supported by market incentives and price supports. On the other hand, the institutionalists consider the problem as institutional, and they put forward the case for institutional reforms as an indispensable precondition for development.

29. In the political economy cluster, as Chambers held, rural poverty is seen as a consequence of processes which concentrate wealth and power, and technology and commercialisation play a part in these processes. In the physical ecology cluster, rural poverty is interpreted in terms of what is physical, visible, and technical. In this cluster, the two most commonly cited causes of poverty are population growth and pressures on resources and environment. For a detailed discussion, see Chambers, 1983, pp.36-40.
has actually influenced thinking about agrarian policy. Moreover, Harriss' categorization seems to be sufficiently general; his categories include in them the essence of categories as proposed by others.

Harriss has categorized the approaches to the study of agrarian problems/rural development into three broad approaches: 'structural/historical' views, 'decision-making' models, and 'systems' approaches (Harriss, 1982b, pp.17-18). We shall discuss each of these three approaches separately. Besides, we shall discuss another approach which Harriss did not consider: neo-populism. We feel that some of the propositions of the neo-populists apply to the Bangladesh context. In reviewing the literature on these approaches to rural development, we shall examine not only the theories and empirical studies which have appeared after emergence of rural development as distinct issue of research during 1970s, but also the important studies carried out during the earlier years immediately before 1970s, which have contributed to the emergence of the issue. Second, in this section we shall discuss not only the important studies conducted in the context of rural development in general, but also the available studies which have been carried out in the context of Bangladesh.

3.2.1. **Structural/historical approach**

The structural/historical approach, sometimes also referred to as the neo-Marxist approach or political economy cluster, heavily draws on the classical Marxist approach. Prominent among
the scholars of this school are Bernstein, Djurfeldt, Byres, Raikes, Bharadwaj and Patnaik. 30

The authors of this school claimed that the models developed by Marx and Lenin may still be relevant to analysis of third world agriculture. Like the Marxist approach, this approach places the ownership and control of resources at the centre of analysis. The structures of social relationships and of conflict - or the social classes - which are based upon differences in the ownership and control of resources by different groups of people, are seen as the major sources of change.

Bernstein (1977) argued in the context of Africa that the destruction of natural economy (and development of commodity relation) takes a variety of forms according to the character of pre-existing social formations, the destructive force and its historical context. The process of commoditization is also not uniform. The unevenness of the commoditization is tied to the concrete conditions in which various capitals confront and penetrate different pre-capitalist formations. In Bernstein's view, differentiation in class terms is only a dimension of the intensification of commodity relations, but not a necessary condition or effect of this intensification. He drew a clear-cut line of distinction between differentiation in the sociological

30. It may be mentioned that a scholar does not need to be a Marxist to belong to this school, nor did each author of this school adhere to the propositions of classical Marxism. The studies of this approach which would probably not be called 'Marxist' by their authors include Hill (1972; 1977) on Nigeria, Hopkins (1973) on West Africa, and Washbrook (1976) on South India.
sense and differentiation in the materialist sense. In the sociological sense, differentiation refers to the differences in the accumulation and consumption, which in itself does not indicate socially significant differences at the level of production. Much of the time these differences in consumption standards are caused by the factors that are random with respect to the relations of production, such as natural disasters, non-agricultural sources of income, and the demographic factors. On the contrary, differentiation in the materialist sense is tied to the conditions in which wealth becomes capital, when it is not consumed individually but productively through investment in means of production. It is this which tends to polarize the peasantry along the class lines. Bernstein's main point is that even when capitalism develops in agriculture, differentiation in the materialist sense may not be pronounced so that the household form of production may well survive and remain intact, and that this frequently serves the interests of capitalists very well.

It is evident that Bernstein's view considerably deviates from the analysis of Marx, Engels and Lenin, and is based on Kautsky's arguments, incorporating some propositions of Chayanov as well.

Djurfeldt (1981) examined the agrarian issue in the context of some of the contemporary Western countries and not of the today's underdeveloped world. He has observed in some of the EEC countries and the U.S. that the big estates have decreased in importance and the family farm has become the typical unit,
despite that in each of these countries agriculture has gone through a revolution in the forces of production. He criticized Lenin for not being able to comprehend the actual structural development of agriculture and acclaimed Kautsky for demonstrating greater measure of reality and feel.

