

ROLE OF AGRICULTURE IN RURAL DEVELOPMENT IN THE INDIAN CONTEXT: A THEORETICAL ANALYSIS

GUPTA RESHU^{1*}, KUMAR GOYAL RAVI¹, FEHER ANDREA ANA², VARMA VISHAL¹,
TEKWANI KRITIKA¹

¹*Nirwan University Jaipur, Rajasthan, India*

²*Banat's University of Agricultural Sciences and Veterinary Medicine "King Michael I of
Romania" from Timisoara/Faculty of Management and Rural Tourism, Romania*

*Corresponding author's e-mail: reshugupta11@gmail.com

Abstract: *Rural development is the practice of enhancing the standards of existence as well as economic well-being of individuals who live in rural regions. The rural sector's barbarism would be a significant hindrance to the economy's ultimate growth. India is mostly an agricultural nation, with farming being their primary employment. The use of sophisticated farm technologies by better-off farmers has expanded the divide between affluent as well as poor farmers. Until the 1970s, rural development was associated with agricultural development, as well as hence concentrated on expanding agricultural productivity. The social dimension helps poor as well as low-income individuals grow socially, encourages sexual equality as well as female empowerment, and offers sociological security nets for susceptible populations. The political dimension expands chances for poor as well as low-income individuals in rural regions to engage in political procedures at the village level in an efficient as well as equal manner. Economists as well as agriculturists are both concerned with the development of agricultural rural economies and the betterment of village life. This is the nation's most pressing concern, as the bulk of rural residents remain impoverished. The author had studied the role of agriculture in rural development and found that large portion of the people involved in agriculture as well as related activities and rate of growth of the Indian agricultural sector dictates the total growth rate of the economic development.*

Keywords: *Agricultural Role, Rural Development, Green Revolution, Rural Residents, Political Procedures.*

INTRODUCTION

Despite its diminishing contribution of the gross domestic product, agriculture remains an important aspect of India's overall development system, sustaining a large proportion of the working population (GDP). Slow development in the agriculture sector has become a major source of concern, since it has far-reaching consequences for the rest of the economy. To counteract this inertia in agriculture, it is considered that the public as well as private sectors must learn to collaborate and contribute to comprehensive economic development. Agricultural development is required for two reasons: as a supply of raw materials for industries and food for people, and as a way of achieving the objectives of employment-led economic growth, poverty reduction, as well as self-sufficiency. Sustained agricultural expansion has thus been a fundamental focus of our development strategy since independence, with the goal of improving both food supplies as well as accessibility. In this regard, the Government of India (1998) highlighted that, while private investment has been the primary driver of agricultural development in recent years as well as would continue to be so in the future, public investment is required to fix current flaws and add vitality to the industry. Without a doubt, poverty alleviation is theoretically dependent on growing agricultural production, especially among smallholder farmers, and agricultural investment is critical.

Investment and subsidies: indicators of rural development

Recognizing the significance of rural development, a multitude of research have been conducted to investigate the pattern, impact, as well as complementarity of public as well as private investment on rural development. A significant investment in the agricultural sector in the early 1960s, which heralded in the Green Revolution, has paid off spectacularly. However, researches have shown that public investment in agriculture fell throughout the 1980s. Even during the 1990s, state investment in agriculture fell steadily, while private investment climbed steadily, but not entirely compensating for the loss from reducing public expenditure. In contrast to this tendency, few analyses have proven the complementarity of public as well as private investment in agriculture.

1/3rd of input subsidies is provided to agricultural sector in the form of “fertilizer subsidies” and this indicator is almost equivalent to 1% of GDP. Maximum retail price for different type of fertilizers is quoted by the government under this scheme of subsidy and the government reimbursed the difference between “retail price and market price” to the seller.

