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Recent Trends In Indian Economic Development Through Agricultural Products

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Abstract

India has competitive advantage in marketing its agriculture products. There have been a lot of changes in Indian agricultural marketing system. Traditional idea of marketing has been replaced by modern concepts, which is based on changed management principles. These changes have led the marketing to reach the present position.

World Economic growth is expected to stay at 3.0 per cent in the year of 2019 and 2020. Conversely, the steady pace of growth in the world economy masks an increase in negative aspect risks. That could potentially intensify development challenges in many parts of the world. The world economy is facing a convergence of risks, which could severely disrupt economic activity and impose significant damage on longer term development prospects. These risks include a growth of trade disputes, a sudden tightening of world financial conditions, and increasing climate risks.

While world economic indicator remains largely favorable, they do not tell the whole story. The World Economic condition and Prospects 2019 underscores that behind these numbers, one can discern increase in immediate risks that are intimidating world growth prospects. More basically, the report raises concern over the sustainability of world economic growth in the face of rising financial, social and environmental challenges.

Keywords: Agriculture, Developing Indian economy, Marketing

Introduction:

In many developed countries, the growth rates have risen close to their potential, while unemployment rates have dropped to chronological lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth course, amid robust domestic demand conditions. Beneath the strong world headline figures, however, economic progress has been highly uneven transversely regions.

Despite a development in growth prospects at the world level, a number of large developing countries saw a turn down in per capita income in 2018. Even among the economies

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that are experience strong per capita income increase, economic activity is often driven by core industrial as well as urban regions, leaving peripheral and rural areas at the back. While economic activity in the commodity exporting countries, particularly fuel exporters, is steadily recovering, growth remains susceptible to unstable commodity prices. For these economies, the sharp drop in world commodity prices in 2014/15 has sustained to weigh on fiscal and external balances, while leaving a inheritance of higher levels of debt.

Growth trajectory of Indian economy in past three decades:

India has sustained rapid growth of GDP for most of the last three decades leading to rising per capita incomes and a reduction in absolute poverty. Per capita income doubled in 12 years But India has one third of all the people in the world living below the world poverty line. It has more poor people than the whole of sub Saharan Africa

Per capita income is placing India just inside the Middle Income Country category India's per capita income is 1/20 th that of the UK. Life expectation at birth is 65 years and 44percentage of children under 5 are malnourished. The literacy rate for the population aged 15 years and above is only 63percentage compared to a 71percentage figure intended for lower middle income countries.

Despite a strong attempt to become an open economy, exports of goods and services from India account for only 15percentage of GDP though this will rise further in the years ahead. India runs persistent trade and fiscal deficit and has suffer from high inflation in recent years India's growth rate has slowed and high inflation is a constraint on competitiveness and growth. Investments by Indian businessmen overseas have overtaken foreign direct investment for the first time reflecting a lack of confidence among Indian entrepreneurs about their home economy.

India has followed a different path of development from many other countries. India went more quickly from agriculture to services that tend to be less tightly regulated than heavy industry. That said there are some emerging manufacturing giants in the Indian economy. Supply side factors behind Indian growth and development.

A fast growing population of working age There are 700 million Indians under the age of 35 and the demographics look good for Indian growth in the next twenty years at least. India is India is experiencing demographic transition that has increased the share of the working-age population from 58 percent to 64 percent over the last two decades.

India has a strong legal system and many English-language speakers – this has been a key to attracting inward investment from companies such as those specializing in IT out-sourcing.

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Wage costs are low in India and India has made strides in recent years in closing some of the productivity gap between her and other countries at later stages of development.

India's economy has successfully developed highly advanced and attractive clusters of businesses in the technology space – witness the rapid emergence of Bangalore as a hub for world software businesses. External economies of scale have deepened their competitive advantages in many related industries.

Despite optimism for India's prospects for economic growth and development, there are a number of obstacles which may yet see growth and development falter. Poor infrastructure notably in transport, power networks low productivity and weak human capital. A high percentage of workers are low-skilled and work in small businesses. High inflation and a persistent trade deficit Low national savings as a share of GDP, low share of capital investment relatively closed economy - India is a net importer of primary products.

India is a good case study to use when discussing the problems that persist when a country cannot rely on adequate critical infrastructure such as roads, railways, power and basic sanitation. India wants to build $1 trillion worth of infrastructure in the next five years but the government expects the private sector to fund half of it – this is unlikely! Poor infrastructure hurts the Indian economy in numerous ways.

Causes higher energy costs and irregular energy supplies for nearly every business and especially India emerging manufacturing sectors – there were huge power black outs in 2012 It is more expensive to transport products across the country and it creates delays at ports hamper export businesses and delays at airports which increases the cost of world freight.

It makes India less attractive to inward FDI. It adds to the cost of living and limits the extent to which millions of India's lowest income families can escape extreme poverty. A creaking infrastructure damages the reputation and potential of India's tourism industry. Despite these growth constraints, India's expansion far exceeds that of the vast majority of developed nations – to put this into some context, India is delivering 30 years of US economic advance every ten years.

One of the key differences for India contrasted with countries such as China, Japan and South Korea is that the Indian economy is heavily reliant on service industries especially in her export sector. The country has a comparative advantage in many service industries such as business software. One consequence of this structural difference in the economy is that India has not yet seen the rapid urbanization experienced in other nations; more than 60 per cent Indians

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now live in rural areas. Productivity growth in Indian agriculture has been fairly low and this has limited the potential to release people from the land to move into towns and cities and find work in manufacturing sectors.

Agriculture Marketing

Agricultural marketing involves many operations and process through which the food and raw materials move from the farm to consumers. Agriculture provides the commodities for consumption, exports and for processing sectors. The marketing system is designed in such a way, so that it gives proper reward to the efforts of its cultivator.

India has competitive advantage in marketing its agriculture products. There has been lot of changes in Indian agricultural marketing system. Traditional idea of marketing has been replaced by modern concepts, which is based on changed management principles. These changes have led the marketing to reach the present position.

In India, agriculture is not mainly done for business purpose, so need for professionals in managing this business is not considered very much even now. Marketing of agriculture products is difficult due to their different characteristics. The price fluctuations are the most important character for agricultural produce. A bumper harvest leads to increase the supply of agriculture products in market, which in turn affects the price negatively.

Various schemes were put in operation by the Government of India either on its own or through the Commodity Boards, which have been set up by the Governments concerned to enable quick and proper attention to be paid to the growers. The sector has also been subject to a number of enactments which brought into existence a regulatory procedure. For each of the commodities, a Board exists under an Act of Parliament like the Coffee Board, the Rubber Board, Tea Board, the Spices Board, etc. Some of these Boards have extensive interaction with the growers of their respective commodities and in effect provide all allied services necessary to make a product of the sector highly marketable. Some Boards act as large store houses, where commodities are bought at the best possible prices by the Boards and held till the remunerative prices are obtained for their sales.

Conclusions

Marketing plays a vital role in the success of agricultural development programme and in importing the socio-economic conditions of growers. India is the major cultivator and exporter of Agricultural products. Though the appropriate cultivation area in India is very less, the quality and standard of the product cultivated is of global standard. Marketing is to be understood as the

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activities involved in the process of transfer of goods and services from the manufacturer who produces to the consumer. At time develop entrepreneurs a skill through on Entrepreneurship helps the economy of a country grow and creates new jobs. Government policies usually have a substantial impact on the number of entrepreneurs in a country.

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