

## REVIEW OF RURAL/URBAN PROBLEM FROM AN INTERDISCIPLINARY PERSPECTIVE

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Rural areas are affected significantly by social and economic changes.

Specifically, demographic changes increased the social and cultural diversity of many rural areas causing an expansion in the cultural and economic horizons of rural people and producing at the same time conflicts in their interests, values and lifestyles. On the other hand, the economy of rural areas is becoming more diversified as the service sector grows significantly at the expense of agriculture. The dynamics of rural change and the uneven development observed in many rural areas are the subject of many studies for policy formulation and program implementation.

Devising a rural development policy involves making political choices to ease community adjustments to structural economic changes. The development of these policies requires information on rural trends on economic and societal conditions. These information can be drawn from appropriate indicators describing the rural conditions. In technical terms, indicators are statistical variables which transform data into useful information (OECD, 1994).

According to an OECD (1994) report on rural indicators, an official single definition on "rural" does not exist. In most definitions "rural" is defined negatively as not being "urban" or "agglomerated". Basically, "rural" is a spatial concept that deals with the conditions and trends, options and opportunities in an area.

The concepts used for the designation of rural areas are: The geographic unit, the criteria used to characterized the units, and the quantitative thresholds that define the border-line between "rural" and other categories.

### ABSTRACT

The debate on the rural/urban dichotomy results in various definitions of what is rural or not. The necessity to define rurality is an important one for shaping development policies that have long term consequences for both rural and urban areas.

On the other hand, the concept of the rural/urban dichotomy has found much criticism from various researchers. For these reasons the rural/urban problem is reviewed from an interdisciplinary perspective. Specifically the Sociologic, Geographic and Economic Traditions are presented and shown how they can contribute to the development of rural areas.

### RÉSUMÉ

*Le débat sur la dualisme rural/urbain est dû aux différentes définitions du terme rural. Il se révèle nécessaire de définir avec soin le terme "rural", faute de quoi on ne saurait permettre des développements politiques ultérieurs qui aient des résultats positifs pour les régions urbaine et rurale à la fois.*

*Or, le sens même du dualisme rural/urbain a trouvé beaucoup de réserves parmi les chercheurs. C'est pourquoi nous réexaminerons ce problème selon une perspective interdisciplinaire qui réunit la Sociologie, la Géographie et l'Economie et montrerons comment ces trois sciences contribuent au développement des zones rurales.*

The basic geographic units for rural areas vary from the smallest administrative unit in Europe, the French Commune, which has an average population of 2,000 inhabitants and a surface area of 15 sq. km. to the largest American county with an average population of 50,000 inhabitants and a surface area of 3,000 sq. km. For simplification, the terms "rural" or "urban" are used at the regional level, while the degree of rurality as being "more or less" rural is used for larger areas.

The criteria used to characterize an area as rural or not are numerous, such as the size of population, population density, commuting distance, share of agriculture, etc.

The quantitative threshold for defining the border-line of rural areas varies considerably. In France, communities are characterized as rural when they have less than 2,000 agglomerated inhabitants (Brun, 1994). On the other hand, "rural" areas in the United States are defined as low density/small towns in non metro areas, which rely on agriculture and have a "traditional way of life". According to this definition rural America has 85% of the land and 25% of the people (Long, 1994).

These definitions of "rural" are by no means definitive, but are continuously under debate resulting in their adjustment from time to time, in order to reflect changes in the socioeconomic and administrative structures or mobility and communication. The Organization for Economic Co-operation and Development (OECD) proposed that an area is "rural" when its population density is below 150 inhabitants per sq. km. Based on this definition a three-part typology of regions was developed: "Predominantly rural", "Significantly rural", and "Predominantly urbanized". Regions are predominantly rural when more than 50% of their population lives in rural communities as previously defined, "significantly rural" when 15% to 50% of their population lives in rural

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al communities and “predominantly urbanized” when less than 15% of the population is characterized as rural.

