

# ROLE OF PRIMITIVE SECTOR IN INDIAN ECONOMY

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## ABSTRACT

Agriculture plays an imperative role in the Indian Economy. Nearly 70 per cent of the rural households are depending on agriculture. It is contributing 18.1 per cent of GDP to the total and providing 60 per cent of employment to the Indian population. India exports a large quantity of agricultural materials like fruits, vegetables, pulses, tea, spices etc., by these exports our government is acquiring good revenue.

A sea-change has been witnessed in the development of Primitive Sector right from 1948 to till date. The age-old agriculture sector was started with traditional implements with customary operations for attaining their subsistence but with advancement of technology and tech environment, the scenario of agriculture sector and its allied activities has drastically revamped. The political agro economy paving its way for the new path of development with active and dynamic intervention of current government and its rural schematic policies.

Here an attempt is made to enquire, explore the possibilities of agricultural development in terms of its contribution to the national exchequer, employment status of human resources in rural areas etc.

**Key words:** Development, Indian Economy, Primitive Sector, Role of Agriculture.

## Introduction:

India ranks second worldwide in farm output. Agriculture and allied sectors like forestry, logging and fishing accounted for 17% of the GDP. The sector employed 49% of its total workforce in 2014. Agriculture accounted for 23% of GDP, and employed 59% of the country's total workforce in 2016. As the Indian economy has diversified and grown, agriculture's contribution to GDP has steadily declined from 1951 to 2011, yet it is still the country's largest employment source and a significant piece of its overall socio-economic development. Crop-yield-per-unit-area of all crops has grown since 1950, due to the special emphasis placed on agriculture in the five-year plans and steady improvements in irrigation, technology, application of modern agricultural practices and provision of agricultural credit and subsidies since the Green Revolution in India. However, international comparisons reveal the average yield in India is generally 30% to 50% of the highest

average yield in the world. The states of Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Andhra Pradesh, Telangana, Bihar, West Bengal, Gujarat and Maharashtra are key contributors to Indian agriculture.

Indian agriculture is diverse, ranging from impoverished farm villages to developed farms using modern agricultural technologies. This image shows a farming community in a more prosperous part of India.

### **Importance of Agriculture in Indian Economy**

Agriculture is the backbone of Indian economy. Though, with the growth of other sectors, the overall share of agriculture on Gross Domestic Product (GDP) of the country has decreased. In India agriculture is still continuing to play a dominant part in the overall economic scenario. Food is a basic need for life. People depend on agricultural yields for food requirements. India produces huge quantity of food grains such as millets, cereals, pulses, etc. A major share of the food-stuffs produced and consumed within the country. Our farmers works day and night to feed our population that counts over 1.21 billion (census 2011).

Agriculture is the most predominant sector of Indian economy. Indian agriculture sector accounts for 18 percent of India's gross domestic product (GDP) and provide employment to 50 percent of the country's workforce.

Agriculture is the basic occupation for majority of the main-workers in India. A huge number of rural women are also occupied in agriculture. According to 2011 census, over 77.8% of the main workers in India are engaged in agricultural and allied activities. 32.8% women are being as an agriculture labour in India. A number of industries are agro-based industries, such as jute, cotton, sugar, tobacco, etc., are raw materials for such industries are supplied from agricultural sector.

The productivity of land increased enormously which leads to huge economic boost to the nation. With this concern most of the people, especially in rural areas selected agriculture as their main occupation. Among those, SC women are dominated in the number.

Agricultural product is the fourth largest exported principal commodity with a share of 10 % of total exports of the country. According to ministry of agriculture, total food grains production was 273.38 million tonnes in the year 2018.

Agriculture is more a way of life than other activities. It is the prime sector of the country's economy and occupies a place of pride, where 70% of the rural people are living in villages and mostly working as agriculture labourers. An important aspect of the role of agriculture can be seen from its large contribution it makes to the country's national income increases and creates more job opportunities and raise the volume of development in agriculture as well as in the industry. So indeed both ways of employment opportunities can

be expended in larger number. Thus, large expansion of agriculture could generate more income to rural people which can stimulate industrial growth.

