# A SUMMARY OF THE THE CURRENT STATE OF THOUGHT ABOUT THE ROLE OF AGRICULTURE IN ECONOMIC DEVELOPMENT: A PRELIMINARY ANALYSIS.

Sinan DEMİRDÖĞEN *

The dispute on the role of agriculture in economic development has grown fast since the end of the Second World War. Initially, the economic theory was predominated by the strategy of rapid industrialization, which entailed models designed for the initiation and support of industrial development in the urban sector at the expense of agriculture. The factors which influenced such a formulation were twofold: (1) in almost all of the industrialized high - income countries the largest share in production and employment was of industry; (2) during the course of economic growth in high income countries, a predominantly urban capitalist sector had expanded at the expense of other sectors, whereas low income (currently developing) countries had been stagnated by the impact of a static rural sector during the same period. Moreover, in the early postwar period, those who were engaged in formulating a general development pattern applicaple to all countries were concerned with the reconstruction and restoration of the war - stricken European economies while also designing remedies for the problems of the densely populated areas which were gradually gaining their political independence.

## Agriculture and Development Models

It soon became clear that agriculture needed to be given due attention in terms of productivity and income increases since overemphasis on rapid industrialization tended to produce drawbacks to economic development. In this respect, a theory of balanced growth was delineated by Simon Kuznets and Arthur Lewis, who made separate analyses. Having observred a secular trend during the evolution of industrial high income countries towards the dominant share of industry in production and employment, Kuznets pointed to the need for increasing agricultural production and agricultural incomes in order to sustain the industrialization process in a country. [1]

A. Lewis's model, more elaborate than Kuznets', was based on two major assumptions: (a) there was a surplus of labor in the subsistence (traditional agriculture) sector of the developing countries such that the marginal productivity of labor in this secor was nill; (b) capital formation and technical progress in the modern (capitalist) sector were

(*) Asistan, Bursa Üniversitesi İktisadi ve Sosyal Bilimler Fakültesi.

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to increase profits on the overall and expand the sector in such a fashion that it was to absorb the suplus labor force. Implicit in these assumptions were that urban industrialists were to save higher proportions of their income compared to other groups in the society and that the highest rates of return to capital could only be secured in the modern (industrial) sector. Hence Lewis's model can be regarded as a further thrust of the Harrod - Domar growth model. [2]

Lewis did not actually classify the sectors in a developing country according to their being agriculture and industrial. His use of the terms 'modern' and 'traditional' (subsistence) did not necessarily refer to industry and agriculture respectively. Aware of the possible exceptions to the case, he rather made generalizations acceptable within the realm of model - building. Agriculture in developing countries was in general a traditional (subsistence) sector and the flourishing industry represented what was modern. An unlimited supply of labor was available from the ranks of casual labor, petty trade, domestic service, the wives and daughters of household in the traditional sector. [3] This labor supply could be absorbed by the expanding modern sector through the impact of an urban wage rate without any opportunity cost.

Criticisms raised against the assumptions and policy implications of the Lewis model have lent themselves to new models of economic development while this time the underlying assumptions have been supported by emprical verification. J. C. H. Fei and G. Ranis (1964), attacking Lewis's assumption that 'suplus' labor transfer could be realized with negligible costs, defended a model in which the subsistence sector was likely to grow along with the modern sector while the supplies of labor in the subsistence sector, once 'unlimited, might turn out to be severely limited. Their model distinguishes three phases of economic development: (1) when the marginal productivity of labor in agriculture is zero; (2) when it is greater than zero but less than the subsistence wage; (3) and, when it is greater than the subsistence wage. In the last two stages, depending on the changes in agricultural production and population growth, food prices may rise, thus turn the terms of trade against the industrial sector, and ultimately hinder capital accumulation and economic growth while the urban wage rate is increasing and the share of profits in total industrial incomes declining. A balanced growth may thus be possible through increased productivity in agriculture, which is to help maintain the urban wage rate at a low level and to compensate for population increases. Industrialists' profits may be instrumental, too, in forestalling deficiency in foodstuff production as they may be directed towards agriculture as investment funds. [4]

A number of authors have also criticized Lewis's notorious marginal - productivity - of - labor assumption: namely, H. Myint (1965) D. H. Jorgensen (1970); T. W. Shultz (1964), and, C. Ritson (1975). [5] These, while attacking the assumption, have made critical comments on the Fei - Ranis model, which have proved to bea two - sector model on its own right succeeding Lewis's.

