



AGRARIAN VS KNOWLEDGE: THE FUTURE OF THE WORLD ECONOMY

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Abstract

This research paper aims to determine the future of the economy being knowledge or agrarian, by studying past trends in the structural transformation of economies while understanding and acknowledging the importance of the two coexisting for a successful yet sustainable future. It recognizes the need for an agricultural advancement to boost economic growth as well as strengthen the knowledge and agrarian economy. This paper proves the significance of the interdependence between the two, and the power this convergence holds over the future of the economy.

Keywords: Knowledge, Agrarian, Structural transformation, Coexisting, Agricultural advancement, Interdependence, Convergence.

INTRODUCTION

The correct answer to the future of the economy requires a comprehensive understanding of the two possible types of industries that form a strong base of any economy: Agrarian and Knowledge. As the name suggests, agrarian or agricultural economy is associated with the cultivation of land, mainly raising livestock and growing crops, which is largely found in developing economies. It is rural-based and revolves around the market of agricultural commodities along with being classified as a crucial and major category under the primary sector of industry. Knowledge economy on the other hand is based on innovation, research, development, intangible assets (such as employee knowledge) and education. Advances in technology, scientific research and employee productivity are all a part of the knowledge economy which mainly deals with intellectual capital. Such a type of economy will often be found in developed countries and falls under the tertiary sector of industry.

The problem now arises, when the question is raised as to which economy holds the future in their hands. Without the agrarian economy, the world would cease to exist as food security would be jeopardised globally, thus negatively affecting not only millions of jobs worldwide but also dumping tremendous pressure on the healthcare system. Similarly, in the absence of the knowledge economy, development and economic growth would be restricted everywhere.

This research paper focuses on discussing and creating a different solution as opposed to choosing one, which would prove to be inefficient in the future. This solution would be the confluence between the two economies, agrarian and knowledge, along with their respective connection and dependence on one another to enhance economic growth completely. This paper



will also focus on how various economies in the past have faced problems during their evolution from agrarian to knowledge and how those mistakes can be used as a guide and support further research in this domain, thus preventing them from occurring again.

Theory

Agrarianism is thought to value rural society as being superior to urban society in every way possible. For example, a hard-working, independent farmer is superior to a paid employee. It emphasises more on the simplicity of rural life as opposed to the diverse complexities of urban life. Subsistence farming is the practice of growing crops and raising livestock, which is sufficient only for the farmer's own use, without any surplus trade. It symbolises and offers independence and self-sufficiency, rather than relying on advanced technology to increase output for additional trade.

The Industrial Revolution marked the dominance of the secondary sector of industry (factory and machinery) over the primary sector of industry (agriculture) and the emergence of new technological, socioeconomic, and cultural features into the economy. It is known to have had both positive and negative effects on the world economy and despite the rise in unemployment and pollution throughout the globe, the Industrial Revolution is said to have increased the standard of living and production of goods worldwide.

History

Around 12,000 years ago, the very first farmers of this world switched to subsistence farming as opposed to their usual hunting and gathering. This provided an adequate and dependable food source for all. The first agrarian economies of this world adhered to self-sufficiency by producing food on a small-scale level, which was just enough for themselves whilst hardly carrying out any trade. Examples of these could include the planting and harvesting of wheat in the Fertile Crescent of the Middle East, growing of maize (corn) in America or the harvesting of rice in the river valleys of Eastern China. This Agricultural Revolution marked the start of the most basic degree of the agrarian economy in this world.

As years flew by, this agrarian economy did not vary much except for a few miniature trades here and there between neighbours or small villages. Countries such as Mesopotamia, Egypt, and Sudan along with others near the Indus Valley flourished in their agricultural markets, along with gradually learning the varietal use of animals for several purposes such as milk, wool, manure, etc. Around 1500, as the climate was changing drastically, so was the social and economic structure within cities and countries, due to increased food surpluses and population densities which accounted for increased transportation costs and technological limitations restricting global trade worldwide. The need to modernise the agricultural sector became more urgent than before. And then was born the Industrial Revolution, that turned the tables for the agrarian economy and proved to gain another step towards the birth of the knowledge economy.

RESULT

The term "knowledge economy" was first used sometime in the 1960s. All economies depend on knowledge, for example, even the farmers of agrarian economies need the correct knowledge on how to farm and grow crops. During the Industrial Revolution, the use of this knowledge simply



multiplied in different areas of production and agriculture (due to the manufacturing industries) which eventually led to a discovery of newer technology and innovation that was crucial for further economic growth. Modernization in the agricultural sector included the switch from labour-based agriculture to technology-based agriculture, which helped boost labour productivity (saving time) and ensured efficient allocation of resources since the farmers were well-equipped with the knowledge required to grow the correct crops (according to the market forces of demand and supply) through better education and training.

Thus, the last few decades of the twentieth century saw a rise in technological advances along with research and development which secured a significant growth in the knowledge economy and introduced the world to the concept of globalisation.

DISCUSSION

Focusing solely on any one economy might not prove to be very fruitful in the long run and is likely to lead to misallocation of limited resources. For instance, focusing solely on the agrarian economy poses a high risk of societal inequality and can also lead to a possible overdependence on land. With the ever-rising population in the world, over dependence on farming, land and agriculture can worsen scarcity and increase the pace with which the resources are depleting. On the other hand, focusing solely on the knowledge economy would not be advisable since agriculture plays a crucial role in any economy as it is the main source of food for any individual. Without nutritious and healthy food, health problems would rise and pose enormous pressure on health care services, not only affecting the individual but also causing a slowdown in the business and production processes, thus reducing GDP, and slowing down economic growth as well. It can also lead to rural to urban migration which would again cause a sharp rise in population, unemployment, and pollution. With the two economies depending on each other, we can expect newer technology being introduced that would modernise the agricultural sector, initiate sustainable development and increase the overall quality of a country's standard of living.

CONCLUSION

History has been the compilation of different experiments of the world, that initially adjusted to the agrarian economy and then shifted to the knowledge economy. The Agricultural Revolution and the Industrial Revolution have had several positive and negative impacts on the economy through which we can now form a suitable hypothesis as to which economy holds the future in their hands.

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