The debate on the rural/urban dichotomy continues even today resulting in various definitions of what is rural or not. The necessity to define rurality is an important one for shaping development policies that have long term consequences for both rural and urban areas. This necessity arises from the concern that rural problems may cause societal instability (Wilkinson, 1992), and therefore development policies should facilitate demographic stability which requires comparable standards of living and income opportunities, attack on rural poverty pockets and “mise en valeur” of environmental, cultural and recreational values (Long, 1994).

The concept of the rural/urban dichotomy has found much criticism from various researchers. This criticism arises from problems associated with the understanding of rural changes. One line of thought is that rural sociologists take a geographical unit and pronounce it “social”. The problem is that it is not possible to know beforehand that a rural region in a geographical sense is a social region as well (Lutziaschewsk, 1994).

Following, the rural/urban problem is reviewed from an interdisciplinary perspective by presenting the Sociologic, Geographic and Economic Traditions along with their possible contribution to the development of rural areas.

#### SOCIOLOGIC TRADITION

The work of the thinkers of sociological theory and analysis, who wrote in the late nineteenth and early twentieth centuries, is considered as the classic tradition. Sociologists continue to refer to these classical writings and rely on those thinkers’ theoretical ideas by employing their concepts and continuing to investigate the questions they raised. The classic tradition provides the theoretical foundations of the sociological perspective.

In order to define the scope and substance of sociology, it is most likely that the majority of sociologists will agree that “*Sociology is a social science devoted to the study of human groups of all kinds and all sizes. A group may be defined as two or more interacting individuals. The interaction of individuals gives rise to a variety of social relations and social processes such as cooperation, competition, conflict, and domination. The full range of human behavior and relations is the subject matter of sociology. We call sociology a science because our main intellectual aim is to comprehend and explain the workings of the social world. Like all sciences, sociology pursues truth and knowledge by employing methods of inquiry based on logic and evidence and by subjecting theories and findings to an ongoing critical examination*” (Zeitlin, 1981).

However, the aim of this paper is to concentrate and

provide a general idea of the community theory in the spirit of the classical tradition and to focus attention on key questions that can be related to the rural urban problem.

The German philosopher and sociologist Ferdinand Tönnies in 1887, published *Gemeinschaft und Gesellschaft* (translated as Community and Society).

Tönnies in his book contrasted human relationships which appear in extended families or rural villages (*Gemeinschaft*) with those found in modern, capitalist states (*Gesellschaft*).

Emotion, tradition, and common bonds are the dominant forces of the *Gemeinschaft*-like relationships which are based on natural will (*wesenwille*). Family and/or the soil, therefore living and working in common place, are the basis for this natural will. On the other hand, rationality, individualism and emotional disengagement are the important elements on the *Gesellschaft*-like relationships which are based on a rational will (*kurwille*). Urban and industrial capitalism are the characteristics for a rational will. (Lyon, 1989)

According to Tönnies, *Gesellschaft* is the opposite of *Gemeinschaft* but both are perfect types, there is no place with totally *Gemeinschaft* or *Gesellschaft* dominated relations. Actually, they are two hypothetical and ideal places, which exist for the purpose of comparison with the real world. Furthermore, Tönnies says that all human organizations are somewhere between the two extremes and he explains in his comparison of *wesenwille* and *kurwille* that: “*between these two extremes all real volition takes place. The consideration that most volition and action resembles or is inclined toward either one or the other makes it possible to establish the concepts of natural will and rational will, which concepts are rightly applied only in this sense. I call them normal concepts. What they represent are ideal types, and they serve as standards by which reality may be recognized and described*” (Tönnies 1963, p. 248).

The importance of typological approach lies in the use of contrasting perfect types on opposite ends of a continuum, and even though, as Pitirim Sorokin (1963) correctly points out that using contrary extremes hardly originated with Tönnies, Tönnies is seen to be the founder of the typological approach. This is because, Tönnies was able to look at and analyze the *Gesellschaft*-yielding effects of the industrial revolution on the *Gemeinschaft*-like, medieval Europe. Even if Max Weber is credited with developing the perfect type as a useful theoretical and empirical construct, Tönnies more than Weber, explicitly demonstrated the utility of polar perfect types for comparison with real-world. Tönnies is the one who influenced the following typological approaches of Weber, Durkheim, and Simmel, and later influenced the analysis of Louis Wirth, Robert Redfield, Howard P. Becker and Talcott Parsons.