Bharadwaj (1974) and Patnaik (1972) addressed the issues such as exchange and sales of output and marketing of products in the context of Indian agriculture. They observed that a strong historical theme is that of the commoditization of production and of the incorporation of small-scale producers into markets. Bharadwaj (1974) categorically stated that the process of differentiation of the peasantry and of commoditization, and the development of capitalism or the linking up of rural household producers with capitalist production in various ways is the dominant process of change in contemporary agrarian societies.

T.J. Byres (1977) was concerned with the development of agriculture of the contemporary developing world. He argued quite emphatically that in the relatively early stages of capitalist development, agriculture must perform two crucial functions. On the one hand, it must generate and release in sufficient quantity and on reasonable terms the surplus that is necessary if growth is to take place outside of agriculture; on the other hand, it must contribute to the creation of the home market that is equally essential. According to him, industrialization is the route-way from backwardness and the agrarian question cannot disappear until agriculture creates the conditions for industrialization. Industrialization requires that the urban bourgeoisie has
undisputed hegemony in the social formation — the class of capitalist farmers has to yield dominance to urban/industrial interests. This will involve breaking away of political power of the rich peasantry. Agriculture can release surplus to industry through market, taxation or savings. If the rural capitalists can maintain terms of trade which are persistently unfavourable to industry, or if they can successfully resist taxation and thus prevent the appropriation of an investible surplus by the state, there will be blocking of capitalist development even before capitalism becomes dominant in the country-side. Therefore, complete development of capitalism in agriculture requires eventual yielding of hegemony of the rural capitalists to the urban bourgeoisie. He continued to state that capitalist agriculture can develop as landlord capitalism or as peasant capitalism. For many contemporary poor countries peasant capitalism is the dominant element in any possible agrarian transition. The essential preliminary to any such agrarian transition is the development of a differentiated peasantry, from which a class of capitalist farmers and one of agricultural labourers can emerge. But, he pointed out, such an agrarian transition is by no means inevitable. He stated further that rich peasants are not necessarily capitalists, and the capitalist mode cannot be said to be dominant even when differentiation has proceeded apace.

Byres observed that the agrarian question has been faced and tackled over the recent decades in the vast majority of poor countries on two broad fronts: the institutional and the
technical. But the major effect of these policies has been to hasten the process of differentiation among the peasantry and the rich peasants have emerged as a distinct class, with increasing political power. The net effect of this has been the blocking of capitalist development before capitalism has become dominant in agriculture. On this point, i.e., on the effects of state interventions upon the peasantry, a number of neo-Marxist scholars have joined Byres. Taussig (1978) has shown in the context of Cauca Valley in Colombia that rural development programmes implemented serve the interests of the rich peasants and not others. Raikes (1978) has shown that the policies of the governments of Tanzania have encouraged differentiation and the emergence of a rich peasantry. Bagchi (1982) has discussed how the policies of the state and the "green revolution" have exacerbated the process of differentiation along the class lines and benefitted the rich peasants and rich regions in the Third World countries, including India. Griffin (1974) has also come out with similar conclusions.

Thus, it is evident that the neo-Marxists were more liberal in attitude and tried to accommodate much of the diverse situations prevailing in today's agrarian societies. Almost all of them admitted the capacity of the small peasants and the peasant economy to survive even as capitalist production relations develop in agriculture. At least some of them, including Bernstein and Byres, argued that the peasantry may not differentiate always along the class lines, that the rich peasants are not necessarily the capitalist farmers, nor are the peasants and wage labourers
always rural proletariat. All of them were unanimous on the role of the state and rural development programmes in accelerating differentiation and benefitting the rich peasants.

A large number of studies have been carried out on the nature of the mode of production and different aspects of the agrarian issue in the specific context of many developing countries. The volume of literature is also not small in the context of Bangladesh. We can now turn to the literature of the structuralist approach which has emerged in the context of Bangladesh agriculture in the recent decades.

Adnan et al (1977) have shown, based on the results of village studies, that differentiation among the peasantry are slowly increasing. Adnan and Rahman (1978) and Bertocci (1979) observed that declining land-man ratio and structural fragmentation are causing mobility of households, resulting in the growth of vast majority of the poor and of few rich peasants. The study of Januzzi and Peach (1977) showed the existence of various classes and interest groups in Bangladesh agriculture. Abdullah (1976) maintained that there is relationship between agrarian structure and development, and the existing structure is mainly responsible for low growth in agriculture. He suggested that

31. Thorner (1982) has intensively surveyed the literature on the nature of the mode of production in Indian agriculture and De Janvry (1981) has done the same in the context of Latin America.

