

NCERT SOLUTIONS

CLASS - 11th



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Class : 11th

Subject : Economics

Chapter : 6

Chapter Name : Rural Development

Q1 What do you mean by rural development? Bring out the key issues in rural development.

Answer. Rural development focuses on action for the development of areas that are lagging behind in the overall development of the village economy.

Following are the key issues in rural development :

- Development of human resources including literacy, more specifically female literacy and health, addressing both sanitation and public health.
- Land reforms : ensuring the land holdings in the hands of the actual owners and protecting the poor farmers from the rich zamindars.
- Development of the productive resources of each locality, new shops and multi utility store for catering the needs of the locals.
- Infrastructure development like electricity, irrigation facilities, credit marketing, transport facilities, etc.
- Special measures for poverty alleviation and improvement in living conditions of the weaker sections.

Page : 113 , Block Name : Exercises

Q2 Discuss the importance of credit in rural development.

Answer. Growth of rural economy depends primarily on infusion of capital, from time to time, to realise higher productivity in agriculture and non-agriculture sectors. As the time gestation between crops sowing and realization of income is quite long, farmers borrow from various sources to meet their initial investment on seeds, fertilisers, implements and other family expenses of marriage, death, religious ceremonies, etc.

At the time of independence, moneylenders and traders exploited the small and marginal farmers and caught them into debt trap. A major change occurred after 1969 when India

adopted social banking and multi agency approach to meet the needs of rural credit. The National Bank for Agriculture and Rural Development (NABARD) was set up in 1982 as an apex body to coordinate the activities of all institutions involved in rural financing system.

Page : 113 , Block Name : Exercises

Q3 Explain the role of micro-credit in meeting the credit requirements of the poor.

Answer. Self-Help Groups (SHGs) have emerged to fill the gap in the formal credit system because the formal credit delivery mechanism proved to be inadequate and has not been fully integrated into overall rural development. Since some kind of collateral was required, vast proportion of poor rural households were automatically out of credit system. The 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. Such credit provisions are referred to as micro-credit programmes. It has helped in empowerment of women. It is alleged that the borrowings are mainly confined to consumption purposes.

Page : 113 , Block Name : Exercises

Q4 Explain the steps taken by the government in developing rural markets.

Answer. Measures initiated to improve the marketing aspect are :

- Regulation of market to create orderly and transparent marketing conditions. This policy benefited the farmers as well as the consumers.
- Provision of physical infrastructure facilities like road, railways, warehouses, godowns, cold storages and processing units.
- Cooperative marketing was initiated for realizing fair prices for farmers' products. The success of milk cooperative in Gujarat is testimony to the role of cooperatives.
- Policy instruments like :
 - (i) assurance of minimum support prices for agricultural goods
 - (ii) maintenance of buffer stock of wheat and rice by Food Corporation of India
 - (iii) distribution of food grains and sugar through PDS

Page : 113 , Block Name : Exercises

Q5 Why is agricultural diversification essential for sustainable livelihoods?

Answer. Diversification includes two aspects- one relates to change in cropping pattern and other relates to a shift of workforce from agriculture to other allied activities and non-agriculture sector. The need for diversification arises from the fact that there is greater risk in depending exclusively on farming for livelihood. Diversification towards new areas is necessary not only to reduce the risk from agriculture sector but also to provide productive sustainable livelihood options to rural people. There are many other options available for providing sustainable livelihoods in rural areas such as focus on allied activities, non-farming employment and other emerging alternatives of livelihood.

Page : 113 , Block Name : Exercises

Q6 Critically evaluate the role of the rural banking system in the process of rural development in India.

Answer. Rapid expansion of the banking system had a positive effect on rural farm and non-farm output, income and employment, especially after green revolution- it helped farmers to avail services and credit facilities and a variety of loans for meeting their production needs. Famines became events of the past, India has now achieved food security which is reflected in the abundant buffer stock of grains.

At the time of independence, moneylenders and traders exploited the small and marginal farmers, caught into debt trap. India adopted social banking and multi-agency approach to adequately meet the needs of rural credit in 1969, NABARD was set up in 1982 as an apex body to regulate the activities of all institutions involved in rural financing system. The institutional structure of rural banking consists of a set of multi-agency institutions, namely, commercial banks, cooperatives and land development banks and self-help groups.

