

NCERT SOLUTIONS CLASS-11 ECONOMICS

CHAPTER- 6

NCERT Solutions for Class 11 Economics for chapter 6 Rural Development

Question1. What do you mean by rural development? Bring out the key issues in rural development.

Answer: Rural development refers to actions and initiatives for the socio-economic development of rural areas which are lagging behind in overall development of the village economy. Rural development is a comprehensive term. The key issues in rural development are as follows:

1. Human resource development: for the development of rural areas human resource development is imperative. Development programmes should aim to improve literacy especially female literacy, education, technical and skill based knowledge, etc. Development programmes should also aim to provide good health care facilities which can address sanitation and public health.
2. Land reforms: Reforms like consolidation of land along with technical reforms must be implemented in rural areas. Farmers should be encouraged to use insecticides, pesticides, new methods of agriculture, etc.
3. Development of productive resources: People in rural areas primarily depend on agricultural sector for their survival. Agriculture is a seasonal activity. Thus to enhance or support the livelihood of rural people, alternative sources of occupation needs to develop.
4. Development of infrastructure: Infrastructure provides support system to all the productive activities. Development of basic infrastructure like banks, means of transport, electricity, irrigational methods, facilities for agriculture research and extension, etc. is very crucial for rural development.
5. Elimination of poverty: Poverty is one of the main causes and effects of adverse condition of rural areas. Thus, special programmes for poverty elimination and to enhance the living standard of rural people should be implemented. These programmes can cater the weaker section of the population and increase their access to productive employment opportunities.

Question2. Discuss the importance of credit in rural development?

Answer: Following points highlight the importance of credit in rural development:

1. Credit is required by the farmers to meet their personal needs because the gestation period between sowing and realisation of income after production is quite long.
2. Credit is required by the farmers to make investments on seeds, fertilizers, implements, other family expenses of marriages etc. Since majority of the farmers are poor, they do not have sufficient personal resources to make such investments.
3. Credit is required by the non-farm sectors also such as cottage and small scale industries.
4. Credit is required by the rural self-employed people for meeting expenses.

Question3. Explain the role of micro-credit in meeting credit requirements of the poor.

Answer: Micro credit or Micro finance is a provision of extending small loans to improvised people who lacks collateral, other related documents through some agencies (Self-help groups (SHGs), commercial banks, regional rural banks, cooperatives, land development banks, etc.). Since some kind of collateral is required for taking loans from banks, a large proportion of poor rural households were automatically out of the credit network. The formal credit delivery mechanism has not only proven inadequate but has also not been fully integrated into overall rural social and community development. Micro finance has emerged as a viable alternative to banking for the poor. It is a system initiated for banking the unbankables. It bridges the gap in the formal credit system. For instance: SHGs promote thrift in small proportions by a minimum contribution from each member. From the pooled money, credit is given to the needy members to be repayable in small installments at reasonable interest rates. These SHG-bank linkage programmes are referred as Micro-credit programmes.

Question4. Explain the steps taken by the government in developing rural markets.

Answer: Measures for improving agricultural marketing system by government are:

1. Setting up regulated markets – Government has set up regulated markets to protect the farmers from the malpractices in mandis. The management of such markets is done by a market committee which has representatives of the state government, the local bodies, the traders, the commission agents and the farmers. This system has assured fair price deals for the farmers. It has helped in using standard measures and weights throughout the country. However, there is still a need to develop 27,000 rural periodic markets into regulated markets.

2. Provision of physical infrastructure facilities – Roads, railways, warehouses, godowns, cold storages and processing units has been developed to support agricultural marketing. The condition of current infrastructure facilities is inadequate and is not sufficient to meet the growing demand. The infrastructure facilities need to be developed.
3. Cooperative markets – The government promoted the cooperative markets through which farmers can realize fair prices. These cooperatives have got success in transforming the socio-economic landscape. But due to inadequate coverage of farmer members, these cooperatives received setback in recent past years.
4. Policy instruments: The government uses following policy instruments to enhance agricultural marketing:
 1. Assurance of minimum support prices for agricultural products
 2. Maintenance of buffer stocks of wheat and rice by
 3. FCI
 4. Distribution of foodgrains and sugar through PDS.

These instruments protect the income of the farmers and provide foodgrains at subsidized rate to needy. But despite several efforts private traders dominates in agricultural markets.

Question5. Why is agricultural diversification essential for sustainable livelihoods?

Answer: There are two aspects of diversification of agriculture. First aspect relates to diversification of crops and the other relates to shift of the work-force from agriculture to other allied activities such as livestock, poultry, fisheries etc. and non agricultural sector. Agriculture in India is a seasonal occupation. During off- seasons, it becomes essential to provide alternative employment opportunities for the rural people. It is always risky to depend exclusively on agriculture for livelihood. Diversification towards non-farm activities is needed to realise higher and sustained level of income for rural people to overcome poverty.

Crop diversification ensures higher growth. It brings stability in farm income as the risk due to fluctuations in production and market prices would be least. Further it also ensures national food security. Thus it can be concluded that agricultural diversification provides productive sustainable livelihood options to rural people.