32. A number of anthropological and sociological studies based on village surveys have also been carried out along this line in Bangladesh in the post-liberation period. Islam (1974), Wood (1976), Jahangir (1979), Westergarrrd (1985), Chowdhury (1978), and Hartman and Boyce (1983) are notable among them.
change; in agrarian structure will increase the rate of development. Mahabub Hossain (1981) showed that the concentration of land-ownership has been increasing. However, he observed that the concentration of landholding has negative effects on adoption of modern technology; the large farms are more interested in using labour-intensive primitive technology than modern technology. The skewed land distribution is adversely affecting growth in another way also. A large portion of wealth of the rich peasants is used for unproductive expenditures and not for investment. But the small landowners and tenants utilise a larger proportion of their surplus for productive investment in agriculture compared to large landowners. In the existing technology, the small peasants are also more efficient than the large farms. Hossain has found in other studies that the rich peasants have much more access to institutional credit but they do not adopt the modern technology because they consider that investing for purchasing land and sharecropping out of land are more profitable (Hossain, 1978). As a result, agriculture in Bangladesh remains almost stagnant (Hossain, 1979). He suggested that agrarian reform can ensure both equity and growth (Hossain, 1981).

In a sensational article Bhaduri et al (1986) claimed to have observed in some villages of southern Bangladesh that the small-holder peasants persist amidst the process of polarisation. In contrast, Rahman (1986) emphatically claimed, based on studies in two villages, that the peasantry is differentiating along the class lines and commoditization and commercialization are rapidly increasing in Bangladesh agriculture.
Rahman (1986) has found in his study that villagers are becoming more market-oriented over time and money has increasingly become the medium of exchange relations in recent times. The price of land has tremendously increased, thereby converting land into a commodity. The number of transactions of land - the poor and middle peasants selling and the rich peasants buying land - has enormously increased over one decade. Both Rahman (1986) and Hossain (1978) have shown that sale of labour power has been increasing, although at slow pace. Muqtada and Alam (1986) have found that the proportion of hired labour increases with technological progress in agriculture. Rahman and Das (1982) have found that wage labour has been increasing and permanent labour declining in the villages of Noakhali. Wood (1976) has shown how classes are formed through the credit market and land mortgage.

A number of authors have shown that the state and its development efforts in particular are significantly contributing to the process of differentiation. The programmes and policies of the state are aiding the rich peasants in consolidating their already enhanced position. Abdullah et al (1976) have shown that as the consequence of integrated rural development programmes, the traditional structure is in the process of disintegration and the peasants' classes are emerging. In another study, Abdullah (1980) has found that a 'kulak' class has been rising in Bangladesh agriculture through the patronage of the state. Bertocci (1976), Blair (1978), Hossain and Jones (1983), and Huda (1983) also have shown that the "green revolution" and the rural development programmes, initiated and run by the state, have exacerbated the
process of differentiation and changed the power relations in the country-side of Bangladesh.

The findings of the studies of the structuralist approach carried out in the Bangladesh context can be summarized as follows: In Bangladesh agriculture, differentiation, commoditization and commercialization have been increasing fast. The state is playing crucial role in the process; the "green revolution" and the other rural development strategies are benefitting the rich only, causing increased pauperization. However, except Rahman, none of the scholars claimed that the peasantry in Bangladesh is differentiating along the class lines. Almost all of them have observed that the small peasants are surviving amidst the process of differentiation. Abdullah and Hossain have indicated that the skewed distribution of land is not contributing to economic development and that there are symptom of "blocking of capitalism" in Bangaldesh agriculture.

3.2.2. Contemporary populism

The school of contemporary populism or neo-populism has emerged as the legacy of populism of the earlier age. The moot point of debate between neo-Marxists and neo-populists concerns itself with the choice of strategy for rural development. The neo-Marxists as well as some of the liberal economists argued for the necessity of the large-scale units of production in agriculture, while the contemporary populists argued that transformation can be based on small-scale peasant family farms. The scholars of this school believed that the small farms are most
efficient and suggested that redistribution of land will increase both growth and equality in agriculture. Johnston, Kilby and Shanin are the prominent neo-populists. Lipton's 'urban-bias' theory also constitutes a neo-populist argument.