Page : 114 , Block Name : Exercises

Q7 What do you mean by agricultural marketing?

Answer. Agricultural marketing is basically buying and selling of agricultural products, this was easy earlier when the villages were self sufficient and the surplus was sold in the markets. It has now become a complex process and needs to undergo a number of transfers before reaching the final consumer. Agricultural marketing is a process that involves assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country. In India there are several government organisations involved in agricultural marketing like, Commission of Agricultural Costs and Prices and Food Corporation of India.

Page : 114 , Block Name : Exercises

Q8 Mention some obstacles that hinder the mechanism of agricultural marketing.

Answer. Obstacles that hinder the mechanism of agricultural marketing are :

- Prior to independence, farmers while selling their products to traders, suffered from faulty weighing and manipulation of accounts. A large number of middlemen meant greater exploitation of the farmer and lesser price received by the farmers.
- Farmers who did not have the required information on prices prevailing in the markets were often forced to sell at low prices.
- Farmers did not have proper storage facilities to keep back their produce for selling later at a better price.
- There was a lack of transport facilities, under constructed roads, bad conditions of the roads during the rainy seasons. Due to this, the farmers would not take their surplus to the mandis.

Page : 114 , Block Name : Exercises

Q9 What are the alternative channels available for agricultural marketing/ Give some examples.

Answer. It has been realised that if the farmers directly sell their produce to consumers, it increases their incomes. Some examples of these channels are Apni Mandi, Hadaspur Mandi, Rythu Bazars and Uzhavar sandies. Several national and multinational food fast food chains are increasingly entering into contracts with farmers to encourage them to cultivate farm products of desired quality by providing them with seeds and inputs and assured procurement of the

produce at pre-decided prices. Such arrangements help in reducing the price risks of farmers and would also expand the markets for farm products.

Page : 114 , Block Name : Exercises

Q10 Distinguish between ‘Green Revolution’ and ‘Golden Revolution’.

Answer.

	Green Revolution	Golden Revolution
(i)	Green revolution is the introduction of production with the help of HYV seeds, modern technology and irrigation facilities.	Golden revolution is the increase in production of horticulture crops such as fruits, vegetables, medicinal plants, etc.
(ii)	This led to the increase in production of food grains, especially wheat and rice.	Thus led to production of fruits, vegetables, aromatic plant species.
(iii)	It made India self-sufficient in the production of food grains	India has emerged as a world leader in producing various fruits and vegetables.
(iv)	This provided food security and raised agriculture incomes.	It provided nutritional and sustainable livelihood options.

Page : 114 , Block Name : Exercises

Q11 Do you think various measures taken by the government to improve agricultural marketing are sufficient?

Answer. The government introduced the following measures to improve agricultural marketing :

- Regulation of markets to create orderly and transparent marketing conditions. This policy benefited the farmers and the consumers. However, there is still a need to develop about 27,000 rural periodic markets as regulated market places to realise the full potential of rural markets.
- Provision of physical infrastructure facilities like roads, railways, warehouses, godowns , cold storages and processing units. The current infrastructure facilities are quite inadequate to meet the growing demand and need to be improved.
- Co-operative marketing was initiated to realise fair prices for farmers' products. Cooperatives have received a setback during the recent past due to inadequate coverage of farmer members, lack of appropriate link between marketing and processing cooperatives and inefficient financial management.

® Policy instruments aimed at protecting the income of the farmers and providing food grains at a subsidized rate to the poor. However, despite government intervention, private trade predominates agricultural markets.

Page : 114 , Block Name : Exercises

Q12 Explain the role of non-farm employment in promoting rural diversification.

Answer. As agriculture is already overcrowded, a major proportion of the increasing labour force needs to find alternate employment opportunities in other non-farm sectors. Non-farm economy has several segments in it; some possess dynamic linkages that permit healthy growth while others are in subsistence, low productivity propositions. The dynamic sub-sectors include agro-processing industries, food-processing industries, leather industry, tourism, etc. Those sectors which have potential but seriously lack infrastructure and other support include traditional home-based industries like pottery, crafts, handlooms etc. Majority of rural women find employment in agriculture while men generally look for non-farm employment.

Page : 114 , Block Name : Exercises

Q13 Bring out the importance of animal husbandry, fisheries, and horticulture as a source of diversification.