Myint opposes the idea that the drainage of agricultural labor to

the modern sector is costless, since the work load in the subsistence sector is spread over to all those who are capable of working and the work becomes harder and more intensive at certain seasons. Thus a distinction needs to be made between surplus labor hours and surplus men. Shultz attempts to verify that the marginal productivity of labor in subsistence agriculture is not zero as he draws on the empirical data from India, witch gives figures as to the periods before and after a widespread epidemic in 1918. Jorgenson claims that the marginal productivity of labor in agriculture is never zero and stresses the development of agriculture.

The Fei - Ranis model, critical of the Lewis model, has been found deficient in some respects. Being a two - sector model, the Fei-Ranis model entails three preconditions for economic development: technical progress in the 'modern' sector; capital accumulation; and, improvement in agricultural productivity. Hence, it ignores the role of international trade and the revelant complexity of intersectoral flows of resources and commodities. C. Ritson (1973) and H. T. Oshima (1973) have separately pointed to the possibility that terms of trade may be turned in favor of the 'modern' sector through imports of agricultural trade.

Oshima's other croticisms relate to some empirical foundings which run contrary to the implications of the model. He rejects the assumption that land is a fixed foctor and to the contrary of Fei and Ranis claims that rises in agricultural productivity is to lead to changes in real incomes - the dispute on this point draws on the Japanese experience in the 19th. Century.

Benjamin Higgins has tended to base his criticisms against the Fei - Ranis model on a broad framework with which his criticisms have taken the from of a general criticism of all two - sector models resting upon the assumption of the ability of industry to absorb labor from agriculture. He contends that developing countries need labor intensive techniques of which capital/output ratio is low and that innovations in the modern sector have been of an opposite nature due to the fact that low capital/output ratios of labor - intensive techniques have proved to be too expensive for the developing countries which have adopted particular development strategies.

Higgins also holds his reservations for the Fei-Ranis contention that the transfer of private agricultural funds into the modern sector is possible, the argument of 'ideal' entrepreneurs who are claimed to have existed as in the examples of the Japanese landlords and the Nigerian cocoa farmers.

B. Johnston and J. Mellor, drawing on A. Lewis's assumptions, designed, 1961, a two - sector model of blanced growth with special reference to the developing countries. They argue that since the use of resources in agriculture is inefficient, capital and labor transfers from agriculture could facilitate the expansions of a nonagricultural sector without loss of agricultural productivity. Like what Kuznets does, they point to the

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large share of agriculture in the national income and overall employment of developing cuntries (e. g. 40 - 60 percent of the national income and 50 - 80 percent of the total epmloyment).

They draw on two basic assumptions : (1) income elasticity of food is less than zero and declines as income rises; (2) it is possible to expand agricultural production with a constant or declining amount of labor force. The structural transformation envisaged for agriculture is to be based on the application of modern technology on the pattern of output and consumption, which can be realized through price elasticity and substitution effects among farmers. Use of modern technology is to reinforce income elasticities for products and thus further stimulate production, whereas productivity increases are to lead to price reductions and better quality; consequently, intersectoral (agriculture and nunagricultre) flows of goods are to be accelerated in a model of cumulative and self - sustaining growth.

They view that agriculture is likely to contribute to the nonagricultural sector and thus to support growth in the following ways: [6]

(1) Since demand for food is likely to increase during economic development, agriculture is to be capable of supplying sufficent amount of food to the whole population.

(2) Particularly in the early stages of development, exports of agricultural products secure increases in foreign exchange earnings, which can be used in alternative ways to develop various sectors.

