

# Exploring the meanings of gunnar myrdals agricultural quote



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“ It Is in the Agricultural Sector That the Battle for Long- Term Economic Development Will Be Won or Lost.”

More than thirty years ago, a Nobel Laureate in Economics, Professor Gunnar Myrdal made this notable proclamation, “ It Is in the Agricultural Sector That the Battle for Long- Term Economic Development Will Be Won or Lost.” That proclamation is still very relevant to the developing world where agriculture contributes substantially to economic development. Approximately, half of the world population resides in the rural areas. The majority of the populations in rural areas depend on agriculture. Therefore, the significance of Agricultural Progress in rural Development of the underdeveloped areas cannot be over-emphasized. Development in third world nations cannot be achieved if the poorest rural areas are not developed first. It is widely known that in most third world nations, agriculture forms the pillar of the economy. Most people in these nations are dependent, directly or indirectly, on agriculture. In the last two decades, China has exhibited the largest increase of per capita food production while for Africa it has been a considerable decline in agricultural productivity in the same period. This has translated to more economic development in china and worsening of the economic situation in Africa.

The central problems of prevalent poverty, mounting inequality, high population growth, and increasing unemployment all originate in the stagnation and at times retrogression of economic life in rural areas (Todaro & Smith, 2009). This economical stagnation and retrogression is a result of poor agricultural performance caused by the neglect of agriculture together with a preference of urban industrial economy. Previous conclusions about <https://assignbuster.com/exploring-the-meanings-of-gunnar-myrdals-agricultural-quote/>

Third World development; that the finest development plan was to focus on industrialization, were erroneous. Newer studies demonstrate that agricultural development is as significant, or even paramount to industrialization. Agricultural advancements promote both the rural areas and the industrial sector. Productivity must be amplified. Planners must find a method to get rid of the opposition of rural farmers to change.

Past stress on hurried industrialization could have been misplaced.

Agricultural development is now taken to be a central part of any development policy. There exist two kinds of world agriculture: extremely efficient agriculture in developed nations characterized by; High productivity per worker, a small number of farmers are able to feed a whole nation and technological and biological advancements, and Inefficient agriculture in developing countries characterized by; little productivity, agricultural output that hardly sustain farm population, and Technological stagnation. Efficient agriculture leads to a rise in labor and land productivity while inefficient agriculture results in thinning returns to labor.

Agriculture plays an important role in developing economies in that it forms a sizable share in national income. While the percentage of agriculture in the overall national income has been on steady decline because of expansion of the secondary and tertiary sectors its input to the developing economies continues to be significant. Agriculture provides employment with more than half of the third world population depending, directly or indirectly, on it. A greater non-dependence of working population on agriculture is an indicator of the underdevelopment of non-agricultural activities in the country.

Agriculture supply raw materials to run top industries like cotton to textiles  
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and sugarcane to sugar industries. Apart from that, agriculture feeds the workers in industries. Agriculture also is a market for a range of industrial goods. Agriculture plays a significant role in international trade for developing countries. Agricultural commodities such as spices, cocoa, tobacco and tea make up the main items of exports in developing world. Therefore, agriculture is a source of foreign exchange, which aids the countries purchase machines from abroad. It also sustains a balance of payments and makes the countries self-reliant. Agriculture also plays a pivotal role in the development of the tertiary sector in many economies. The tertiary sector avails services such as finance and to the industries and agriculture e. g. banking and warehousing. Internal trade is also done in agricultural produce. For instance, the transport industry gets volumes of their business by the transportation of agricultural goods. The government third world countries rip benefits in agriculture in that they get a major part of their revenue in terms of land revenue, agricultural income tax etc. The government also earns revenue from export duties on agricultural products. Agriculture plays an important role in the internal trade in a developing country. Ninety percent of the population in India, for example, uses 60% of their income buying agricultural items like milk and tea ( Bhagwati, 1993),

To win the battle on economic development, policies that promote agricultural development must be put on place. These policies include measures that are aimed at encouraging technology and innovation in the farms, the non adoption of labor-saving machinery since developing nations have plentiful of labor. Rather, the policies should promote the utilization of hybrid seeds, fertilizers, and irrigation to bring more land in agricultural use

and boost agricultural production. Designing of superior government policies to assure equitable access of credit and technological innovations to all farmers will also help to promote agricultural development. Only large-scale farmers will often rip the benefits of these policies. Realization of land reform alongside access to credit to present rural families with ownership of land and break the cycle of highly unequal distribution of income in rural areas will aid in agricultural development.

In conclusion, a fully-fledged and integrated agricultural development in the rural areas will lead to an increase in agricultural productivity. Furthermore, it will also encourage nonfarm activities such as access to education, health, and housing. Thus, boosting the agricultural sector's productivity stimulates economic development in various other sectors of the economy. This proves Gunnar Myrdal's assertion.