

Navigation the Significance of Rural Development in Achieving 5 Trillion Economy Goals

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ABSTRACT

With two thirds of its inhabitants still living in rural regions, India has historically been a primarily rural nation. Seventy percent of Indian workers still live in rural regions. It is stated that India's villages are home to the real India. Since the rural economy in India accounts for over 50% of the country's total national GDP, rural growth and development are the primary drivers of India's overall growth and development. India's rural economy has consistently bolstered and enhanced the country's economy. Research indicates that despite the general downturn in India's economy, the country's rural sector continued to thrive and supported the country's economy throughout challenging times. India's rural economy is hence the foundation of the country's economy. By 2025, the Indian economy hopes to reach a value of \$5 trillion. The rural economy will play a crucial part in helping the Indian economy grow to be worth \$5 trillion. When it comes to turning the Indian economy into a \$5 trillion economy, the rural economy will be crucial. This paper attempts to analyze how India's rural economy contributed to the country's \$5 trillion GDP. In order to make the Indian economy a \$5 trillion economy by the year 2020, the current paper, examines the sectoral composition of the rural economy, examines the role of the rural economy in achieving this goal, and identifies the obstacles in the rural economy, particularly in the agriculture sector.

INTRODUCTION

India has historically been a rural nation, with two thirds of its people still living there. India, home to more than 1.3 billion people, is believed to be a country where the true India resides in its countryside. These rural Indian villages are the residence of 70% of people in India. When traveling around the many Indian states, one may observe the distinct cultures, customs, languages, and dialects that are practiced in the country's rural areas. There can be many cultures, customs, spoken languages, and dialects even within a same state. India's unique identity and authentic customs, cultures, languages, and dialects are what make India unique in the global community.

The rural economy of India will play a crucial role in helping the country's GDP grow to \$5 trillion. A role for the rural economy will be major contribution to the growth of the Indian economy to a \$5 trillion economy. The Indian government hopes to grow the country's GDP to \$5 trillion by bringing in \$1 trillion from the industrial sector, \$3 trillion from services, and \$1 trillion from agriculture. Thus, the focus is drawn to the agricultural. Since the Indian economy is mostly agrarian, as was already said, the agriculture sector has served as the foundation of the country's economy.

STRUCTURE OF RURAL ECONOMY

India's rural economy, which is entirely dependent on agriculture, is extremely significant as it shares essential supply and demand relationships with other Indian businesses. As the backbone of rural India, where more than 70% of India's population lives, agriculture is the engine of the country's economy. The prosperity of Indian agriculture has been enhanced by the soil's fertility. Furthermore, India's rural economy has been contributing significantly to the country's overall economic and social development. India's agriculture system and production are diverse, resulting in a broad range of agricultural products. The table that follows details the trends and composition of rural output during the previous forty years, beginning in 1971.

Period	Agriculture	Construction	Manufacturing	Services	Non-Agriculture	Total
	NDP	NDP	NDP	NDP	NDP	NDP
1971-94	2.57	5.18	3.94	6.10	5.70	3.72
1994-05	1.87	8.38	7.92	8.55	7.93	5.06
2005-12	4.27	15.87	11.49	3.48	9.21	7.45

According to the NITI Aayog data over the years the growth in agriculture sector is comparatively far less than other sectors like construction, automobiles etc. Conclusion: The rural economy is shifting away from agriculture and toward non-agricultural sectors. However, this shouldn't be interpreted negatively because the non-agricultural sector is growing faster than the agricultural sector, offsetting the decline in the former industry. Additionally, as an economy progresses along its developmental path, the agricultural sector's contribution to the economy decreases. This finding is consistent with the 2019–20 and 2020-2021 India Economy Survey.

IMPACT OF AGRICULTURE ON THE ECONOMY OF INDIA

India has historically been a rural nation, with two thirds of its people still living in rural regions, as was previously said. Seventy percent of Indian workers still live in rural regions. It is stated that India's villages are home to the real India. Rural development and expansion are what propel the general expansion and development of India, where the rural economy accounts for almost 50% of the country's total national GDP. India's rural economy has consistently bolstered and enhanced the country's economy. Research indicates that despite the general downturn in India's economy, the country's rural sector continued to thrive and supported the country's economy throughout challenging times. India's rural economy is hence the foundation of the country's economy.

In terms of output, the urban economy has surpassed the rural economy; yet, the rural sector continues to generate employment at a rate that is both remarkable and higher than the urban economy. More than 70% of India's population is still dependent on the agriculture.

RURAL ECONOMY'S PART IN TRANSFORMING INDIAN ECONOMY INTO A \$5 TRILLION DOLLAR PLUS ECONOMY

With the contribution of India's rural economy to the country's overall GDP, there is considerable potential and optimism that by 2025, India's rural economy would propel the country's economy to a GDP of \$5 trillion or more. The rural sector will be crucial to transforming the Indian economy into a five trillion dollar economy, as evidenced by the proportion of the rural economy in employment, GDP growth rate, national revenue, and India's international trade. Reiterated is the fact that New India would soar on the back of the rural economy thanks to the efforts of the Indian government in general and rural entrepreneurs in particular.

CONCLUSION

Even though the Indian agriculture industry has a significant impact on the country's overall growth and development, there are still difficulties in the industry. The main issues facing the agriculture industry include a lack of irrigation infrastructure, erratic revenue, farming practices that are out of date, and an overabundance of workers. India's farmers do not receive a fair price for their goods. Due to a lack of transportation, warehousing, and storage facilities, their harvest is either squandered on the field or they are unable to get a fair price for it on the market, which is crowded with middlemen. Furthermore, small and marginal farmers are in a precarious situation.

We draw the following conclusions from the findings of this paper: – The Indian economy greatly depends on the role that agriculture and related industries play. The foundation of the Indian economy has always been agriculture, which has made steady contributions to the country's GDP. Over 70% of Indians work in the rural economy, indicating the significant contribution this sector makes to the country's GDP. Although its percentage of the Indian economy has been falling over time, agriculture still accounts for a sizeable portion of the country's GDP. Furthermore, it would be very impossible to meet the growth objectives for the economy as a whole without the expansion of the agriculture sector.

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