(3) As A. Lewis points out, agriculture can provide labor force for the nonagricultural sectors (e. g. manufacturing).

(4) Agriculture can also add to the capital supply, which is instrumental in providing the overhead investment in the nonagricultural sectors.

They indicate that in most of the developing countries income elasticity of demand for food is relatively high compared to that in the currently industrial countries during the early stages of their development: 60 and 20 - 30 percent respectively. In case of insufficient food supply and rasing food prices, a number of dangers might arise: political discontent; increases in urban wages; decreases in industrialist profits; ultimately, a slowdown in investments and cease of growth. Moreover excess demand for food is likely to stimulate inflation and undermine precious foreign exchange reserves due to the rising need for food imports.

Johnston and Mellor note that there is a conflict between the contribution of agriculture to the capital formation in the nonagricultural sectors and the possibilities to increase farm purchasing power so as to stimulate industrial production. The nonagricultural sectors are likely to respond to the increasing demand of farmers, which can be reinforced through import substitution policies (substitu-

tion of domestic manufactures for imports), as long as they do not have any problems on the supply side. In fact, if the capital need for the development of infra - structure in the nonagricultural sectors capital goods and export industries) is greater than the available capital, then farmers' demand for consumer products is likely to remain irrelevant to the objective of increasing the rate of return to industrial investments. Thus, conflict is likely to arise between the items 3 and and 4 in the list mentioned above.

In Johnston and Mellor's formulation, development of agriculture is based on the ways of increasing the efficiency of the redundant labor force within the sector and on the use of technical innovations. Drawing on the Harrod-Domar view that a modern sector is to have high rates of savings and high rates of return on investment, Johnston and Mellor point out that large - scale capital investments in agriculture has high costs due to the attractive social marginal productivity of alternative investment projects (e. i. in nonagricultural sectors).

In Johnston and Mellor's formulation it is also possible to trace one element to W. W. Rostow's model of economic development. Rostow, an economic historian, who derives broad conclusions from the particular pattern of development the industrial countries have gone through, proposes a general growth pattern applicaple to all countries. He, thus, stresses the need for the application of quick - yielding changes in productivity to the most accessible and naturaly productive resources, which is common to Jonston and Mellor as well. However, he has confronted a host of criticisms, which on the overall attack his omittance of the influence of the high income countries on the developing countries. [7]

Nevertheless, in a later article in which B. Johnston participated, he discredits the view that large scale investments are not worthwhile to be made in agriculture. Together with Kilby, 1975, they underline four factors for an effective agricultural development strategy: (1) agricultural research, rural education, and training of farmers for the application of technical knowledge and adoption of innovations; (2) infrastructural investment; (3) improvement in market facilities for agricultural products; and, (4) price, taxation, and land tenure policies for improvements in agricultural production. [8] In this article, emphasis is given to the role of specialization and increased differentiation in the course of structural transformation. The development path, similar to the one envisaged in Johnston and Mellor's article, entails the increasing share of manufacturing in the overall production and employment while agriculture's share is declining, a process which is to succed the increasing specialization within the economy. Since factors of production are immobile and information as to prices, product specifications, and alternative choices of techniques lacking, goverment intervention into the 'traditional' economy is justified in terms of perfection of the market structure.

According to Johnston and Kilby's model, once market dependence has stimulated production, production increases are to be secured by

specialization in commodity production, production skills, and the money market; consequently, capacity is to be enlarged so as to utilize more productive techniques (Figure 1).

Johnson and Kilby draw attention to the possible dangers which may arise from a straight attack on industrialization, a move which is likely to be counterproductive with drawbacks of inappropriate technology selection, inefficient industrial production and distortions in the investment pattern. They recall B. Higgins' point that manufacturing, due to use of capital - intensive tecniques, may prove incapable of absorbing the labor released from the less productive agriculture. Thus a need for increased demand for labor within agriculture, which is to be stimulated by increased income - earning opportunities for landowners and tenants and to lead to rises in the return for labor as output increases.

