

## **ABSTRACT**

The term 'rural nonfarm' sector comprises all economic activities in rural areas except agriculture, livestock, fishing and hunting. It consist all non-agricultural activities including household and non-household manufacturing, electricity, processing, repair, construction, mining & quarrying, transport and trade & commerce and other services in villages and rural towns. These enterprises vary in size from household owned account enterprises to factories. The present study entitled "Urbanization Induced Rural Transformation in India: With Special Reference to Haryana state" has been taken to analyze the effect of urbanization on rural transformation. The specific objectives of study are 1) To ascertain the determinants of rural transformation in India; 2) To workout association of urbanization, industrialization, rural-industrialization and livelihoods of rural people in Haryana and 3) To assess effects of urbanization on employment, wages and livelihood of rural people in Haryana.

The study is based on both primary and secondary data. The secondary data on rural non-farm employment (RNFE), urbanization, unorganized manufacturing (rural & total), rural roads, rural literacy and agricultural & allied sector GDP has been collected from various published sources and unpublished unit level sources. Though, the secondary data on relevant variables was not available for uniform period, thus, the data for required periods has been forecasted using the available data. The primary data on relevant variables have been collected through a well-structured schedule. Three districts of Haryana namely Mahendergarh, Rewari and Gurgaon have been selected for primary survey to check the effect of urbanization on rural people of Haryana. These three districts have been selected on the basis of their level of urbanization. Further, ninety on road villages from selected districts have been selected. The data have been collected from village panchayat head and members of panchayat simiti of selected villages. The selected villages are divided into two groups namely cluster1 and cluster 2. Cluster 1 consists of those villages which are located within 10 Kilometer from urban centre and cluster 2 contain villages located more than 10 Kilometer from urban centre on Mahendergarh - Gurgaon road.

The panel data regression model and Pearson correlation analysis have been used to analyze secondary data. On the other hand, tabular analysis has been used to examine the primary data.

The results of study revealed that network of rural road has increased significantly over time and contributed 58.63 per cent of total road in India (2011). The people residing in urban area have doubled from 1951 to 2011. The proportion of literate population has also grown significantly overtime in India. The proportion of population employed in non-agricultural sector has increased over the period of time and the industrialization of rural area in particular and India in general, has increased over time. The number of industries in both organized and unorganized sector has increased in India. In panel data regression model, rural unorganized manufacturing industries (Um), urbanization (Utp), literacy, agricultural & allied sector GDP per hectare of net sown area (Agnsa) has been found significant in all the models. The statistical significance of these factors in all panel regression models indicated the robustness of panel regression analysis.

The present study found positive and significant association between industrialization and rural industrialization for the period 2000-01 and 2005-06. Rural industrialization and rural non-farm employment have been found positively and significantly associated with each other in 2005-06 and 2010-11. The urbanization and rural industrialization was not significantly associated with each other over the study period. Urbanization and RNFE has also not significantly correlated with each other during the entire study period. The positive and significant association is found between urbanization and industrialization in 2005-06 and 2010 11. No significant negative association has been observed for any combination of variables indicating that change in one factor changes other factor in the same direction.

The present study found that urbanization has produced many opportunities for the rural people of Haryana and the villages near to urban centre have witnessed relatively more transformation than those villages located away from urban centre.

The analysis of primary data indicates that more people are residing in villages located away from urban centre than villages located near to urban centre in all selected districts. In case of literacy rate, though a little disparity from hypothesis has been seen in

Mahendergarh and Rewari but overall, literacy rate has been found higher in cluster 1 as compared to cluster 2 for both male and female. Majority of population is engaged in agriculture work in both the clusters of all three districts except Gurgaon due to high industrial activities near urban centre. But overall agriculture has been the major work for the people of cluster 2. 87.13 percent and 66.09 per cent of total workers are engaged in non-farm sector in cluster 1 and cluster 2, respectively. The rural transformation can be achieved by increasing manufacturing industries in rural area, urbanization, literacy, agricultural & allied sector GDP. The increase in these factors will ultimately result in creation of nonfarm employment in rural area. The availability of nonfarm employment in rural areas will increase income, livelihood and living standard of rural people. The majority of village head in both clusters reported that urbanization has created better marketing facilities, job opportunity and provided better services. Although, the facilities have increased in the villages due to urbanization but more improvement is required to reduce the rural urban gap. The government sector has played a very important role in the development of villages in both clusters. Thus, it can be concluded that urbanization has created opportunities for the rural people in India and Haryana, though a good policy framework is still required to get the robust results of urbanization on rural transformation.