

Opinion Article

Agricultural growth and its impact on rural poverty

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DESCRIPTION

The relationship between agricultural growth and rural poverty can be determined by the fact that majority of population live in the rural areas in India. Among the rural population 59 % are employed in agriculture and agricultural labor households. Rise in poverty has been an overarching goal in development of country. With respect to this issue country has planned several interventions. The Government has provided several schemes that help in strengthening of institutions and delivery mechanisms to empower the poor, and targeted development of backward regions through resource transfers and supportive policy measures. Study on growth rate in agriculture national state domestic product (AgNSDP) has shown a downfall in post-reform period in all states of India except Andhra Pradesh and Gujarat, Jammu and Kashmir. Over three quarters of the economically active extreme rural people engage in agriculture as a primary activity although they do not necessarily work on their own unit of production, whether farms, forest or fisheries. Extreme poverty is particularly prevalent among agricultural wage workers and pastoralists, while a much smaller share of small-scale producers are extremely poor. Childrens are a major group who are mainly affected by rural poverty as they lack access to education, food, undernourishment and basic health services and this results in child labour, in which children are exploited to do any form of work that interferes with their ability to attend regular school, and is mentally, physically, socially and morally harmful. Majority of child labour is found in agriculture sector when compared to other sectors.

The trends in the decline of poverty among different categories of farming households are more revealing. In post-reform period, poverty among marginal households declined, while among other categories of farming households, it is

increasing day by day. The increase in the incidence of poverty was maximum among medium farming households (5 per cent), followed by small (3.6 per cent) and large (1.1 per cent) farming households.

Further, the concentration of poverty is uncontrollable in agricultural labour households who do not have their own lands and marginal farm households which account for more than 50 per cent of the total poor in India. Therefore, the needs and aspirations of these vulnerable groups must be taken care of to ensure inclusive growth in agriculture.

Agriculture also increases women employment in many parts of the world. As a result, an ever greater share of responsibility for agricultural activities falls to the women. According to FAO, women account for on average 43 per cent of the workforce within agriculture in developing countries. In all, approximately 70 per cent of the poorest people in the world are women; most rural women perform numerous labour intensive jobs such as weeding, hoeing, grass cutting, picking, cotton stick collection, separation of seeds from fibre, etc for their livelihood.

Agriculture comprises one of the largest share of gross domestic product (GDP). Agricultural GDP per worker elasticity of poverty reduction is 0.85 against the 0.08 non-agricultural GDP per worker elasticity of poverty reduction. However, it is suggested that the impact of agriculture on poverty reduction cannot be judged by focusing only on agriculture sector.

Rise in land and labour productivity can be central to pro-poor growth. Initially land and labour productivity must rise to reduce poverty, but land productivity should rise faster to create additional employment on farms which benefits the poor and leads to demand for non-farms goods and services. As growth increases, there are more employment opportunities outside

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of agriculture, and labour moves outside of agriculture thus wage rates for farm labourers rise. To maintain food supply and prices it's important to increase labour productivity.

Hence, Agricultural activities can therefore be seen as a first step or engine of growth leading to greater income for a country. Increase in agricultural productivity is an essential complement to growth in other sectors. Agriculture can help in decreasing poverty beyond a direct effect on farmer's incomes. Development in agricultural can enhance economic development and as a result it lead to hike in employment. Increase in agricultural productivity raises farm incomes, increases food supply, reduces food prices, and provides greater employment opportunities in both rural and urban areas. Higher wages can increase the consumer demand for goods and

services produced by sectors other than agriculture. Such a relationship between growth in the agricultural sector and the wider economy has enabled developing countries to diversify to other sectors where growth is higher and wages are better. Agriculture sector is important in several ways as it provides food security, it provides income for farmers and farm workers and job opportunities in related areas such as processing and exports.

Agriculture is indeed more important than previously believed to lift people out of poverty. This in turn creates jobs within trades and services and increases local consumption. Decline in poverty rate is achieved through more productivity in agricultural sector, if land and resources are fairly equally divided among the population.