Johnston and Kilby (1975) stated that in most of the developing countries the government adopts the 'bimodal' strategy of agrarian change, where there is a dualistic size structure of farm units and in which resources are concentrated on a small, highly commercialized subsector of the agrarian economy with large farms. They argued that the 'bimodal strategy' is likely to be less effective as a means of achieving the goals of development in those countries than a 'unimodal' approach based on the mass of relatively small farms, and requiring a divisible and improved technology. Lipton (1968a, 1974) held exactly the same view. He further argued that the main reason for the persistence of poverty in spite of substantial growth in most developing countries is the "urban bias" - the urban people taking the major share of available resources, depriving the rural people.

Teodor Shanin (1972) advocated the case of populism more rigorously. He modified and extended Chayanov's thesis. He distinguished two basic types of peasant household mobility: centrifugal mobility leads to increasing economic polarization and centripetal mobility leads to levelling of the peasant community. According to him, these two types of mobility occur at the same time, and it is their relative intensity within a community which causes its ultimate polarization or levelling. He also considered demographic differentiation as a possibility.
Schendel (1981) has carried out an intensive study in three villages of Bangladesh to test the efficacy of Shanin's propositions. He observed that Shanin's model has high applicability in Bangladesh agriculture. However, neither Schendel nor Rahman (1986) could find any relevance of the concept of demographic differentiation in Bangladesh agriculture. Besides these observations, Hossain's view that small peasants are most efficient (Hossain, 1981), the observation of Bhaduri et al (1986) that small peasants are stable, and the policy suggestions of Abdullah (1976) and Hossain (1981) that land reform will transform agriculture also fall in line with the neo-populist thesis.

3.2.3. Decision-making models

The decision-making models have developed along the neoclassical approach to agricultural development. This approach views the problem of rural development basically as the problem of allocation of resources on the farm, and is primarily concerned with the farmer's responses to markets and innovations. A number of studies of this approach have tried to set up models in which individuals are seen as making choices about their values and their actions, and thus as changing their own societies. These studies have special focus on the role of entrepreneurship (Barth, 1966; Long, 1977; Hill, 1970).

One variant of this approach is farm economics which deals mainly with the patterns of land and labour use. One basic premise of farm economics is that the motivating force behind
men's actions is the attempt to maximize income. To the farmer, the price he receives for the product associated with the land-use is vital (Found, 1971).

The subject-matter of agricultural economics is, however, much wider than farm economics, and it includes as well the role of agriculture on overall economic growth and analyses the saving and investment behaviour of individual peasants. Schluter (1971) argued that small farmers are slower than large cultivators to make use of technological advance. The risk involved in using an unknown technology is considered as the primary factor for reluctance or inability of small farmers to adopt modern technology (Reddy and Kivin, 1968). The inability of the small farmers to manage risk and uncertainty serves, in many sorts of situations, further to widen income disparities between small and large farmers (Mellor, 1976). A policy instrument which alleviates the risks to individual producers may prove useful in encouraging small farmers to adopt innovations (Herdt and Dehn, 1978). 33

A relatively few studies have been carried out along the neoclassical line in the context of Bangladesh agriculture. Cummings (1974) has studied the supply responsiveness of some cultivators of Bangladesh and found that the Bangladeshi cultivators are certainly sensitive to prices. Quasem (1987)

33. On the new technology associated with the "green revolution" see Wharton, 1969 and 1971; and two classic studies of innovation adoption are by Griliches and by David in Rosenberg ed. (1971). Nakajima (1969), Sen (1966) and Winkelman (1977) are also important studies on this issue.
observed that the marketed surplus of paddy is mainly determined by per capita production and prices of paddy. Khandker et al (1987-88) have studied the allocative efficiency of farm size and tenancy status. Hossain (1981; 1987) has analysed the investment behaviour of different landownership groups. He observed that the marginal investment rate is highest for the medium farmers and lowest for large farmers.