### **Objectives of the study:**

- To discuss the importance of the agriculture in India.
- To analyze the role of primitive sector in Indian economy.

### **Scope of the study**

This paper discusses the features of the Indian agriculture and the role and importance of the agriculture in Indian economy.

### **Features of Indian Agriculture:**

#### **(i) Source of livelihood:**

Agriculture is the main occupation. It provides employment to nearly 61% persons of total population. It contributes 25% to national income.

#### **(ii) Dependence on monsoon:**

Agriculture in India mainly depends on monsoon. If monsoon is good, the production will be more and if monsoon is less than average then the crops fail. Sometimes floods play havoc with our crops. As irrigation facilities are quite inadequate, the agriculture depends on monsoon.

#### **(iii) Labour intensive cultivation:**

Due to increase in population the pressure on land holding increased. Land holdings get fragmented and subdivided and become uneconomical. Machinery and equipment can not be used on such farms.

#### **(iv) Under employment:**

Due to inadequate irrigation facilities and uncertain rainfall, the production of agriculture is less, farmers find work a few months in the year. Their capacity of work cannot be properly utilised. In agriculture there is under employment as well as disguised unemployment.

#### **(v) Small size of holdings:**

Due to large scale sub-division and fragmentation of holdings, land holding size is quite small. Average size of land holding was 2.3 hectares in India while in Australia it was 1993 hectares and in USA it was 158 hectares.

#### **(vi) Traditional methods of production:**

In India methods of production of agriculture along with equipment are traditional. It is due to poverty and illiteracy of people. Traditional technology is the main cause of low production.

**(vii) Low Agricultural production:**

Agricultural production is low in India. India produces 27 Qtls. wheat per hectare. France produces 71.2 Qtls per hectare and Britain 80 Qtls per hectare. Average annual productivity of an agricultural labourer is 162 dollars in India, 973 dollars in Norway and 2408 dollars in USA.

**(viii) Dominance of food crops:**

75% of the cultivated area is under food crops like Wheat, Rice and Bajra, while 25% of cultivated area is under commercial crops. This pattern is cause of backward agriculture.

**Roles of agriculture in Indian economy.****1. Contribution to National Income:**

From the very beginning, agriculture is contributing a major portion to our national income. In 1950-51, agriculture and allied activities contributed about 59 per cent of the total national income. Although the share of agriculture has been declining gradually with the growth of other sectors but the share still remained very high as compared to that of the developed countries of the world. For example, the share of agriculture has declined to 54 per cent in 1960-61, 48 per cent in 1970-71, 40 per cent in 1980-81 and then to 18.0 per cent in 2008-09, whereas in U.K. and U.S.A. agriculture contributes only 3 per cent to the national income of these countries.

**2. Source of Livelihood:**

In India over two-thirds of our working population are engaged directly on agriculture and also similarly depend for their livelihood. According to an estimate, about 66 per cent of our working population is engaged in agriculture at present in comparison to that of 2 to 3 per cent in U.K. and U.S.A., 6 per cent in France and 7 per cent in Australia. Thus the employment pattern of our country is very much common to other under-developed countries of the world. Agriculture is the only major source of food supply as it is providing regular supply of food to such a huge size of population of our country. It has been estimated that about 60 per cent of household consumption is met by agricultural products.

**4. Role of Agriculture for Industrial Development:**

Agriculture in India has been the major source of supply of raw materials to various important industries of our country. Cotton and jute textiles, sugar, vanaspati, edible oil plantation industries (viz. tea, coffee, rubber) and agro-based cottage industries are also regularly collecting their raw materials directly from agriculture.

About 50 per cent of income generated in the manufacturing sector comes from all these agro-based industries in India. Moreover, agriculture can provide a market for industrial products as increase in the level of agricultural income may lead to expansion of market for industrial products.

## 5. Commercial Importance:

Indian Agriculture is playing a very important role both in the internal and external trade of the country. Agricultural products like tea, coffee, sugar, tobacco, spices, cashew-nuts etc. are the main items of our exports and constitute about 50 per cent of our total exports. Besides manufactured jute, cotton textiles and sugar also contribute another 20 per cent of the total exports of the country. Thus nearly 70 per cent of India's exports are originated from agricultural sector. Further, agriculture is helping the country in earning precious foreign exchange to meet the required import bill of the country.

