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AGRARIAN INSTITUTIONS AND RURAL DEVELOPMENT : A MICRO STUDY IN THE DISTRICT OF BURDWAN, WEST BENGAL

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ABSTRACT

The strategy of sustainable rural development warrants effective institutional reforms to create an enabling environment for tackling distortions in the process of social transformation of the rural economy. Using a primary survey covering 203 rural households of four villages under Burdwan district of West Bengal, this paper shed some lights on the micro foundations of the operation of two fundamental agrarian institutions (namely, land tenancy and rural credit) and their operational implications on the process of sustainable rural development. The institution of tenancy acts as a redistributive mechanism to reduce rural inequality by making the distribution of operational holding more egalitarian than the ownership distribution. On the other hand, an access to rural credit has the capacity to reduce rural inequality by harnessing the excess capacity of the rural masses. It is expected that institutional intervention by integrating these two agrarian institutions will create an appropriate environment for enhancing the operational efficiency of rural institutions so as to ensure sustainable rural development.

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