The description of the distinctions between *Gemein-*

*schaft* and *Gesellschaft* by Tönnies, Weber, Simmel and Durkheim was an extremely important step for sociological analysis. Today sociologists admit that even though some urban/rural characteristics do seem to fit the typological approach, it is of minor importance for sociology due to the minor explanatory value for the changes brought by urbanization and industrialization. (Lyon, 1989).

Actually, Tönnies's work for the *Gemeinschaft/Gesellschaft* distinctions has proven appropriate in several areas. As a society is changed into a modern *Gesellschaft*-like state, Tönnies's approach can very successfully value this change, especially in relation to the individual lifestyle changes.

Further more, questions about the quality and the meaning of life can be answered by the typological approach. Research on the degree of primary group relations, neighboring, and neighborhood identification demonstrate the continuing relevance of this approach. For example *Gemeinschaft* characteristics such as having numerous friends and relatives in a community can be used for deriving indicators like social class of residents, age of residents, and especially the length of residence. Indicators like these can describe the social characteristics of a community. The typological approach, even though it is the oldest approach to community still have much to offer.

In Weber's classics *The Protestant Ethic and the Spirit of Capitalism* (1904-5), *Economy and Society* (1921) and *Sociology of Religion* (1920-21), there are many similarities with Tönnies's work of a communal, medieval Europe being transformed to individualistic, capitalistic Europe. Weber compared four types of action based on *efficiency* and the *amount of return* (*zweckrational*), *values* (*wertrational*), *emotion* (*affektuell*), or *tradition* (*traditionell*) and he concluded that Europe was becoming increasingly *zweckrational*. This is similar to Tönnies's original typology that the trend of world history was towards increasing *Gesellschaft*.

Furthermore, Weber's cross cultural and historical analysis, as well as the comparison of perfect types of action to actual occurrences of behavior are useful to devise indicators of today. For example the *Gemeinschaft* actions based on values, emotion and tradition and his study of religious life from magic into "book religion" can suggest social exchange indicators of common bonds, like common history and religion of residents living in the same community.

The French sociologist Emile Durkheim (1858-1917) influenced the social sciences with his distinction between *Gemeinschaft*-like *mechanical* solidarity and *Gesellschaft*-like *organic* solidarity.

Emile Durkheim in *The Division of Labor in Society* (1893), described the disintegration of medieval social ties based on resemblance. Durkheim believed that a mechanical solidarity held the society in Medieval Eu-

rope together, because everyone was alike as far as politics, economics, family, and religion was concerned. However, different ideas about politics, economics, and religion developed, and different lifestyles based on a complex division of labor became common. The industrial revolution in England and the political revolution in France took place and destroyed the basis for mechanical solidarity. Durkheim suggested that the new basis for social solidarity, for the new *Gesellschaft*-like Europe was an organic solidarity based on mutual interdependence.

Self-sufficiency is no longer possible in a *Gesellschaft*-like society and individuals work in interdependent specializations that allow them to work apart and at different kinds of tasks and still contribute to the total system even if they do not know anything about each other.

Also, Durkheim suggested that *organic* solidarity is insufficient at the individual level but it is necessary at the societal level. In his classical work *Suicide* (1897) he analyzed problems associated with movement from *Gemeinschaft* to *Gesellschaft* and he proposed that close, personal group relationships in families or religious worship can accommodate some of the emotional integration (*Gemeinschaft*-like) necessary in a society based on *organic* solidarity.

Again through the *mechanical* solidarity which is similar to *Gemeinschaft*-like and the *organic* solidarity similar to *Gesellschaft*-like Durkheim's description like Tönnies's and Weber's we can suggest indicators which can describe today's rural areas. For example the suggested personal group relationships in his work *Suicide* can devise indicators like labor, social exchanges and number of family's members.