Stanley Lewis, 1973, criticizes both Johnston - Mellor and Johnston-Kilby articles on the grounds that price sensitivity may not be instrumental in the adoption of agricultural innovations and that injection of new technology into the sector may not necessarily give equitable results, as new technology is more likely to reach the rich farmers rather than the poor, a situation which is even likely to creae regional bias. Government intervention is to be required in order to provide infrastructure, education services, credit sources, improvements in marketing facilities and in product types.

Similar suggestions have also been made by some other authors; Meier, 1976, extension of planning in such a way thatt it secures infrastructure, 'appropriate' technology, and complementary resources to agritulture and that it thus improves the urban bias existent in the developing countries;[9] Lee, 1971, heavy investment undertakes in irrigation, which are to facilitate intensive production on limited tracts of land as in Taiwan; Viner Jacob, 1953, promotion of services like health, general education, technical training, and transportation and provision of cheap credit for productive use in the rural areas.

Currently, as to the state of thought on the role of agriculture in economic development, it is evident that most authors have fended to stress the backward and forward linkeages of agriculture with the nonagricultural sector, and an unbiased growth pattern. Aware of the possibility of an 'urban' bias as claimed by M. Lipton, most of them have come to reconsider the implications of their quantitative analyses for the developing countries, a transition towards the under standing of the rural background in economic development with ad hoc policies for improvement in production, incomes, and employment in agriculture.

S. Kuznets, 1965, classifies the contributions of agriculture to economic development into three headlines: Market, labor, and product contributions. The market contribution of agriculture involves the intersectoral trade and foreign trade of agriculture itself: the labor contribution relates to the outflow of labor force to other sectors on the rise; the product contribution entails inrease in agricultural inco-

me, which adds to the national income, and increases in agricultural employment.

## Capital Transfer

Implicit in Kuznets' classification, one of the main contribution of agriculture is the supply of capital flows to other sectors, a mechanism which is dependent on the direct and indirect influence of the public policy decisions. Direct effects are to arise from taxes, public investments, and land reform (or land tenure improvements); indirect effects through intersectoral terms of trade.

(1) Agricultural taxes are one of the sources of goverment revenues and thus of public investment funds. In a developing country, as S. J. Lewis points out, a proper tax policy is to depend on (a) the degree of export orientation of the economy - the share of cash - crop cultivation; (b) the share of agriculture in national income and total employment; and, (c) income distribution.

Inspired by the practice in industrial countries, some authors have attempted to implement direct taxation methods in developing countries, which have turned out to create considerable problems of collection and administration. Effective taxation in developing countries is more likely to encompass types such as land, income, personal, and export tax, since the expected outcome of agricultural taxation is its impact on production and its stimulus to generate income increases. Such tax types as land, income, and personal taxes have been envisaged to encourage farmers to increase production and thus their money incomes through the sale of their production the market. However, land tax, since nonshiftable, unlikely to influence the tenant directly, may become effective only after the partition of big land estates or replacement of the tenant by the landlord himself in cultivating the land.

The alleged income-generating effect of agricultural taxation has been questioned by. M. Lipton, 1976, on the ground that under the existing conditions of an 'urban' bias, agricultural taxation is likely to derive farmers out of their land and to discourage agricultural production in total, while incentives for input purchases are reduced. Moreover, he continues to the contrary of S. Lewis, fall in food prices due to the increased supply offered to the market may lead to insufficient supply and consequent price rises at a later period.

Export taxes is likely to become the key instrument to drain the marketable agricultural surplus and, to provide immediate rises in goverment revenue in the developing countries whose exports are mainly agricultural products. Thus, they may even be taken as a substitute for income taxes within agriculture. From the governments' standpoint, they have advantages such as facilitating the absorption of widfall gains, being easy to administer and flexible so as to fit a sliding-scale. Having the advantage of creating immediate funds, export taxes may become crucial in transfering capital resources from agriculture to other sectors. Export taxation may also differentiate among export

items and thus is likely to be implemented in aggregate strategies like import or export substitution. However, coupled with the °vervaluation of domestic currency, they are likely to suffocate the agricultural sector rather than facilitate development.

