

NAME: ANURAG GUPTA

DATE OF BIRTH: 16 JULY 2002

EMAIL ID: anuragguptamail007@gmail.com

MOBILE NO: 7611118000

INSTITUTION: LOVELY PROFESSIONAL UNIVERSITY

SOCIO-ECONOMIC IMPACT OF INDIAN AGRICULTURE ON INDIAN SOCIETY

The sector which provides about 65 per cent employment to the working population of India, the sector from where the one-quarter of India's national income originates, the sector which is backbone of Indian economy is none other than agriculture.

Agriculture plays a vital role in affecting the socio-economic status of Indian society, it occupies a key position in the Indian economy. Since a long time, agriculture has been the part of Indian life-style and culture. Agriculture has been a major employer in Indian society, The growth models of development emphasize the significant role of agriculture in India.

Indian agriculture has transformed from subsistence phase to commercial phase for quite a long time after the reforms made in 1990s. Indian agriculture was backward and stagnant at the time of independence, but ever since launching of the first five-year plan, agriculture sector has the prime attention of government in the overall strategy of social and economic development. India has emerged to the level of self-sufficiency due to revolutions like Green, Yellow, Blue, White, Red revolution and India is now in position to export certain items of farm production and earn from foreign exchange. Agricultural education, research, extension and trade have enabled the country to meet the changing requirements and the new challenges, and, also to harness new opportunities.

The transition of Indian agriculture has brought great impact on Indian economy and overall social development. In the early stages of economic development, the agriculture provides a major share of national income and employment but in the later phase it declines gradually, as the income of society rises the importance agriculture declines but still agriculture has its fundamental importance to make through the unending process of economic development. Economic development can be achieved by industrialisation and modern approaches but in the overall socio-economic development will be achieved when the role and functions of agricultural and non-agriculture sector go hand in hand; integrated together. In developing countries like India, the agriculture sector creates demand for more and new industrial goods and also provide the man power to these industries such that agricultural development takes place and thus the economic development occurs, by this the per capita income of farmers increases making them able to buy and use more modern industrial supply for contemporary agricultural practices. All of this start a flow in terms of capital and services that makes social and economic growth very feasible.

In terms of capital formation Agriculture sector plays an essential role as well, it occurred in three ways; first, increased agricultural productivity in India which decreased the food prices which, in turn, increased the real income, also promoted savings. Second, increased farm output which generated larger profits and were used in investments that helped vastly in economic development. Third, capital deprived from taxation on agricultural land and the industrial goods made by agricultural produces were able to help in socio-economic growth Since 1970-71, agricultural output and value added in agriculture in India moved on a growth trajectory of around 2.8 per cent in most of the period. The growth rate moved up and down depending upon the increase/decrease in real prices of agriculture commodities. Agriculture sector not only accelerate growth of industries, but also brings stability to the sector, as it

provides the raw material, labour, demand etc to the industry. To quote Jagdish Bhagwati, “those who stress the role of industrialization generally underestimate the importance of agricultural sector in developing economies. But the two need not to be in conflict, agriculture and industry compete for national resources, but this does not mean that those who emphasise the need for agriculture expansion should be necessarily be opposed to industrialization”. It can be taken in general consensus that “ an agrarian revolution, preceding and running parallel with industrial revolution, is a sound strategy that could take a country along the golden path of economic development.”

Development of Indian agriculture was very important for India as to provide adequate food and nutritional supplies to the fast-growing population. Food security was a major requirement for Indian society; FAO states “food security refers to a situation that exists when all people at all times, have physical, social and economic access to sufficient, safe and nutritious food preferences for an active and healthy life”, hence ensuring food security would mean ensuring social and economical balance in Indian society. In India it was a major problem of great concern that of chronic or persistent food insecurity. To ensure food security government has been focusing on increasing the production level of agricultural goods, that would make sure that the input for government schemes such as integrated child development services (ICDS), mid-day meal, Annapurna scheme run without any shortage of agricultural supply. Even after ensuring the food security the job is not done as the economy grows incomes of people also increase and consequently consumption level of people also increases. Indian agriculture faces a rise in demand; hence, the pressure increases from both domestic and international market. India as the member of world trade organisation has obligation to provide market access to other countries; India has to export 3 per cent of its total production of food grains and to meet this domestic and international demand the production rate got up and the benefits would be generated for the Indian society. Agricultural laborers constitute an important segment of rural working force. Agricultural labourers are drawn from socially and economically backward sections of society. These laborers in India are scattered over six lakh villages. Agricultural laborers worked at minimal wages but after the reforms made, they were affected to a great extent as well. Agriculture is also acquiring renewed importance for gainful employment due to failure of manufacturing sector to pull labour out of agriculture and to keep pace with the growth in workforce. And as Fei and Ranis model postulates “if marginal productivity of labour is zero, surplus of food is available”.