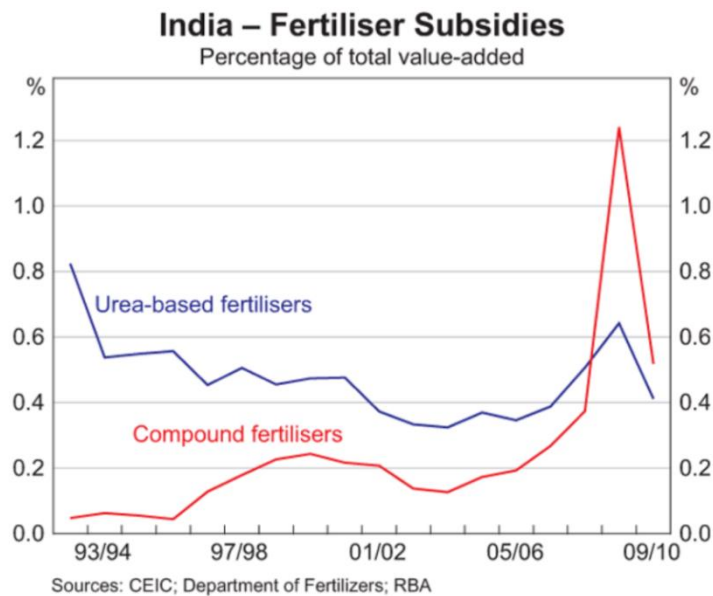


Figure 1. Subsidies for fertilizer in India

India has the potential to produce the “urea fertilizers” which is enough for them to fulfil their domestic needs but we are dependent on import to meet the demand of “compound fertilizers” and this is the reason why we had seen the outlay in subsidies for “compound fertilizers” for increased prices of global fertilizers. Substantial subsidies for electricity are also provided by the government for rural development but the farmers use this un-metered electricity supply and pay only a lump-sum subsidy amount as per power rating of pump set used in the purpose of irrigation.

A majority of researches on investment in Indian agriculture have been conducted at the national scale; moreover, the investment forecasts from these research findings are subject to debate due to their limited scope as well as constricted reportage of public sector agricultural investment, and also their failure to account for the two-way causality between investment, productivity, as well as other macro-variables. Furthermore, the outcomes of agricultural investment pattern at the national level are of limited use to hill states like Himachal Pradesh, because hill agriculture is quite different from plain agriculture due to various mountain particularities. As a result, the goal of the analysis is to examine the Behavior of agricultural investment as well as its influence on agricultural growth as well as poverty reduction in India.

Comprehensive rural development is now a more precise approach than rural development was earlier; in general, inclusive rural development is about improving the quality of life for all remote residents [6]. In particular, inclusive rural development has three distinct yet interconnected dimensions: economic, social, as well as political. Economic component is procuring both ability as well as opportunity for the poor, particularly low-income individuals, to benefit from growth in the economy. The restrictions to agricultural as well as rural prosperity in rural regions must be eliminated, and the country must become self-sufficient by focusing on achieving the objectives of the yearly plans developed for agricultural as well as rural development.

MATERIALS AND METHODS

In context of the study of rural development, authors collected the data from various research articles and from government of India's rural development policy framework, Also collected the data from Ministry of Rural Development and Economic Survey of India 2019-20, 2020-21.

For various tables and figures, the authors analyzed the rural development in Indian context w.r.t. various indicators and parameters in empirical and qualitative methods. The data from Indian Council of Agriculture Research, Government of India and NABARD (National Bank for Agriculture & Rural development) of India collected, analyzed, synthesized, represented, and conclusions were formulated in order to provide an overview of the infrastructure development in sustainability of rural populace in India

RESEARCH RESULTS

Agricultural growth in the recent period has been interesting on several accounts: divergence in agricultural income has enhanced, specific regions have become specialized towards specific crops, as well as total factor productivity development has halted, at least in the nation's high productivity region [12]. Such growth patterns have an impact on employment, poverty, as well as equity in an area. These agricultural growth challenges would pique the interest of this institute's scholars. In a developing economy, efficiency is also more important. The condition of technology and the status of natural resources in an area frequently influence effectiveness as well as equitable issues in Indian agriculture. These characteristics frequently differ among areas; hence, region-specific research on agricultural long-run efficiency as well as equality would be prioritized in the unit.