Indirect taxes have been utilized to a large exent in developing countries but have not been seen as a tool to implement agricultural development in particular. M. Lipton, however, has drawn on the argument that since the rural average income is less than the urban, the rich and potential tax - paying households are worse off in the country than in the city as the rural rich enjoys a smaller increment over an average rural income than an urban rich does.

(2) Intersectoral capital flow may also be secured by nontax policies such as (a) marketing boards, (b) export monopolies, (c) procurements, (d) price controls, (e) exchange rate policies, (f) imports of surplus comodities, (g) licensing, (h) inflati°n; policies which are likely to change the intersectoral terms of trade.

Those marketing boards or export monopolies which have an extensive structure form a direct contact with individual farmers, and are thus tobe effective on farmers' incomes and intersectoral resource transfers thr°ugh the manipulation of prices in consonance with the fluctuations of production (e. g. keeping prices low in cases of excess supply). Exchange rate policies may be used as a tool with consirerable income - distribution effects differentiating among sectors; they, yet, need to be based on a multiple rate system so as to be cabaple of distinguishing within import and export transactions. Licencing and quota arrangements are rather used in combination with other above - mentioned policies which are influential on transfer of resources.

Import of commodities whose prices are rising within the country is another measure referred to by the goverments of some developing countries (e. g. India) but has its dangers, though, since they may couse shifts fowards different crops and insufficient domestic-supply of food, depending on whether the farmers are sensitive to price changes or not.

The plausibility of all the capital transfer arguments have been put to criticism by M. Lipton on the ground that whether the government of a certain developing country acts conciously to create capital flows out of agriculture or not, the existing price structures is so that it keeps on working in favor of the urban sector anyway, due to the influence of urban capitalists. Thus, he concludes, whatever the general development strategy adopted, the bias in the intersectoral relations needs to be taken into account in order to be precise in reaching the targets.

T. H. Lée, 1971, has brought an empricial example from Taiwan's development to show that it may prove ineffective to await the transfer of capital from agriculture towards other sectors in the form of private investments; thus, he has stressed the establishment of institutional arrangements for this purpose as in line with B. Higgins and J. Mellor.

Another factor in capital transfer may be the credit structure, as

Johnston and Kilby has put it, when market structure starts to work effectively farmers may be expected to invest in financial assets and to pay interest and thus to contribute to the capital accumulation in the nonagricultural sector.

J. Mellor summarizes the factors on which the extent and direction of resource transfers depend in an economy: (a) rates of return on capital among sectors; (b) capital/output ratios; (c) saving ratios; and, (d) the extent of demand for agricultural output. Depending on the way income is earned, consumed and invested in a country, his conclusions follow that an optimal resource transfer is to entail a transfer from the highest - saving sector to the one with the highest rates of return on capital and lowest capital/output ratio and that the demand for agricultural productions is likely to influence the terms of trade among sectors with differential savings, capital/output ratios, and different rates of return on capital.

On the other hand, within the Johnston - Kilby formulation, as farmers give up some of their occupations in the course of specialization, they are to start purchasing the products once produced by them; and, thus increases in their purchasing power are to contribute to capital transfer from agriculture.

The whole capital transfer mechanism in this respect is illustrated in Figure 2.

### Labor Transfer

The assumption behind the alleged labor - transfer function of agriculture has been the capability of the nonagricultural sector to absorb the suplus from agriculture, where labor supply is unlimited and labor productivity is low. This is Lewis's famous assumption, which has been shared by Jonhston, Mellor and M. Todaro. The mechanism of labor transfer, however, is based on the subsistence urban wage, according to A. Lewis, whereas Todaro relates it to the urban - rural income differential. Todaro believes that the urban wage rate is to be determined by factors such as the urban demand for labor and some institutional elements (trade union movement, wage bargaining etc.), but not by the supply of labor since it is perfectly elastic. As long as the urban wage rate is higher than the rural, labor migration is likely to continue.