Georg Simmel (1858-1918), the German philosopher and sociologist in his work *The Metropolis and Mental Life*, examines and analyses the individuals experiences, attitudes and behaviors in comparison with their urban environment. Georg Simmel shows how a number of characteristics such as a belief in causality, intellectuality, importance following a precise time schedule, individuality and a blasé attitude are elements of an urban or *Gesellschaft* lifestyle. And for Simmel, the *Gesellschaft* psychology in the great metropolises of Europe can be explained by understanding the role of a money economy in these places. The difference with Tönnies's, Weber's, and Durkheim's descriptions is that Simmel's primary focus was more at local phenomena than at the societal level.

Louis Wirth, the American sociologist, in his article *Urbanism as a Way of Life* in 1938, approached typological analysis in the tradition of Georg Simmel. But even though, Wirth analyzed similar characteristics as Simmel, he focused mainly on population size and less on the money economy.

Wirth (1938) noted that urban life style can be defined



by three population characteristics. Specifically, he described population characteristics "on the basis of three variables, number, density of settlement, the degree of heterogeneity of the urban population, it appears possible to explain the characteristics of urban life and to account for the differences between cities of various sizes and types." Wirth said that large population size would result in *Gesellschaft* characteristics such as a more specialized division of labor and more impersonal relations.

Also, individual differences as well as increased "competition," "exploitation," and "disorder," are the results of high population (density), which leads to more "formal controls" on behavior. Finally, he said that increased urban heterogeneity produces a more complex stratification system, a money economy, more stereotyping, and categorical thinking. Therefore, the spatial-population variables governing the ecological analysis of the Chicago school, Wirth explains, account for the differences between *Gemeinschaft* and *Gesellschaft* described in the classic European works of Tönnies, Weber, Durkheim, and Simmel.

Robert Redfield's study of four Mexican communities supported strongly Wirth's ideas.

In *The Folk Culture of Yukatan* (1941), Redfield discovered that the smaller, the more isolated, the more homogeneous the community, the more *Gemeinschaft*-like the life-style. Redfield's article "The Folk Society" (1947) described the ideal *Gemeinschaft* type: "small, isolated, nonliterate and homogeneous with a strong sense of group solidarity" which has only a minimal division of labor, based largely on sex role differentiation and a shared means of production. He described the ideal folk community as economically self-contained, with no dependence on the larger surrounding society, which culturally is traditional, uncritical and based on religion and kinship.

Redfield's "The Folk Society" combined with Wirth's "Urbanism as a Way of Life," gives the rural/urban continuum with the opposite types defined in significant detail.

At some point between the two polar types, any actual community or society can be placed and then to be compared with other actual cases to determine existing levels of *Gemeinschaft* or *Gesellschaft*.

The principal component of *Gemeinschaft* (Tönnies), *mechanical solidarity* (Durkheim), *the folk society* (Redfield), and *diffuse relationships* (Parsons) is common social ties. The absence of such ties would be characteristic of *Gesellschaft*, *organic solidarity*, *urbanism*, and *specific relationships*.

If rural and urban areas are defined as people who identify and interact with one another, then the amount of interaction and the reasons for the growth or decline in interaction become important. The typological approach offers a particularly relevant perspective for

such concerns. The level and type of interaction that occurs in a community is important.

#### GEOGRAPHIC TRADITION

Many Sociologists believe that a human being lives and acts in two environments: the human and the physical and therefore, the universal source of social change is the relations of humans to their environment. Furthermore, the *physical environment* of human society is never purely physical. Topography and other physical conditions are profoundly altered by human activity through technology, social organization, and cultural values. Therefore, the source of social change is to be sought in human social organization and in its relation to the physical environment. Economic Geography, and more specifically the spatial organization of agriculture, can help in differentiating rural/urban areas.