When the agriculture sector decelerates, the population from rural areas start migrating to urban areas which create a lot of pressure and also great rate of unemployment. Which could only be solved if the biggest sector of employment is making profits and there is investment available for it, hence, the agriculture sector needs to be focused on in order to solve the adversities created by decline in agricultural activities. The agricultural sector is self-sustaining meanwhile other secondary sectors and tertiary sectors depend on the raw materials provided by the agricultural sector, thus, making it clear that for the generation of opportunities at upper sectors and help in capital formation at higher rates. Well organized agriculture practices ensure the running of cottage industries too, that creates a market surplus.

The research in field of agriculture helped in creating improvements in rate of production and generating food security. The agricultural research has tackled majority of agriculture related problems of the country. In late 80s there was decline in both private and public sectors

investments, inadequate government funding, growth in total factor productivity, which is a measure of technical change, seemed to be decelerating, there were demand constraints which was brought to change by reforms and revolution created, now, there was steady rise in average productivity, area under cultivation and the varieties of crops produced which in turn, accelerated the investments and now the profits were much more than the past, this increased the social status of farmers ensuring economic development of society. Also in India, the services of agricultural extension are likely to intensify in the foreseeable future, as agriculture sector faces global challenges for aspects like trading, ensuring proper quality of export and other production level problems. From government point of view the extension will remain key policy tool for promoting ecologically and socially sustainable farming practices which would also make sure that the agriculture sector generate enough profits and opportunities for socio-economic development.

When India entered the era of globalisation and economic liberalisation around the year 1991, as the domestic prices of several agricultural goods at that time were far less than the international prices, it facilitated to earn good amount of foreign exchange through increased exports, but there are a lot of constraints in accomplishing this task of export, as there can be increased cost production for ensuring better quality of produce, lack of requisite infrastructure but once this points are in focus of people it creates more opportunities for the citizens of Indian society firstly, the industries, then as the part of extension, then the farmers and also the other part of society which would include transportation system. The macro-economic environment of Indian agriculture supports that participation of country in international trade is genuine, and the per capita income also shows growth on the application of reforms in agriculture.

Though role of foreign demand in increasing economic level was great but also the local markets hold a major influence on Indian economy, development of marketing leads to integration of different sectors of economy such as agriculture, industry, transport, etc. with the advent of green revolution, was created a bigger marketable surplus. Through this the rural income increase substantially. In turn it helps in agriculture modernization and hence, more capital formation. Developing countries also have responsibility to promote themselves in international trade with their produced goods that are in demand and for India, rapidly adjusting in the global scenario is important for the increased social development hence, the agriculture sector is one of the most in demand sector from in India that help Indian society to witness rapid growth in term of economy and social standards.

In conclusions, agriculture is critical for self sufficiency in food and for economic development of India, this is most likely to contribute to the improvement of living condition of many directly influencing the socio-economic status of society. The progress of the Indian economy is crucially linked with the growth of agriculture sector. Indian agriculture solves some great matter of concern of Indian society such as shortage of food and benefits from foreign exchange. Change is happening in rural India but it has still a long way to go Agriculture has benefited from improved farming techniques but the growth is not equitable, Land use is changing in rural areas as farmers are getting good value for their holdings. The effort should be to stop the migration to urban areas. Also, as the agricultural goods produced in India are on high demand; the world level of trading of Indian agricultural product helps creating bigger opportunities for Indian society to come forward in social and economic level.