F. Dovring, 1959, points to the secular tendency towards labor migration in developing cotutries and brings an explanation that since the elasticity of demand for foodstuffs is low and nonagricultural sector are likely to expand in course of specialization, the share of agricultural population needs to be declining as the share of agricultural incomes is decreasing within the national total.

For the reason mentioned a relative deeline in agricultural population is to be secured by the growth of employment opportunities within the nonagricultural sector at a rate equal or faster than the population growth. Such a transformation depends on production changes within farmer families and on demand for farmer products.

According to Dorving, although income increases are unlikely to stimulate population growth, demographic transformation as visualised above may have drawbacks such as excess demand for labor within agriculture and disparity among nonagricultural sectors in productive employment of the absorbed labor force.

## Conclusion

Currently, authors concerned with designing development strategies for developing countries have tended to consider the development of agriculture per se as an outlet to economic transformation and have grown reluctant to press on strategies which are based on rapid industrialization and transformation of agriculture accordingly. To review models of agricultural development, one needs the space of another essay. To sum up, the significance of agriculture in the course of economic development can be summarized as follows:

a) Agricultural production adding up to national income;

b) Production of raw materials for the industry and foodstuffs for the population;

c) Generation of foreign exchange reserves through exports;

d) Contribution to goverment revenue through taxes;

e) Contribution to capital formation

i) Through transformation of labor into capital within,

ii) Through investing private savings within and outside,

iii) Through forced savings caused by physical public measures, procurements, taxes, inflation and twists of terms of trade;

f) Contribution to employment of labor power through both efficient employment within and release of the suplus labor to other sectors;

g) Contribution to economic stability through formation of the basis for diversification in production and among the sectors of the economy; and, thus elimination of heavy reliance on one large sector.

- These specifications have drawn on the past experience the world development has gone through. The evolution of thought about economic development has demonstrated the drawbacks of imitation models, which have drawn on the pattern of development the current industrial countries have gone through. The theoretical tendency, thus, is towards more genuine strategies which are to be shaped after a sound and thorough analysis of the current state of developing countries and towards a balanced, self-sustaining and equitable growth pattern.

**Notes :**

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2. D. S. Thornton, «Agriculture in Economic Development», **Journal of Agricultural Economics,** 24, 2, p. 230.

3. Ibid.
4. Ibid. bid.
5. Ibid., p. 231 - 236.

6. B. F. Johnston and J. W. Mellor, «The Role of Agriculture in Economic Development», **American Economic Review,** 51, 4, 1961.

7. D. S. Thornton, op. cit., p. 233.

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9. G. M. Meier, **Leading Issues in Economic Development,** New York, 1976, p. 163.

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5 G. M. Meier (ed.), **Leading Issues in Economic Development,** 3rd ed. Oxford University Press, 1976, pp. 563 - 580.

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7. S. R. Lewis, Jr., «Agricultural Taxation in a Developing Country», in H. M. Southworth and B. F. Johnston (ed.), **Agricultural Development and Economic Growth,** Cornell University Press, 1967.

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9. J. Sharpley, Inter - Sectoral Capital Flows : Evidence from Kenya, Harvard Institute of International Development, Dicussion Paper No. 32, 1977.