Question6. Critically evaluate the role of the rural banking system in the process of rural development in India.

Answer: In the process of rural development in India the role of the rural banking system is imperative. There had been institutionalisation of agricultural credit during the planning. In 1951-52 the institutional sources accounted for only 7% of agricultural credit which has now risen to about 70%. India adopted social banking and multi- agency approach to meet the needs of rural credit. The policies followed by the Reserve Bank of India and later by NABARD with regard to rural credit, have helped to transform the rural credit market in India drastically. The rapid expansion of the banking system in rural areas has raised the level of rural farm and non-farm output, income and employment especially after mid 1960s. The Green Revolution was an indication of major changes in the credit system because it changed the portfolio of rural credit towards production oriented lending. Banking habits are becoming popular amongst the rural people.

However, our banking system has certain drawbacks:

- i) Banks face several problems like, under performance, high incidence of over dues etc.
- ii) Except certain commercial banks, other formal institutions have failed to lend good borrowers.
- iii) Default rates have been chronically high.
- iv) 50% of the defaulters were categorised as 'willful defaulters'.

Question7. What do you mean by agricultural marketing?

Answer: Agricultural marketing involves the assembling storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country. It refers to those processes that start from harvesting and end with final sale of products by the farmers. A strong and good agricultural activity helps farmers in getting good prices for their produce.

Question8. Mention some obstacles that hinder the mechanism of agricultural marketing.

Answer: The main obstacles or the hindrances for the smooth functioning of agricultural marketing in India are:

- i) There is no proper storage or warehousing facilities for farmers in the villages where they can store their perishable agricultural produce. Farmers are compelled to store their produce in pits, mud vessels, kutcha store houses etc. These unscientific methods of storing lead to considerable wastage.
- ii) The poor farmers have no capacity to wait for the better market for their produce in the absence of proper credit facilities. Farmers often have to go for forced sale of their output to village money lenders cum traders at a low price.
- iii) Transportation facilities are highly inadequate. Farmers have no other options to go the nearby mandis but to sell their products in the village market at low rates.
- iv) A large number of intermediaries exist between the cultivator and the consumer. All these middlemen claim a good amount of margin and thus reduce the returns of the actual cultivators.
- v) The farmers are the least informed about the ruling prices in the big markets. As a result they are easily exploited by the intermediaries.
- vi) Indian farmers do not give importance to grading and standardising their products and consequently miss the opportunities to fetch good prices for better quality products.
- vii) In the absence of institutional finance, Indian farmers have to depend on traders and village money lenders for credit. Immediately after harvesting, these farmers have to give away all their produce to the borrowers at unfavourable prices.

Question9. What are the alternative channels available for agricultural marketing? Give some examples.

Answer: There are two alternative channels for agricultural marketing:

- i) Farmers can directly sell their produce to consumers. It means that there should be no intermediaries between the farmers and the consumers. Some examples are Apni Mandi (Punjab, Haryana and Rajasthan), Hadaspar Mandi (Pune), and Rythu Bazaars (Andhra Pradesh).
- ii) Farmers and national and international fast food chains may enter into contracts or alliances under which farmers shall cultivate the products of the desired quality. For this purpose, farmers will be provided with seeds and other inputs. There will be an assured procurement of the produce at predetermined prices.

Question10. Distinguish between 'Green Revolution' and 'Golden Revolution'.

Answer:

Green Revolution

The immense increase in food grains production is termed as green revolution.

It especially occurred in wheat and rice production

Owing to green revolution India become self-sufficient in food grains production.

Green revolution enabled India to achieve food security and farmers to increase their income.

Golden Revolution

The rapid growth in the production of horticultural crops is termed as golden revolution.

It occurred in fruits, vegetables, tuber crops, flowers, medicinal plants, etc.

Owing to golden revolution, India become leader in the production of mangoes, spices, bananas, etc.

This play an important role in providing food and nutrition, besides addressing employment concerns.

Question11. Do you think various measures taken by the government to improve agricultural marketing are sufficient? Discuss.

Answer: Various measures taken by the government to improve agricultural marketing have improved the condition but a lot still need to be done to realise full potential to agricultural sector.

Government is maintaining buffer stocks, providing the facilities of storage but still these storage facilities are not sufficient. Even today more than 10 % of goods produced in farms are wasted due to lack of storage.

The infrastructure facilities which are currently available in India are inadequate to meet the growing demand. These facilities need to be improved in terms of quality and quantity.

Except few cooperatives many have received setbacks in last few years because there is inadequate coverage of farmers, lack of appropriate link between marketing and processing cooperatives and inefficient financial management.

Though the government is intervening in the market through various measures, still private traders like money lenders, rural political elites, big merchants and rich farmers pre-dominate agricultural markets.

Question12. Explain the role of non-farm employment in promoting rural diversification.

Answer: Farm employment means employment on agricultural field. Employment in any area other than employment at agricultural field is considered as non- farm employment.