Increases in crop production are good growth indicators of agricultural output over the last 2-3 decades. The crop production is strong and has the potential to keep its pace with the demand from increased rate of population (Figure 2).

The rural income and economy are both increase with increase in agricultural production which in turn causes decrease in food and crop prices and ultimately have a great impact by reducing the rural poverty.

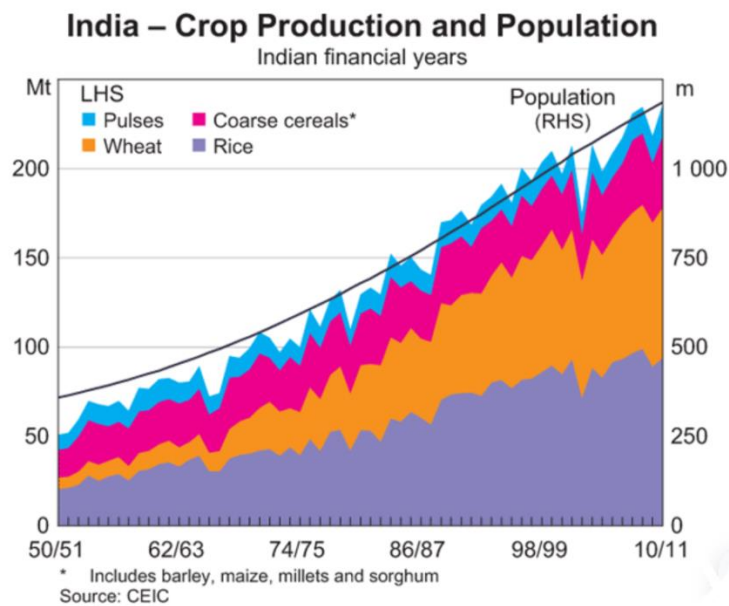


Figure 2. Crop production and the population in India

When land becomes scarcer, the value of non-farm activities grows [4]. Previous research indicates that sustained agricultural expansion is critical to the nation's development-induced rural diversification. Furthermore, one of the unit's latest research projects suggests a diminishing of the aforementioned relationship in the rural economy. Specialists at this institute would be interested in the reasons behind the weakening of such links as well as methods for the balanced growth of the rural sector [20]. A stronger expansion in non-farm activities is crucial for development-induced rural heterogeneity in the nation, as well as agro-processing is one manufacturing activity in which the rural sector has specific benefits. An IEG research examines the effectiveness of agro-processing during the last few decades. A large part of the growth of agriculture as well as the rural sector is also dependent on specific types of infrastructure. Studies on infrastructural difficulties might thus be beneficial. The prevailing organizational structure for agricultural as well as rural development is frequently found to be insufficient; alternative institutions are forming, but their effectiveness must be assessed. One of the current crop insurance program investigations is an example of such an initiative. In a liberalizing society, existing governmental institutions must also be reoriented. In this context, another institute research examines the ramifications of greater private engagement in food grain selling in the country. Indeed, investigations that examine current institutions as well as infrastructure in a dynamic context would be of interest to this institute's scholars.

The food purchases for number of consumers are been subsidized by the government which helps to alleviate the poverty. These subsidies from the government shields the Indian consumer from food price fluctuation held all over the world.