Rural areas are not homogeneous. Much heterogeneity exists which results in the differentiation of the rural areas. The physical resources (topography, soils and climate) introduce the geographical diversity of rural areas (King, 1992). The relative location of rural areas in respect to urban areas is another important determinant of diversity. Rural areas face different problems based on their relative location with respect to urban areas. For example rural areas close to urban areas could experience problems such as over-use by recreation with increased land value, and damages by vandals, etc, while rural areas far away from urban areas could face problems of high transportation cost, lack of hospitals and services etc. (King, 1992). The structure of rural settlements which ranges from the settlement system of scattered farms to the huge agricultural towns is another differentiation of rural areas. Other factors of differentiation are the system of land tenure, the dominant types of farm enterprises, their market orientation and technological levels, the educational levels of farmers, the role of part time farming and the population and employment trends of the rural areas (King, 1994).

These rural areas are classified into four types of functional or spatial differences in development: a) *Lagging regions* which are rural areas that have not yet evolved completely, b) *Declining regions* which are rural areas that evolved but are unable to compete effectively and experience decline. c) *Competitive regions* which are rural areas that express conditions of urbanity and modernization, and d) *Specialized regions* which are rural areas with a unique economic activity like mining, forestry, tourism etc. (Gade, 1992).

The need and the development potential of these types of rural areas are different and therefore rural development initiatives must be sensitive to these regional differences (Gade, 1992).

Perhaps, the most important turning point in human economic and settlement history was the achievement of agriculture about 10,000 years ago, which was em-

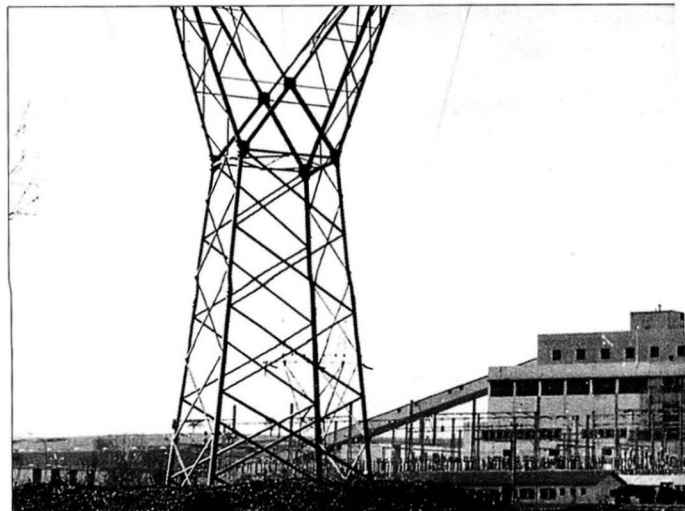
bodied in a series of events that comprised the Agricultural Revolution. The breakthrough, which enabled people to utilize the resources of their environment and produce sufficient food by themselves, changed the whole outlook of humanity. People were able to control their food supply and not spent every moment in search of enough food for survival. The new farmers besides the security that they achieved by controlling their food supply, they also became aware of their ability to exchange food surpluses with goods and services produced by non-farmers. In this manner, the first urban settlements were born by people who were engaged in manufacturing hand-crafted goods and performed commercial services as trade. These people could function better by geographically concentrating at nodes central to the local farming population. Therefore, a close spatial economic linkage between agriculture and urbanization was established, which was comprised of an urban center and its complementary surrounding hinterland. The center's secondary and tertiary functions serve the rural tributary area; in turn, the latter supplies the urban economy with the surplus food and raw materials it needs to assemble the complete range of economic goods (Wheeler, 1986).

Furthermore, unlike manufacturing and services, agriculture is a primary economic activity because human survival depends on the availability of food and is highly dispersed geographically due to its need for sunlight and soil resources. Therefore, agriculture is dependent on efficient long-distance transportation. However, the advanced processing technology of the food supply system and the high efficient distribution channels of today speed the flow of products. But despite the advanced technology and sophisticated farm mechanization, farmers still face economic uncertainties like the cost of equipment, feed, fertilizers, fuel, ect. Also, they have to make agricultural decisions like what to produce.

Therefore, there is a need to know the causes of concentration of farming activities and the forces which determine the overall allocation of specialized crop and livestock producing regions. Both questions can be answered by the analysis of spatial principles of classical Thünian agricultural location theory.