In India, agricultural sector is already overcrowded and thus a major proportion of increasing labor force needs to look at non-farm sectors for employment. Animal husbandry, fisheries, horticultural, etc. are the sectors which provide employment to majority of population. These sectors are prominently playing its role in providing employment to women and in areas where climatic conditions are not very much suitable for agriculture.

For rural diversification, it is also imperative to develop other avenues of employment like employment in schools, banks, coaching centers, primary health care centres, agro processing units, tourism etc. Construction of basic infrastructure like roads, dams, etc. provides employment as well as supports other activities which can provide employment.

In providing employment in rural areas, the role played by small scale industries, shops, transportation, cottage industries, traditional home based industries like pottery, farms, handlooms, cannot be ignored. Employment in these areas is necessary not only to reduce the risk from agriculture sector but also to provide sustainable livelihoods options to rural people.

Question13. Bring out the importance of animal husbandry, fisheries and horticulture as a source of diversification.

Answer: In India, agricultural sector is already overcrowded and thus a major proportion of increasing labor force needs to look at non-farm sectors for employment. In this sense, animal husbandry, fisheries and horticulture have emerged as a source of diversification.

The Indian farming community follows mixed crop- livestock farming methods. These methods provide increased stability in income, food security, transport, fuel, etc. without disrupting other food producing activities. A major proportion of Indian workers especially small and marginal farmers including landless labourers get employment in the lives-stock husbandry. Also this provides employment to women.

In India, West Bengal, Andhra Pradesh, Kerala, Gujarat, Maharashtra and Tamil Nadu are the major fish producing states. Though the performance of fisheries sector is not very impressive, but it has huge potential for employment.

India's climatic conditions favour the cultivation of diverse horticultural crops such as fruits, vegetables, tuber crops, medicinal and aromatic plants, etc. These crops play an important role in providing food and nutrition, besides addressing employment concerns. India is a leading country in producing a variety of fruits and spices. Flower harvesting, nursery maintenance, hybrid seed production and tissue culture, propagation of fruits and flowers and food processing are giving good returns and are good employment options for women. This sector has improved the economic condition of farmers and standard of living of underprivileged classes.

Question14. 'Information technology plays a very significant role in achieving sustainable development and food security' - comment.

Answer: It is believed that information technology can play a vital role in achieving sustainable development and food security. By using appropriate information and software tools, government can predict the areas of food insecurity. In the field of agriculture, it can be further helpful as it disseminates the information regarding emerging technologies and its application. And accordingly, appropriate steps can be taken to prevent or reduce the likelihood of an emergency. It also provides information regarding prices, and weather and soil conditions for growing different crops. It also has the potential of employment generation in rural areas.

Question15. What is organic farming and how does it promote sustainable development?

Answer: Organic farming is a form of agriculture which makes use of organic inputs for the supply of nutrients and management of pests and diseases. It makes use of organic inputs for cultivation. It is a whole system of farming that restores, maintains and enhances the ecological balance. It offers a way to substitute costlier agricultural inputs with locally produced inputs. These inputs are cheaply available and generate good returns on investment. These inputs help soil to gain nutrients. Production from conventional farming is toxic and less nutritious which harms the livestock, depletes the soil and devastates natural eco-system. When chemical fertilizers are used in farming, it drains to water bodies and pollute them. In organic farming, production is toxic-free. Owing to this reasons, the use of factory made fertilizers is getting reduced over time. Studies reveals that organically produced food has more nutritional value. With organic farming penetration of chemical fertilizers in water bodies has reduced. Organic produce is pesticides free and promote sustainable development.

Question16. Identify the benefits and limitations of organic farming.

Answer: Organic farming is a form of agriculture which makes use of organic inputs for the supply of nutrients and management of pests and diseases. It is a specialised form of diversified agriculture, wherein problems of farming are managed by using local resources alone.

Benefits of organic farming:

- i) Organic farming is cheaper than modern farming because it requires locally produced inputs which are easily available at low costs.
- ii) Organic farming generates good returns, particularly through exports.
- iii) Organic farming results in the food which has more nutritional value than farming with chemical fertilisers.
- iv) Organic farming is labour intensive and provides employment opportunities to a number of people.
- v) Organic farming is eco-friendly.
- vi) Organic farming is sustainable farming system which maintains long term fertility of the soil through the use of farm resources.

vii) It is an indication of purity and careful handling. Limitations of organic farming:

- i) Organic farming requires a good network of infrastructural facilities.
- ii) There is a problem of marketing in these products.
- iii) Organic farming is costly in the initial years because of lower returns.
- iv) Choice in production of off-season crops is quite limited in organic farming.

Question17. Enlist some problems faced by farmers during the initial years of organic farming.

Answer: The following are the problems faced by farmers during the initial years of organic farming:

It has been observed that in the initial years of organic farming yields is lesser than the modern agricultural farming. As a result farmers found it difficult to implement this method on a larger scale.

Organic produce may have shorter shelf life as compared with produce from conventional farming.

In organic farming the cultivation of off-season crops is quite limited. This reduces options available with farmers to produce crops.