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## Türkçe Özet

İktisadi Kalkınmada Tarımın Rolü Hakkındaki Görüşlerin Bugünkü Durumu: Bir Özet.
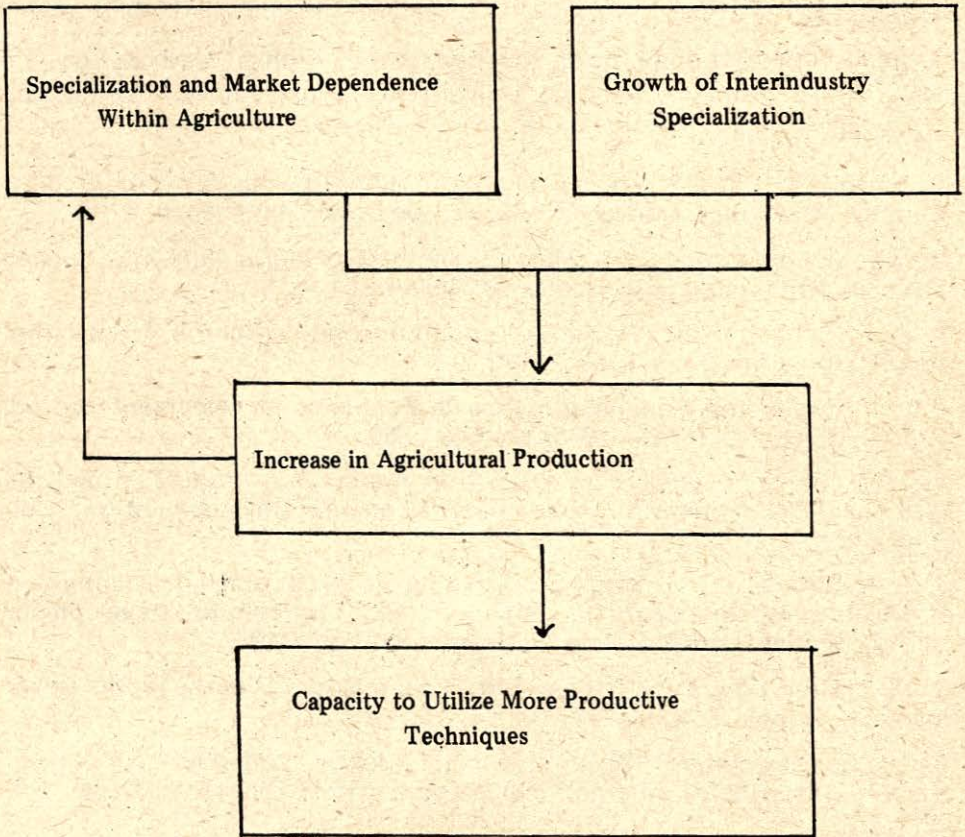
**Figure 1**

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┌─────────────────────────────────┐      ┌──────────────────────────────┐
│ Specialization and Market        │      │   Growth of Interindustry    │
│      Dependence                  │      │      Specialization          │
│   Within Agriculture             │      │                              │
└─────────────────────────────────┘      └──────────────────────────────┘
        ↑                                              │
        │                      ↓                       │
        │         ┌────────────────────────────────────────────┐
        │         │    Increase in Agricultural Production      │
        └─────────│                                             │
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                  ┌────────────────────────────────────────────┐
                  │  Capacity to Utilize More Productive        │
                  │              Techniques                     │
                  └────────────────────────────────────────────┘
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# Figure 2
## Capital Transfer Mechanism in Economic Development