The main idea of Von Thünen's location theory is that if the environmental variables are held constant, then the farm product that achieves the highest profit will outbid all other products in the competition for location. Von Thünen, based on the different products economic competition, constructed the world's first formal spatial model "Der Isolierte Staat", 1826 (The Isolated State). The assumptions of his normative model are as follows:

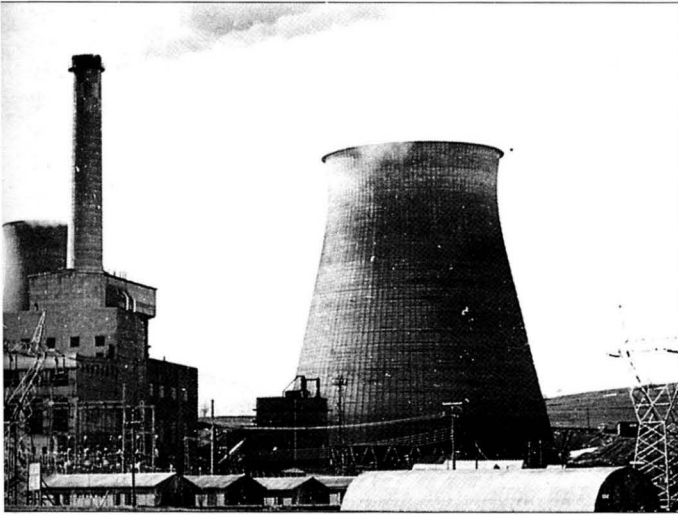
- A homogeneous environment which contains a perfectly flat land surface, identical climate and soil conditions throughout.



- A uniform transportation surface on which movement costs increase equally with distance in every direction for horsedrawn carts, the main mode for conveying farm goods to market.

- A single urban market at the center whose needs are entirely supplied by the surrounding circular agricultural hinterland, which is itself bounded by a forest wilderness across which no trade occurs with the outside world (Wheeler, 1986).

Given the Isolated State's geographical setting, which has a single urban center and is surrounded by a finite area for agricultural production, the best farming locations are those which are as close as possible to the central market, where the agricultural goods produced in the region are designated. The favorable positions depend on the relative net income-per-unit-area (gross profits minus expenditures) derived from each type of farming. Economists call that net land income as economic rent, while geographers call it as a location rent. Location rent is defined as the surplus income earned on a unit of land in excess of that threshold level of earnings at which the land will be transferred to some other use. Another concept is the transfer earnings which is the minimum return that keeps the farmer from reverting to another land-use. The transfer earnings are identical to the notion of the economic limit or margin of production. Anything above the economic margin is called surplus or net income and it is the land unit's location rent. Therefore, the higher the location rent, the higher the farmer's profit. In the Von Thunen model location rent is a profit term and directly measures the competitive position of a farming system in the Isolated State. Dunn (1954), a regional economist, has updated the classical Thunian model into a more rigorous location theory by formulating an explicit mathematical distance function that related agricultural land-use to location rent:



$$LR = E (p - a) - Efk$$

where:

- LR: location rent per unit of land
- k: distance
- E: yield per unit of land
- p: market price per unit of commodity
- a: production cost per unit of commodity
- f: transport rate per unit of distance for each commodity

#### ECONOMIC TRADITION

Because of changes in the broader socioeconomic system, rural areas have been undergoing rapid changes as their economies and societies restructure. Farming remains the major activity and land use in many rural areas, therefore, changes in agricultural structures and relationships are important for finding answers to the rural/urban problem.

Technical, social, financial, economic and behavioral structures and patterns of interaction are the characteristics of different socioeconomic systems of production. Systems change and can be even replaced. When a newly emerging system is concentrated geographically, then this area is ready for differentiated development of the dominant system over geographic space and through time (Bowler & all, 1992).

Classical economists from the late eighteenth century started to study the process of the long-run economic growth with its causes, its impact on other macro-economic variables and the prospects for sustaining growth in the long term.

