

Rural Labour Mobility in Times of Structural Transformation

D. Narasimha Reddy • Kailash Sarap
Editors

Rural Labour Mobility in Times of Structural Transformation

Dynamics and Perspectives
from Asian Economies

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FOREWORD

Economic growth in developing countries, particularly in fast-growing Asian countries, is accompanied by sweeping structural changes. Rapid growth in Asian countries in recent decades has seen the shift of resources from agriculture to non-agricultural activities and the re-distribution of population among rural, semi-urban, and urban areas. The process is marked by a transfer of workers from sectors characterized by low productivity to sectors with higher levels of productivity. Such a process is also worsening income distribution. There is also a change in the structure of demand—the demand for services like financial and personal services has been increasing at a higher rate. These changes in the structure of production, demand pattern, and employment may be attributed to reforms undertaken in the recent period as well as to innovations which have taken place in information and communication technologies.

The pattern of structural transformation is not universal across developing countries. The fast-growing East Asian Countries such as the Republic of Korea, Malaysia, Taiwan, and China have experienced the transfer of labor from agriculture to industry, whereas the structural changes which have occurred in some of the Asian countries like India and Bangladesh do not conform to the same pattern of shift. As a result, the differential share of income and employment from agriculture, industry, and services is widening. The growth of the manufacturing sector which provides employment more to unskilled and semi-skilled workers has lagged far behind, whereas the less labor-intensive service sector which provides employment more to skilled educated labor has experienced very high growth. This is resulting in the slow expansion of formal employment by pushing most of

the workers to low-paying informal economic activities spread over rural and urban spaces. This process is also worsening income inequalities within the formal sector. In some Asian countries, employment in agriculture declined on account of mechanization, agricultural diversification from traditional food crops to commercial crops, stagnant growth, expansion of rural non-farm sector, and implementation of wage employment programs. Inadequate infrastructure in rural habitations and small towns in some Asian economies leads to large-scale migration to and congestion at large urban centers.

By contextualizing these aspects, the chapters in the present volume discuss in detail the nature of structural transformation and labor mobility in the Asian economies with a particular reference to India. Over the past two decades, there has been accelerated overall economic growth and considerable dynamism in labor mobility. Rural-urban migration is concentrated in metropolitan cities, thereby making the living conditions of migrant labor insecure and inhospitable. These changes could ensure neither decent work nor adequate public provision of health care and education. The chapters in the volume draw attention to the absence of a comprehensive development strategy that would address the transitional stage of economic development and evolve appropriate migration and urbanization policies that would facilitate mobility without huge social costs. I hope the book will be found useful by researchers, students, and policy makers.

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Hyderabad, India

R. Radhakrishna

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We are also grateful to the former and present Directors General Dr M.V. Rao, IAS and Dr W.R. Reddy, IAS for their keen interest and support. From the Conference presentations, papers relevant to the theme of this book were selected, reviewed, and revised for inclusion, and we are grateful to all the authors for their cooperation. Besides the paper writers, several eminent scholars actively participated in the deliberations of the conference which enriched the contributions included here, and we thank all of them. Our special thanks are due to Prof. R. Radhakrishna for having kindly agreed to write a foreword for this book. Finally, our thanks are due to Sagarika Ghosh, Nupoor Singh, and Sandeep Kaur of Springer India for their earnest cooperation and patience in bearing with our delays in getting the material ready.

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