3.2.4. Systems approach

The systems approach in general emphasizes environmental, technological, and demographic factors and seeks to explain their inter-relationships within farming systems. This approach, sometimes referred to as the ecological approach (Geertz, 1963: 3) or the physical ecology cluster (Chambers, 1983: 39) attempts to achieve a more exact specification of the relations between selected human activities, biological transactions, and physical processes by including them within a single analytical system, an ecosystem. This mode of analysis is of a sort which trains attention on the pervasive properties of system qua systems - system structure, system equilibrium and system change. This approach deals with the questions such as: what are the mechanisms which regulate the functioning of an ecosystem? What degree and

34. The concept of ecosystem has been borrowed from life science and environmental science to be used in ecology, anthropolgy and lately in economics. See Clarke, 1954, p.16.

Haeckel (quoted in Bates, 1953) has defined ecology as the study of the economy, of the household and of animal organisms. In ecology, an ecosystem consists of a biotic community of interrelated organisms together with their common habitat (Geertz, 1963: 3).
type of stability does it have? What is its characteristic line of development and decline? And so on. This approach attributes much of the existing state of the underdeveloped society to ecological processes. In this approach population growth and pressures on resources and the environment are the most commonly cited causes of poverty and underdevelopment (Chambers, 1983).

An important study of the systems approach is Boserup's The Conditions of Agricultural Growth (1965)^35 which presents the thesis that increasing population density explains the development of increasingly intensive systems of cultivation, involving also changes in technology and in social institutions. This model has influenced a good deal of subsequent research. Based on the Boserup thesis, Chambers and Harriss (1977) sought to explain variations between villages in a small region of South India in terms of the interrelations of environment (specially the availability of irrigation water) and population density, and four certain fairly distinct patterns of variations of wage rates, labor relationships and rural livelihoods that could be related to the basic dynamic of environment and population. Allan (1965), also along the line of Boserup's, has examined the cultivation systems of several parts of the world and advanced a concept of environmental carrying capacity in explaining the interrelationships of human populations, environment and agricultural techniques.

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35. Robinson and Schutjir (1984) have attempted to present a more generalized version of the Boserup Model, showing population growth as the 'primus motor' in Boserup model.
In this approach, rural poverty is interpreted more in terms of the physical factors such as soils, environment and population. Population growth is considered to have numerous consequences on rural development process (Kocher, 1973; Chambers, 1983). The rapid population growth creates tremendous pressures on resources and environment. While some of the increase in population is absorbed in migration to towns, it is argued that urban employment and urban informal sector are becoming saturated. Much of the increase in population will have to be supported in the rural areas. But there again, under the pressure of population, land is becoming scarcer. Small farms are subdivided on inheritance and children become poorer than their parents were. Labour supply increases in the towns to swell a miserable urban proletariat. Others move to marginal environments - steep slopes, low rainfall savannahs, and areas prone to flood or drought. Others compete for common resources which they decimate; they destroy fish, grazing, groundwater or forests. Fallows shorten and fertility falls. The creeping desert, soil erosion, floods, siltation, declining primary production, dropping water tables and lower crop and livestock yields all follow (Burki, 1990). Uncontrolled population growth and uncontrolled exploitation of natural resources, in this view, combine in vicious circle: the more people there are, the more they destroy the long term potential of fragile environments, and the poorer this makes them and their descendants (Chambers, 1983).
No comprehensive study has so far been conducted in the context of Bangladesh utilizing the systems approach\textsuperscript{36}.

The main difficulty with the systems approach is, as Harriss (1982b:20) pointed out, that it emphasizes the systematic quality of the local community, regulated by environment and culture, and thus it can only explain change as something which comes about as the result of external forces acting upon the local society. It ignores the relationship of mutual determination between locality and state -- in which each exercises determining influence on the other. It also neglects processes of change which may be internal to peasant society. It emphasizes too much the material conditions such as population and environment and almost ignores the social and market relations in explaining rural development and poverty. But, as Starenhagen (1977) and Griffin and Khan (1978) wrote, while the material conditions, specially rapid population growth, is a contributory factor of increasing poverty, distribution of assets and development of market relationships are the basic causes of poverty.