In the 1940's and early 1950's some economists, who are considered now to be the classical political economists in dynamic theory, focused their attention to the causes of the relative poverty of underdeveloped countries and the potential way forward to economic

progress in these pre-industrial regions. The founding father of the classical school, Adams Smith (1776), believed that a dynamic growth can be generated in manufacturing as well as agriculture, which can generate advances in total output and labor productivity.

Adam Smith observed that the division of labor or specialization raises labor productivity for three reasons: (1) Workers become more efficient in the performance of particular tasks. (2) Job specialization reduces time spent switching tasks. (3) Job specialization also increases the scope for designing improved tools and machines to raise labor productivity. However, while market expansion provides the opportunity and inducement for growth in output and productivity, the latter will only occur if firms respond to new opportunities by committing increased resources to production, and require firms to mobilize additional working capital in order to take on extra labor. Smith identified that savings can only be achieved by three groups in society who have sufficient income: landlords, merchants and manufacturers. Furthermore, Smith saw manufacturing with trade as a more important source of increased savings and output than agriculture. However, for Smith, technical change in agriculture was not a problem and manufacturers and foreign commerce together have given birth to the principal improvements of agriculture. Therefore, Smith saw the urban sector, with its merchant and manufacturing classes, as the leading, dynamic sector in economic growth in contemporary Europe.

In 1911 it was Young who published an article which reinterpreted Smith's analysis identifying three possible impediments: (1) Inelastic demand for certain products. (2) Supply inelasticities due to shortages of raw materials. (3) The high investment costs of exploiting new technologies. Young thought that advances in science and technology would make it possible to break raw material supply inelasticities and that similar advances would help to lower the investment costs of exploiting new technologies (Young, 1928).

However, two other classical economists Malthus (1798) and Ricardo (1817) gave reasons for supposing that the agricultural sector could impose a break on rising real wages and, in case of Ricardo, on overall economic expansion as well.

Malthus believed that any rise in mass living standards could only be temporary because the increase in population would cause food shortages. Therefore, rise in wages and mass living standards, followed by a period of population expansion will eventually outstrip the capacity of the agricultural sector to meet the growing demand for food. This will result in the decline of birth rate and the population growth and will lead to labor shortages with the cycle repeating itself.

On the other hand, Ricardo's more sophisticated analysis says that economic growth leads to an increase in



demand for labor which in turn leads to a rise in wages and consequently, an increase in population which will generate an increase in demand for food. As food demand increases, farmers have to increase the total cultivated area by bringing probably less good land under the plough, which can have many consequences like, increase of marginal cost of production, which can cause higher prices of food and higher money workers' wages until all economic growth will come to a halt. Generally, the emphasis of classical growth theory is on the following features:

- The importance of market expansion as a stimulus for the expansion of total output and increase of labor productivity.
- The importance of profits for financing new investment.
- The importance of technological change in raising labor productivity.
- The need to liberalize trade as a means of enlarging the market.

In the early twentieth century, Arthur Young argued that technical innovation can itself generate an extension of the market through raising labor productivity and hence, incomes and demand. Furthermore, two major traditions were developed in the nineteenth-century German literature of growth-stage theories: (a) Friedrich List and the German Historical School and (b) Karl Marx and the Marxists. The work of List based in his five stages: savage, pastoral, agricultural, agricultural-manufacturing, and agricultural manufacturing-commercial is of contemporary interest because of his emphasis on nationalist industrial and commercial policies in achieving a transition from an agricultural to an industrial economy. The Marxian dynamic theory emphasizes that the capitalist system drives to accumulate wealth through productive investment. Marx based his stage classification on stages in production technology and associated changes in the system of property rights and ideology. His stages include primitive communism, ancient slavery, medieval feudalism, industrial capitalism, and socialism. In the Marxian system, economies evolve through these stages, driven by the forces generated by struggles between two classes, one controlling the means of production to combine with labor and the other possessing no means of production but labor. The class struggle reflects the continuing contradiction between the evolution of economic institutions and progress in production technology. In spite of the unrealistic assumption that society is organized in two socioeconomic classes, Marxist analysis is an evolutionary economic theory because apart from ideological considerations, the work of Marx is of contemporary significance due to the major importance which he gave to the role of technical change in shaping economic institutions. In contrast to the classical economists, he viewed increasing returns to scale as an important

