

# TO OUR READERS

The Indian economy remains primarily agrarian despite making giant leaps in Information Technology, science, commerce and industry. Despite the tide of urbanisation, India still lives in villages – about 5,87,226 in total, which are inhabited by 742 million people who make about 72 per cent of our total population. Even today the rural sector continues to be the largest employer in India. It provides direct livelihood to 59 per cent of the country's labour force, and directly or indirectly 70 per cent of the rural population depend on agriculture. As such, the rural India is the real India.

India's performance on agricultural and rural front still remains a deciding factor when it comes to overall national economic growth — present as well as future. The manufacturing and service sectors cannot sustain the economy's growth if rural India under-performs. Agriculture contributes about 22.1 per cent to the total GDP today. This sector is the key if the target of 8 per cent GDP growth per annum, as envisioned in the Tenth Plan, is to be achieved.

During last more than 58 years, the number of people below poverty line has come down from one-half to one-third of the population mainly because of the progress made in the agriculture-rural sector — be it in the wake of Green Revolution, White Revolution, High Yielding Varieties (HYV) concept or several Government initiatives. But this progress is still far below the desired level. Although the Government spending on food and fertiliser

subsidy has today reached up to 1 per cent of the GDP, the average Indian farmer has not gained much. Despite a host of scheme and programmes, this sector remains largely untapped. India is one of the world's major food producers but accounts for less than just 1.5 per cent of the international food trade. We produce a variety of agro-products at prices that are below the world values in most cases.

However, the situation is in for a change, thanks to the Corporate India's increasing interest and involvement in these sectors and the renewed focus of Central as well as State governments. Since credit is the lubricant of any development, the Government has set a massive target of more than three-fold increase in credit flow to agriculture during Tenth Plan period.

The successful experience of Amul (Gujarat Cooperative Milk Marketing Federation Ltd.) has proved that Agricultural Development is not a matter of technology but a matter of building institutions. As such, while the Government has come out with various innovative welfare schemes, the banks, cooperative societies, insurance companies and corporate world have sensed the vast scope for business in this sector and are rolling out substantial high-value economic activities. And these activities have opened up plethora of opportunities for the Chartered Accountants – not only to fulfill their social responsibility but also to grow professionally.

Thus, it is high time that the professionals re-assess the age-



old negative notions about the commercial opportunities in rural sector. It is high time that a new genre of professional service of rural orientation evolves — a composite service consisting of preparation of project reports, setting up of accounting systems, book-keeping, finalisation of accounts, audit, etc.

Given their skills and expertise, CAs can prove to be the key agents of change in this sector by serving as financial counselor, facilitator of rural credit facilities, product innovator, promoter of micro-enterprises, disseminator of authentic information and as a credible tool for effective implementation of various Government and other schemes and projects. They have all the capabilities to boost the Commodities, Futures and Options markets in the best interest of the rural sector.

This Issue of the Journal focuses on the position and prospects of the rural sector and the tremendous role the Chartered Accountancy profession can play in this area. We hope, it adds to the knowledge and vision of the members.

**- Editorial Board**  
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