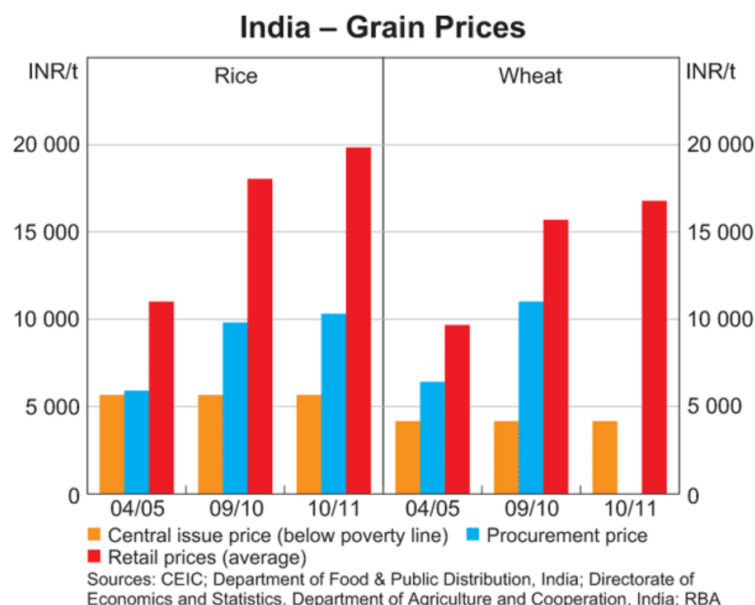


Figure 3. Grain prices in India

The government use to obtain the agricultural goods from its producers who sell a share of their output to the governing body at MSPs (minimum support prices) and this MSP is always below the market price.

Nature was self-sustaining due to a well-balanced ecological cycle until human involvement disrupted the natural ecosystem, culminating in environmental harm [17]. As a result, it is critical to create a community that lives in peace by resolving these challenges at the grass roots level through the use of sustainable management strategies. Keeping this in mind, this message is meant to highlight the need for the development of organic farm in order to reestablish environmental integrity, peaceful living, as well as economic stability. The paper comprehensively outlines the ideas, dimensions, as well as components that can turn an established community into a resilient organic farm. Embracing these dimensions as well as components can make an individual's connection to social as well as ecological system clear.

Agricultural and rural development (ARD) are critical to addressing the core causes of migration. More than half of the people in LDCs will still live in rural areas by 2050. Agriculture or other rural occupations provide a living for three-quarters of the world is very poor. Initiatives must be directed toward a more efficient agricultural sector as well as enhanced food systems in general, allowing for diversification into manufacturing as well as services while also encouraging good jobs as well as employment in agriculture [19].

India has the most poor and malnourished children, women, and adults in the world, with the bulk of them living in rural regions. Given this, rural development has always been of great importance to policymakers in India since freedom. India began on an extraordinary rural development initiative, the likes of which are difficult to find any place due to their distinctiveness in terms of volume, variation, as well as vibrancy. In the past, rural development was synonymous with agricultural development [3]. The notion of rural development in India was formed in the context of agriculture as well as has long been coextensive with agricultural development in India. Moreover, over time, this perception shifted dramatically, as well as rural development has come to be associated with poverty reduction. Concerns, tactics, as well as plans for rural development in India have evolved through time, making amends for previous failures as well as taking into account fresh ideas [1].

Rural development is a multifaceted notion which includes, among other things, the development of agriculture and related activities, village as well as cottage industries, crafts, macroeconomic infrastructure, community services as well as amenities, and human resources in rural regions [18]. Rural development is a phenomenon that is the outcome of interactions between numerous physical, technical, economic, social, cultural, as well as institutional variables. It is a technique aimed at improving the economic and social well-being of a specific group of people: the rural poor. It is an interdisciplinary subject that brings together agriculture, social, behavioral, engineering, as well as management sciences [2].

India is an agricultural economy, as well as the agriculture sector continues to have a significant impact on the overall growth and development of the country in general, as well as rural development in particular [7]. Agriculture's contribution to the economy to India's gross domestic product (GDP) is diminishing in tandem with the nation's broad-based economic development. Agriculture is the most populous economic category in India as well as plays a significant role in the country's overall social and economic fabric. Agriculture's primary role in economic growth has been considered as passive as well as supporting. Economic growth was viewed as a mechanism necessitating a quick structural transformation of the economy from one based mostly on agricultural behaviors to one based on a more sophisticated contemporary industrial as well as service sector [9]. As a result, agriculture's major purpose was to supply enough low-cost food and labor to the rising industrial economy, which was regarded to be a dynamic and leading element in the broader rural development plan. Agriculture is an essential component of any economic development plan, particularly in low-income emerging countries. In general, urban-rural connections are multifaceted as well as changing. The farm sector has always provided food for the city dwellers, but the mix of agricultural produce has shifted in accordance to shifting urban consumption habits. The agricultural excess is sold in commodities markets, which, while traditionally important to India's rural economy, have seen fast change in recent years [10].