source of growth in the agricultural, as well as in the industrial sector (Hunt, 1989; Hayami & Ruttan, 1985). Usually countries pass through phases in order to reach a certain stage of development. The sector thesis of Fisher and Clark is the simplest stage theory that employs the distinction between primary, secondary and tertiary production as a basis of a theory of development. Countries start as primary producers and move into manufacturing or secondary activities after they meet the basic necessities. Finally, as income and leisure rise and secondary activities are increasing, they move into service or tertiary activities producing "commodities" with a high income elasticity of demand. Therefore, the less developed countries are identified with primary production, the more developed are identified with the production of manufactured goods, and the mature developed economies are identified with a high percentage of their resources in service sector. Actually, the above statement in practice is not true. For example, Great Britain is not considered to be more developed than Australia because, Great Britain has about the lowest proportion of the work-force in agriculture in the world and Australia has ten times greater percentage of its resources engaged in primary product production than Great Britain. The same arguments apply to service activities. Despite Fisher-Clark's prediction, today there is very little disparity between the proportion of total resources devoted to services in the developed and less developed countries. One possibility is that a country has reached a developed state when productivity in the agricultural sector matches productivity in the industrial sector, and that it has reached a state of maturity when productivity in all sectors, including services, is approximately equal, provided the level is reasonably high. The alternative is to classify countries as industrial and non-industrial. Rostow's Stages of Growth are: traditional, transitional, take-off, maturity and high mass consumption. In the early stages of development some countries may find themselves in a stage of "Dualism" which refers to economic and social divisions in an economy, such as differences in the level of technology between sectors or regions, differences in the degree of geographic development, and differences in social customs and attitudes between an indigenous and imported social system. Social dualism is an underlying cause of backwardness and poverty. Technological dualism is the gap in technology between the rural and industrial sector. Geographic dualism is the spatial differences (Thirlwall, 1972).

#### CONCLUSION

The classical studies are concerned mainly with the processes through which societies and cultures are transformed and specifically with the ways societies change, with the processes that account for the trans-

formation of societies and cultures, as well as the reasons why people are concentrated in urban areas. These studies try to explain the urbanization process through the *polis* or *Greek city-state*, the *medieval town*, and the *modern metropolis*.

In addition to urbanization, the classical studies are concerned with the social conditions of economic development, modernization, and other forms of social change. Questions of theoretical and practical importance are why there are rich and poor nations and why some countries are successfully industrialized while others are economically backward.

Also, these studies are concerned with the role of the climate, geography, and other factors, compared to the social and historical circumstances of the countries under study.

Another topic of importance for the classical studies is the social stratification and specifically the reasons of its existence, perpetuation and structure along social-class lines. An important related question is whether this stratification can be eliminated or not. Sociologists today do not try to explain the urbanization process, but to identify what the characteristics of a rural or urban community are and to forecast rural development.

In practice, many societal, economic and environmental problems may be approached by examining them as they exist in geographical space. Therefore, in many instances a cause or solution/or both may be recognized when the problems are broken down into their spatial components. Often, the problems in applied economic geography are thrust on one by the day-to-day operation of society and the economy. These are real problems in the sense that they call for actual and often immediate solutions. For example, if funds have been awarded for a new regional hospital; where this should be located? How the rural or urban area is going to be affected? Appropriate indicators can help analyze the effects of various decisions. Therefore, there is a need to define the problem.

Once the research problem is identified, data or information collection is needed and some analysis of the data can be undertaken.

Data are often classified as one of three basic types: nominal data provides the number of observations for example males females. Ordinal scale permits a ranking by order of magnitude without the knowledge of the interval between the ranks. Interval data provides more detailed information, in as much as the actual interval or distance between objects is known. Interval data, are generally to be preferred although there are many instances in which it is difficult or impossible to establish actual interval units. For example, can an isolation index developed for a city be equally applied in a rural setting? Solutions to such questions can be found only after establishing certain rather arbitrary measurement rules.

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