Relative Productivity Change and Specialization

Change in Intersectoral Consumption

Sectoral Terms of Trade

Rural Credit Structure

Private Savings Flow

Relative Tax Burden

Exchange Rate

Public Investment

Administrative Prices

Land Reform

Public Policy
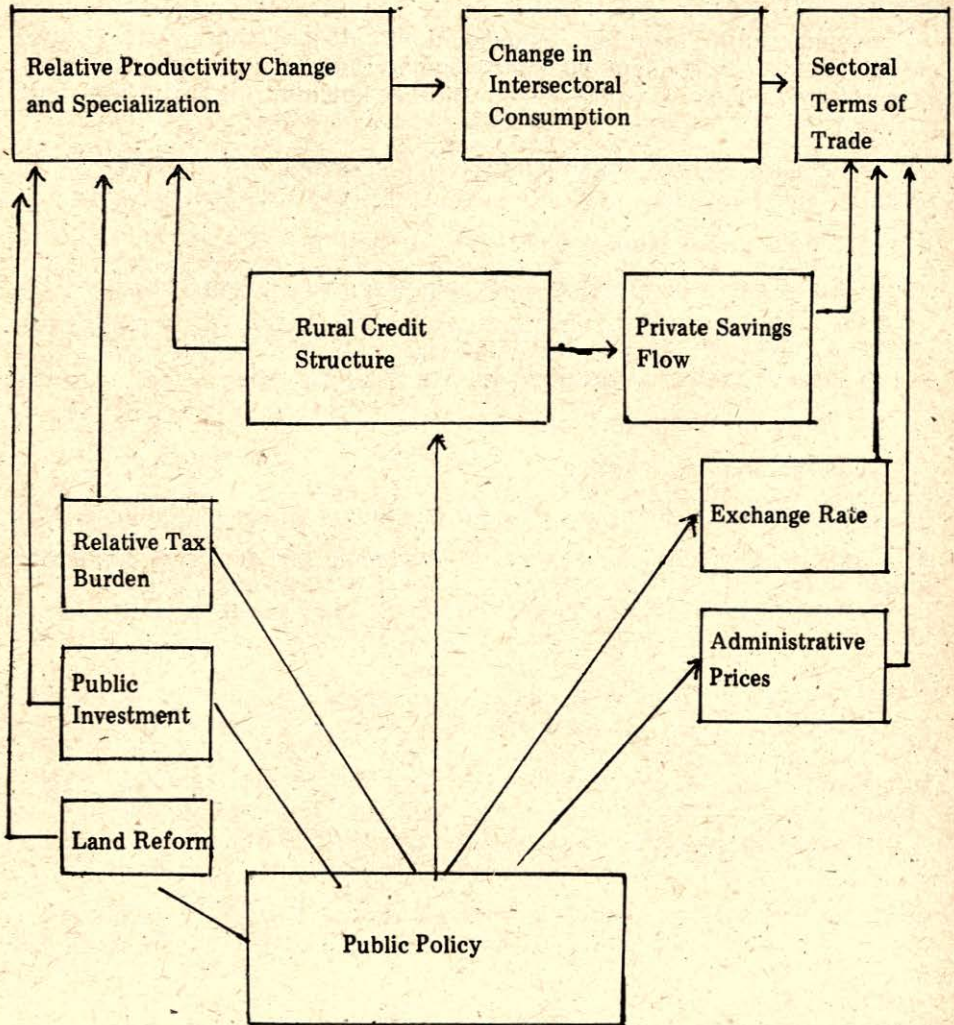
Tarımın iktisadi kalkınmadaki yeri konusunda, İkinci Dünya Savaşı'ndan bu yana sürdürülen yoğun tartışma, sonunda bu kesimin birincil bir öneme sahip olabileceğini kabul etmektedir. Genellikle iktisadi kalkınma tüm ülkelere uygulanabilir bir stratejiler bütünü olarak kabul görebildiği halde, geçmişte öne sürülen stratejilerin getirdiği sorunlar, kalkınmakta olan ülkelerin gelişmiş sanayileşmiş ekonomilerin izinden gitmesinin hiç de zorunlu olmadığını; yoksul ülkeler görünümündeki azgelişmişlerin mevcut durumlarında, ivedi çözüm bekleyen iktisadi ve toplumsal sorunlarının yeni kalkınma modelleri gerektirdiğini ortaya koymuştur.

Böylece tarım hızlı bir sanayileşmenin destekleyici gücü olarak ele alınmaktan kurtulmuş ve kendi başına gelişmesiyle tüm ekonomiyi sürükleyebilecek bir ana kesim olarak kalkınma literatürüne girmiştir.

Genellikle iktisadi kalkınmada tarımın önemi ele alınırken, yazarların birleştiği nokta, tarımın şu özelliklerini vurgulamaktadır:

1) Ulusal gelire olan katkısı;

2) Sanayi için hammadde, ülke için yiyecek üretiyor olması;

3) Ürünlerinin ihracatı yoluyla döviz rezervlerine olan katkısı;

4) Devlet gelirlerine vergiler yoluyla yaptığı katkı;

5) Sermaye birikimine olan katkısı;

6) İstihdama olan katkısı;

7) Üretimdeki uzmanlaşmaya ve çeşitliliğe doğru bir gelişme içinde alındığında, iktisadi istikrarı sağlayabilecek bir düzene sokulabilir olması.