

THE ROLE OF THE AGRICULTURAL SECTOR  
IN ECONOMIC DEVELOPMENT

by *GSJ*

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B. S. F. S., Georgetown University, 1967

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A MASTER'S REPORT

submitted in partial fulfillment of the  
requirements for the degree

MASTER OF SCIENCE

Department of Economics

KANSAS STATE UNIVERSITY  
Manhattan, Kansas

1969

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LD  
2668  
R4  
1969  
563

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## INTRODUCTION

Most nations of the world are extremely concerned with development and the achievement of conditions that would offer possibilities for a better and fuller life. But although the concern is universal, the diversity of conditions in different countries makes it difficult to single out any one definition of "economic development". In general we may say that economic development is a process whereby a nation's real national income and general welfare increase over a relatively long period of time. To this it may be added that if the rate of development is greater than the rate of population growth, then conditions will be good for an increment in the nation's per capita income.

The term "process", which will be used throughout, implies the operation of certain forces over the long run embodying changes in certain important variables. Details of the process, of necessity, vary under diverse conditions in time and space. Nevertheless, there are certain common features and the general result of the process is growth in an economy's national product.

Most of the developing nations of the world are essentially agrarian but the tendency has been to take a negative view of agriculture. Because of this and of the different economic, social, and political pressures and influences, agriculture has become the bottleneck in these countries' economic plans. The mistake has clearly been the failure to recognize

the potential economic contributions that the primary sector can make to the general development of the nation.

It has become clear in recent years that because of adverse effects in the international markets and also because of a lack of vision, the agriculture of developing countries is so inadequate that the growth and relative stability of the economy of these countries are in jeopardy. For want of sufficient agricultural production a serious imbalance has arisen between agriculture and the rest of the economy. This imbalance is for the most part the result of a planning which has given the priority to industrialization without seriously considering the role of the agricultural sector in economic development. In fact, only a few of the developing countries have made any real effort to modernize agriculture so as to make this sector the basis for a sound and viable development process.

In most of these countries agriculture is a sector with few modern inputs available to farmers, with serious structural imbalances notably in the field of distribution of productive resources, with high illiteracy rates among the rural population, etc. The result of this has been the total lack of increase in productivity.<sup>1</sup> If for fortune there has been some increase in productivity, this increase has usually resulted from increases in the farm labor force and in other traditional factors of production.

The main purpose of this report will be to consider the

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<sup>1</sup>T. W. Schultz. Economic Crisis in World Agriculture. Ann Arbor, Michigan: University of Michigan Press. 1965.