## 6. Source of Government Revenue:

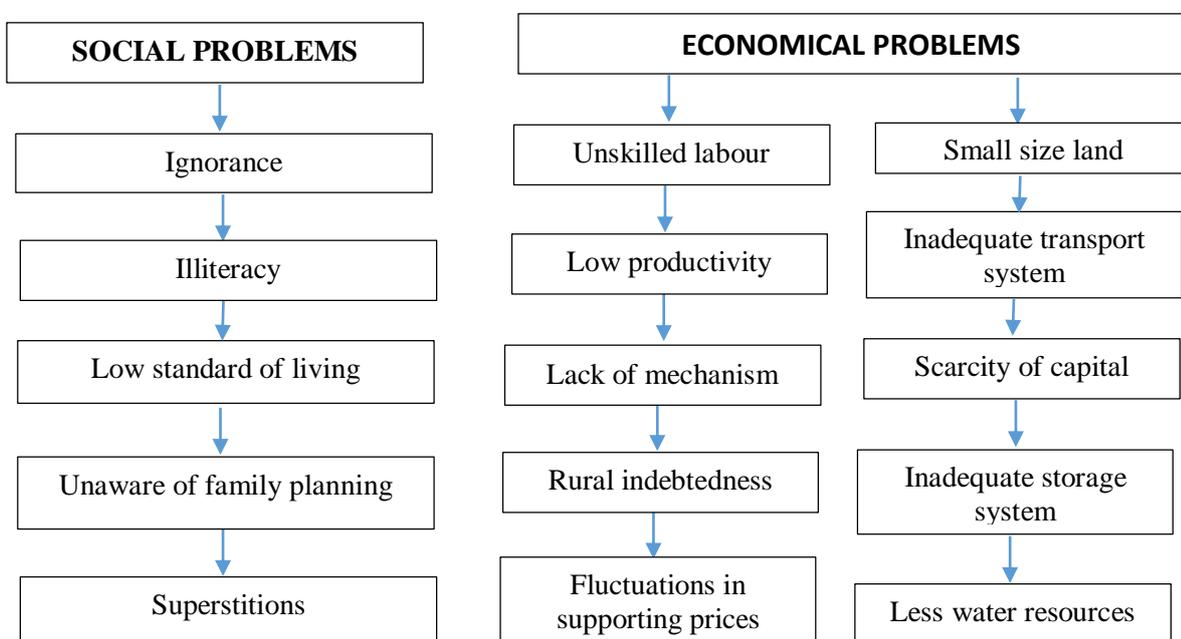
Agriculture is one of the major sources of revenue to both the Central and State Governments of the country. The Government is getting a substantial income from rising land revenue. Some other sectors like railway, roadways are also deriving a good part of their income from the movement of agricultural goods.

## 7. Role of Agriculture in Economic Planning:

The prospect of planning in India also depends much on agricultural sector. A good crop always provides impetus towards a planned economic development of the country by creating a better business climate for the transport system, manufacturing industries, internal trade etc.

A good crop also brings a good amount of finance to the Government for meeting its planned expenditure. Similarly, a bad crop lead to a total depression in business of the country, which ultimately lead to a failure of economic planning. Thus the agricultural sector is playing a very important role in a country like India and the prosperity of the Indian economy still largely depends on agricultural sector. Thus from the foregoing analysis it is observed that agricultural development is the basic precondition of sectoral diversification and development of the economy.

## Problems of Indian Agriculture



## Recommendations

- Provide agro training centres for formers
- provide micro credits
- Establish more agro based industries
- Introduce land reform for democratic distribution and scientific cultivation of land and improve irrigation facilities.
- Provide transport and infrastructure facilities

## Conclusion

Most of the Indians are directly or indirectly depending on the agriculture. Some are directly attached with the farming and some other people are involved in doing business with these goods. India has the capacity to produce the food grains which can make avast difference in Indian economy to achieve targeted marks by the government it needs to provide support in care of land.

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