Global food systems: Indicator of rural development

Farming and rural development are crucial to the variety of global food systems as well as diets, both of which are important determinants in establishing worldwide nourishment as well as quality of care [5]. Diets are not static and are evolving as a result of globalization, urbanization, as well as population changes. Furthermore, many loads of malnutrition are not alleviating quickly enough and, in some cases, are worsening. Unhealthy diets contribute significantly to these pressures. Rural people, especially small and marginal farmers, play a significant role in supplying important nutrients in the global food supply that comprise basic diets for human health. Furthermore, rural people in several regions of the world are frequently impoverished, with malnutrition loads ranging from undernourished to overweight. They confront substantial obstacles as well, typically as a result of inadequate investment in rural development. Natural resource depletion, climate change danger, women's emasculation, war, as well as urbanization are all threats to these communities. If action is not done and their lives are not emphasized, achieving sustainable development in these rural areas, which are critical for future food systems, would be difficult [11].

The study attempts to concentrate on expansion as well as function of rural development cooperatives, as well as appraise their difficulties and future potential as agents of change, conversion, as well as affluence [15]. The research includes a wide range of rural economic activities, with a focus on agriculture, as well as a diversity of rural cooperatives, with a focus on those that provide agricultural loans. It is predicated on

intermediate data taken from different published sources as well as primary evidence obtained from agricultural households recruited from villages across India. To choose the sample households, a five-stage simple random selection process was used, with the district, block, gram Panchayat, villages, and homes representing the five phases, correspondingly. The core statistics pertain to the kharif season of the 2012-13 agricultural year. Data were gathered in person among participants from sample families using a well-structured pre-tested routine. To evaluate data as well as perceive the results, very simple statistical methods were utilized [13].

Appropriate availability of loans on time is a key demand for rural people, particularly in times of shortage as well as uncertainty [8]. Convenient as well as safe-saving facilities may be even more significant in smoothing out the peaks and troughs in rural income and expenditures. Families are also forced to rely on inefficient, inconvenient, and pricey alternatives due to a lack of savings options. Agricultural credit might be a solution in this case. The majority of agricultural credits in India are small-scale loans to impoverished enterprises. It enables them to borrow funds from financial institutions as well as create their own rural development businesses [16]. Numerous financial firms devised various techniques, including the granting of modest loans without recourse to the rural poor. These loans have set repayment terms. Borrowers are grouped into groups, lowering the chance of default. These credits also aid in the dissemination of useful information about the borrowers as well as their living conditions. Classified debts are now burdening mostly nationalized and specialized banks in India. However, collateral-free borrowing provides a fresh chance for them to invest their cash with low risk. Previous financial institution observations suggest that modest credits can be used to provide to the poor for rural development. As a result, if they can involve themselves effectively, agricultural loans will expedite development operations in India's remote regions [14].

CONCLUSIONS

Rural Development, in addition to enhancing the agricultural sector, is critical to India's economic development, particularly in the rural economy. It aids in the generation of work possibilities in rural regions with limited capital, improving people's real incomes, and aiding to agricultural growth by eliminating cloaked joblessness. In order to improve rural regions, the government should conduct an assessment of various rural development initiatives and programs. Rural entrepreneurship struggles to take off because of a lack of capital accumulation, taking risks, as well as invention. Rural development plans should include infrastructure improvement, educational, health services, agricultural investment, as well as marketing of rural non-farm enterprises in which women as well as rural residents can participate. The government has various agricultural and rural development schemes that have not reached the target populations to a suitable degree. As a result, efforts should be made to inspire people using appropriate ways, with a focus on underserved need regions.

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