To sum up our discussion on the modern approaches to rural development: There are four broad approaches to rural development. The structural approach, like the classical Marxist

\textsuperscript{36} No study has been carried out in the context of India too. However, some observations of some researchers made in the context of India provide support to a number of postulates of this approach. Gupta (1987) has found some sort of mutual support and sharing of poverty among the rural poor. Jodha (1986) has observed increasing pressure on common property resources. Paul (1989) has expounded that real per capita income shows no significant increase in Haryana, despite increased adoption of modern technology, due to rapid population growth.
approach, emphasizes the structure of social relationships and of conflict, or the social classes, which are based upon differences in the ownership and control of resources. The process of differentiation of the peasantry and of commoditization, and the development of capitalism are considered as the major sources of change in the agrarian societies. The neo-populists, on the other hand, did not believe in any significant differentiation among the peasantry; instead, they considered that peasant production is basically stable, and peasants are homogeneous and efficient producers. They argued that redistribution of land can alone develop agriculture considerably. The decision-making models, like the neo-classical studies, emphasize the role of individual peasants, and on efficient resource allocation. They argued for increased physical and human investment to transform agriculture. In the systems approach, the physical factors such as soils, environment and population are considered the main determinants of poverty and underdevelopment of rural society. According to this approach, transformation of agriculture requires change in the physical factors.

The limitations of the approaches are apparent. In point of fact, each approach is partial: there is truth in every explanation, again many things are left out in each. The structural approach in its strict form emphasizes the social character of production, and ignores the physical conditions and the independent role of the individual in decision-making as to resource allocation. The systems approach, on the contrary, attempts to explain the problems of rural development only in
terms of the physical conditions of the society. The domain of
the decision-making models is narrow: it emphasizes the role of
individual's choices and decisions, and neglects the social
character of the individual and the physical conditions of the
society. The neo-populist approach is still narrower: it only
explains the efficiency and survival capacity of peasant
production, ignoring all other aspects of the rural economy.

As a matter of fact, the structures of social relationships,
the physical conditions and the behaviour of the individual
peasant are all important determinants of the process of change in
the rural societies, although the balance of their significance
varies over time and space (Hunter, 1969).

3.3. Involution and Shared Poverty Approach: A Pluralist
Approach

As discussed in the earlier section, each of the established
approaches to rural development is partial. Chambers (1983)
argued that partiality of the approaches matters: approaches based
on partial preconceptions are likely to miss significant truths
and fail to find the best interventions. He suggested that a
balanced pluralist approach, empirically based and with a wide
span in all the important approaches, is more likely to fit the
complex reality of rural society.

37. In Chambers' view, the pluralist approach recognizes
multiple causation, multiple objectives and multiple
interventions, and it is suspicious of unicausal
explanation, of the single objective and of the one
solution. It entails allowing observations and unexpected
details to qualify and generate theory, rather than for
to limit what is noticed and considered relevant.
For a detailed discussion on the pluralist approach, see
The involution and shared poverty approach, although still in the rudimentary stage of formulation, can well be considered as a pluralist approach. This approach combines in it some of the crucial elements of different approaches to rural development and has the prospect of further incorporating other relevant elements of various approaches.

Although Benjamin White (1976) first used the name 'involution and shared poverty' approach in the course of his analysis of unemployment and involution in the Javanese economy, the origin of the concept of involution and shared poverty dates back to Geertz's study of stagnation and backwardness of the same Javanese economy (Geertz, 1963). Geertz's inquest started as a study of the systems approach. He accounted for the differences between the patterns of development in Java on the one hand and in the Outer Islands on the other, in terms of their contrasted environmental and demographic contexts. He argued that the physical conditions of Java have allowed production to be increased so as to keep pace with the rapidly growing population, though at constant levels of output per head.

Then he pierced into the complexities of rural life which are rooted in the socio-economic factors and not merely in the physical conditions of the villages. He observed that increasing population pressure has led the rural people of Java to adopt more and more labour intensive techniques of cultivation and to the

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38. This may be the reason for which Harriss (1982b) included Geertz's study in the systems approach. But a closer examination of Geertz' views reveals that he went much beyond the conceptual boundary of the systems approach.
practice of "sharing of poverty" as in the sharing out of access to land or of opportunities for wage work. But, though use of modern technology and total production have increased in agriculture, per capita output remains constant. The growing population is also absorbed by resorting to poverty sharing which is manifest in underemployment, low returns to labour, low per capita consumption, etc. Such an absorptive process, or in the words of Missen (1972:259) the traditional elastic qualities of the Javanese villages has been termed by Geertz as one of involution, in the sense that this process involves the increasing elaboration of the existing socio-economic structures and not transformation of older structures.