Answer.

Animal husbandry - In India, the farming community uses mixed crop-livestock farming system- cattle, goats, fowl are widely held species. Livestock production provides increases stability in income, food security, transport, fuel and nutrition for the family without disrupting other. Today, livestock sector alone provides alternate livelihood options to over 70 million small and marginal farmers including landless labourers.

Fisheries – The fishing community regards the water bodies as ‘other’ or ‘provider’. In India, after progressive increase in budgetary allocations and introduction of new technologies. Fish production from inland sources contributes about 64% of the total value of fish production, balance 36% comes from the marine sector. Total fish production accounts for 0.8% of the total GDP.

Horticulture –India has adopted growing of diverse horticultural crops such as fruits, flowers, vegetables, etc. These crops play a vital role in providing food and nutrition, besides addressing employment concerns. Horticulture sector contributes nearly one-third of the value of agricultural output and 6% of Gross Domestic products. Economic condition of many farmers engaged in horticulture has improved and it is also means of improving livelihood for many unprivileged.

Page : 114 , Block Name : Exercises

Q14 ‘Information technology plays a very significant role in achieving sustainable development and food security’ –comment.

Answer. Information technology (IT) has revolutionized many sectors in the Indian economy. There is broad consensus that It can play a critical role in achieving sustainable development and food security in the 21st century.

- Government can easily predict areas of food insecurity and vulnerability using appropriate information and software tools so that the action can be taken to prevent or reduce the likelihood of an emergency.
- It also has a positive impact on the agriculture sector as it can disseminate information regarding emerging technologies and its applications, prices, weather, and soil conditions for growing different crops etc.

- It can act as a tool for releasing the creative potential and knowledge embedded in the society.
- It has the ability of employment generation in rural areas. Experiments with IT and its applications to rural development are carried out in different parts of the country.

Page : 114 , Block Name : Exercises

Q15 What is organic farming and how does it promote sustainable development?

Answer. Organic agriculture offers a means to substitute costlier agricultural inputs with locally produced organic inputs that are cheaper and thereby generate good returns on investment. Organic agriculture also generates income through exports as the demand for organically grown crops is on the rise. Organically grown food has more nutritional value than chemical farming thus providing healthy foods. Since organic farming requires more labour input than conventional farming, it is an attractive proposition for India. The produce is pesticide free and produced in an environmentally sustainable way. Organic farming helps in sustainable development of agriculture and India has a clear advantage in producing organic products for both domestic and international markets.

Page : 114 , Block Name : Exercises

Q16 Identify the benefits and limitations of organic farming.

Answer. Benefits :

- Organic agriculture offers a means to substitute costlier agriculture inputs with locally produced organic inputs that are cheaper and generate good returns.
- Organic agriculture generates income through exports as the demand for organically grown crops is on the rise.
- Organically grown food has more nutritional value than chemical farming providing us with healthy foods.
- It requires labour inputs which is an attractive proposition for India

Limitations :

- Inadequate infrastructure and the problem of marketing the products are major concerns which needs to be addressed.

- Yields from organic farming are less than modern agricultural farming, small and marginal farmers find it difficult to adapt to large scale production.
- Organic produce may have blemishes and a shorter shelf life than sprayed produce.
- Choice in production of off-season crops is quite limited in organic farming.

Page : 114 , Block Name : Exercises

Q17 Enlist some problems faced by farmers during the initial years of organic farming.

Answer. Problems faced by farmers during the initial years of organic farming are :

- Inadequate infrastructure and the problem of marketing the products are major concerns, the farmers did not have access to the markets and other facilities.
- Farmers did not have the knowledge about the use of bio fertilizers and use of supplement nutrients that enrich the soil, and also application of composts and organic manure.
- The government did not take much initiative to educate the farmers about the process and promote organic farming.
- It had been observed that yield from organic farming is less than modern agricultural farming in the initial years, due to which small and marginal farmers found it difficult to adapt to large scale production.
- Organic produce have blemishes and a shorter shelf life than sprayed produce, there were greater chances of the production getting destroyed before the farmers make it available to the consumers.
- Choice in production of off-season crops is quite limited in organic farming. This could not help the poor farmers as they would be left with nothing during the off season, adding to their misery.

Page : 114 , Block Name : Exercises