To Geertz, the main features of involution are: migration from rural to urban as well as migration from more populated rural to less populated rural areas, adoption of labour intensive techniques of cultivation, sharing out of opportunities for wage work, and sharing out of agricultural product. Geertz's study was quite extensive, and naturally less intensive, less rigorous, and much less substantiated by empirical evidence. White (1976), on the other hand, quite intensively addressed one particular aspect of the involutional process: sharing of employment opportunities. Utilizing Geertz's notion of involution and shared poverty and Myrdal's (1968) framework for the analysis of labour utilization, he surveyed one village in East Java to study utilization of

39. Boeke (1953) has called the same pattern "static expansion" and "shared poverty".
labour by the households. He found that in the village of his study participation rates and work duration rates were high, but labour productivity or labour efficiency was quite low. He also found that the villagers are engaged in multifarious occupations including rice cultivation, and while returns to labour are generally very low, they are even lower in the non-cultivation activities than in the rice cultivation. Increasing involvement of the villagers in non-cultivation activities and declining returns to labour are considered by White as the reflections of involution and sharing of poverty.

White proceeded further, and his perception stretches much beyond the broad "systems" approach and enters into the political economic approach. While Geertz observed no marked trend toward a class polarization of large landlord and rural proletariat, and no radical reorganizations of the family-based production unit in Javanese villages (Geertz, 1963), White has observed discernible polarizing tendency among the peasantry. The green revolution, the opening up of the economy and increased wave of consumerism, and closing down of traditional form of political activity at the village level and changing form of patron-client relationship, coupled with population pressure, have caused a dramatic shift in the relative 'bargaining power' of richer and poor villagers.

40. Kattenburg (1951) observed long ago that in Javanese villages work-duration rates are also low. In his view, shared poverty implies not only shared work but also shared idleness.

41. White here agreed with Scott and used his terminology. See Scott, 1972.
White distinguished the effects of absolute resource scarcity (pressure of people on resources) from the effects of differential access to those resources (pressure of people on people) and argued that the economic structure of any Javanese village will reflect a combination of these two factors. The former condition has reduced the average per household availability of land in the village, the latter is manifest in the distribution of access to land and other resources which determines the continuing inability of the majority of households, either singly or in cooperation, to achieve sustained increases in the productivity of their long day's work. He further claimed that shifts in the political economy of the Javanese villages - particularly in the uses to which wealth is put, and in the relative bargaining power of richer and poorer villagers - offer more plausible explanations than population pressure of the changing behaviour of wealthy landowners.

The essence of the involution and shared poverty approach, as perceived by White, is simply: Agricultural involution and differential access to resources by different groups of people can together explain much of poverty and stagnation prevalent in a densely-populated economy. While agricultural involution reflects the absorptive or adaptive capacity (or traditional elastic qualities) of the economy in the changing circumstances, differential access to resources is determined by the initial distribution of assets and income and the changing relative bargaining power of richer and poorer villagers.
Some distinctive features of the involution and shared poverty approach are discernible. First, in White's conceptualization, the involution and shared poverty approach becomes pluralist in that it internalizes some important propositions of the systems and the structural approach to explain stagnation and poverty of rural societies. Second, this approach is solely devoted to explaining the problems of rural development in a densely-populated economy like Java. Therefore, the approach seems to have high relevance for and applicability in the other densely-populated economies, including Bangladesh. Third, this approach seeks to explain a puzzle which is visible in some rural economies, including Java and Bangladesh: resilience and stagnation, despite considerable development efforts.

Besides, this approach has the potential of extending its scope and incorporating some more elements of other approaches by explicating some of its propositions. The growth of non-agricultural income, as observed by White, and declining consumption standard, as perceived by Geertz, may be the factors which are mainly responsible for survival and stability of peasants - which is the major concern of the populists. White has indicated that increased consumerism and unproductive use of wealth by the rich peasants to a great extent contribute to stagnation and poverty of the rural society. This observation is related to the saving and investment behaviour of the individual peasants, which the neo-classical approach emphasizes.

42. The economists consider Java of Indonesia, Bangladesh and some Indian regions of south Asia, and the Nile region of Egypt as the most densely-populated farm economies of the world (Cummings, 1974).
After White's, no other study has so far been carried out utilizing the "involution and shared poverty approach".

3.4. Summary and Conclusion

This chapter has reviewed the important approaches to rural development in order to single out the appropriate approach for the present study. The approaches to agricultural/rural development have been divided into two broad categories: the traditional approaches to agricultural development which developed before the emergence of 'rural development' as a field of research and policy in the 1970s, and the approaches to rural development which have emerged during and after 1970s.

Section 3.1 has briefly reviewed the traditional approaches. There are four main approaches in this category: classical, Marxist, populist, and neoclassical. Among the classicists, McCulloch, Malthus and Ricardo argued that the optimum agrarian system is the one which emerges as the natural outcome of the free play of market forces, while James Mill and John Stuart Mill considered that state intervention is necessary to remedy the defects of the market to establish an optimum agricultural system. The main argument of the Marxist school is that, with the development of market and increased commoditization, the feudal production relation is transformed into the capitalistic production relation, and with the development of capitalism in agriculture, the peasants become polarized into two extreme groups, so that the middle and the small peasants gradually disintegrate. Among the classical Marxists, Kautsky showed liberal attitude, who argued that the small peasants will survive
amidst the process of differentiation. The populists argued that there cannot be any social differentiation of the peasantry in the longrun; the differentiation that is apparent in some peasant economies is cyclical in nature and is caused by the demographic factors. They maintained that the peasants are rational, the peasant production is efficient and the peasant economy will survive as a separate mode of production. The neoclassical approach is concerned with the decision-making of the individual peasants as to allocation of resources on the farm and farmer's responses to market and innovations.

Section 3.2 has examined the four modern approaches to rural development. The structural approach, like the classical Marxist approach, emphasizes the structure of social relationships which are based upon differences in the ownership and control of resources. The process of differentiation of the peasantry and of commoditization are, according to this approach, the major sources of change in the agrarian societies. However, compared to the classical Marxists, the structuralists were more liberal and accommodative. Almost all of them held that, despite differentiation of the peasantry, the small peasants and the peasant economy will survive. The neo-populists, the counterpart of the populists in the contemporary period, considered that there is no significant differentiation of the peasantry. The peasants are homogeneous and peasant production is stable. In their opinion, redistribution of land in favour of the small peasants alone can develop agriculture considerably. The decision-making models, like the neoclassical studies, emphasize the role of
individual peasants and efficient resource allocation. In the systems approach, the physical factors such as soil, environment and population are considered as the main determinants of poverty and underdevelopment.

Hunter (1969) and Chambers (1983) maintained that the structures of social relationships, the physical conditions of the society and the behaviour of the individual peasants are all important determinants of rural development, although their relative significance varies over time and space. Considered from this viewpoint, each approach is partial: there is truth in each, again each ignores some crucial factors. The classical Marxists and the structuralists emphasized the social character of production, and ignored the physical conditions and the independent role of the individual in decision-making. The systems approach, on the contrary, emphasizes the physical conditions, but neglects the social character of production. The neoclassical approach and the decision-making models deal only with the individual's choices and decisions, ignoring the role of physical conditions and the social character of production.

Chambers suggested that a balanced pluralist approach, instead of any partial approach, can better capture the complex realities of rural society. Section 3.3 has discussed the involution and shared poverty approach which appears to be pluralist in argumentation and coverage.

Although Benjamin White (1976) conceptualized the 'involution and shared poverty' approach, the notion of involution
was evolved by Clifford Geertz (1963). Geertz observed that increasing population pressure has led the rural people of Java to adopt more and more labour intensive techniques of cultivation and to the practice of sharing of poverty -- as in the sharing of job opportunities and reduction of consumption standard. Such an absorptive process of the villages in Java has been termed by him as one of agricultural involution, seeing that this process involves the increasing elaboration of the existing socio-economic structures and not transformation of older structures. White argued that both agricultural involution and differential access to land are responsible for pervasive poverty and economic stagnation in Java. While agricultural involution reflects the absorptive or adaptive capacity of the economy based on the physical conditions, differential access to resources is determined by the initial distribution of assets and income and the changing relative bargaining power of richer and poorer villagers.

It follows that the involution and shared poverty approach has some distinguishing features: the approach is pluralist in that it has internalized some crucial elements of the systems and the structural approach, it addresses the problem of rural development in a densely-populated society, and it explains the factors which sustain the low level equilibrium trap in a rural economy. Given these, it is plausible to infer that among all the approaches to rural development discussed, this approach will most appropriately capture the issues under the present study.