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शक्तिउत्थानआश्रमलखीसरायबिहार

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RURAL DEVELOPMENT

Question 1:

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

ANSWER:

Rural areas support the bulk of India's population. Simultaneously, these areas are the breeding ground of poverty, hunger and starvation. So, to accelerate the process of growth and development of a country, rural development must be accorded priority. Rural development refers to the actions and initiatives taken for the social and economic development of the rural or backward areas. The key issues in rural development are as follows:

1. Human Capital Formation- Rural areas lack quality human capital. Therefore, rural development programmes should aim at development of human resources by investing in education, technical skills development through on-the-job training, health care, etc.

2. Development of Productive Resources- Productive resources help in generating employment opportunities. In rural areas, the main occupation is agriculture that usually suffers from low productivity, lack of infrastructure and disguised unemployment. Thus, rural development must aim at development of alternative sources of occupation. Development of productive resources reduces excess burden on the agricultural sector, thereby, increasing productivity and income of the rural people.

3. Development of Rural Infrastructure- Infrastructure development is a very crucial issue at the micro level. It provides a support system to all the production activities in the economy, the absence of which makes economic growth and social development impossible. Development of rural infrastructure includes development of bank, credit societies, electricity,

means of transport, means of irrigation, development of markets, facilities for agricultural research, etc.

4. Land reforms- Land reforms along with technical reforms must be initiated in the rural areas. These enable the use of modern techniques and methods, thereby, increasing the productivity and aggregate volume of farm output. In addition, land reforms lead to efficient and optimum use of land, enabling large scale production.

5. Lessening Poverty- Poverty is one of the main causes of rural underdevelopment. Poverty is not a problem in itself; in fact, it gives rise to many other interrelated problems like unemployment, inferior human capital, underdevelopment and backwardness, inequalities, etc. An important step that should be taken in order to tackle t poverty is to develop income-earning assets. Such assets would generate income, raise living standards and make rural people self-sufficient.

Question 2:

Discuss the importance of credit in rural development.

ANSWER:

Finance and credit are the two essential requirements for rural development. The rural areas often suffer from low income leading to low rate of savings. Farmers find it very difficult to increase their productivity by investing on their farm lands. Further, the limited number of banks that are available in the rural areas prefer to forward credit to the farmers with large land-holdings. Getting credit from banks being difficult, the small and marginal farmers fall easy prey to the money lenders. The infusion of credit is very essential for the growth of agricultural sector, leading to rural economic development. The importance of credit in rural development is highlighted in the following points:

1. Credit helps the farmers to commercialise their farming. In other words, commercial farming requires funds that are provided via credit. As the small and the marginal farmers produce only for their subsistence, they fail to generate sufficient surplus to reinvest on their lands leading to degradation of the land.

2. Secondly, given the long gestation period between sowing and harvesting of the crops, credit is extended to the farmers for meeting their initial requirements of farm inputs like seeds, fertilisers, etc.

3. Credit saves the farmers from the vicious circle of poverty. The farmers require funds for meeting their general and specific needs. These needs are to be fulfilled via credit.

4. Lastly, agriculture has always been dependent at the vagaries of climate. In the absence of good monsoon or crop failure, farmers are worst hurt. Thus, in order to save them from such tragedy, crop insurance and farm credit plays a vital role.

Question 3:

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

ANSWER:

Micro credit refers to credit and other financial services provided to the poor through Self Help Groups (SHGs) and non government organisations. The Self Help Groups are playing a crucial role in meeting the credit requirements of the poor by inculcating saving habits among the rural households. The individual savings of many farmers are pooled together to meet the financial requirements of the needy members of the SHGs. The members of these groups have been linked with the banks. In other words, SHGs enable the economically poor individual to gain strength as part of a group. Also, the financing done through SHGs reduces transaction costs for both the lenders and the borrowers. The National Bank for Agricultural and Rural Development (NABARD) played a key role in providing credit at special concessional rates. Presently, more than seven lakhs SHGs are operating across different rural areas. SHGs' programmes are becoming popular among the small and marginal borrowers owing to their informal credit delivery mechanism along with minimum legal formalities.

Question 4:

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

ANSWER:

The following are the various steps initiated by the Indian government to develop the rural markets:

1. Regulated Markets: The government came up with the concept of regulated market where the sale and purchase of the products are monitored by the Market Committee. This Market Committee consists of farmers, government agents and traders. This practice infuses greater transparency in the marketing system through the use of proper scales and weights. Such committees ensure the farmers and the consumers in receiving fair price in exchange of their products

2. Infrastructure Development: The present infrastructure is not sufficient to meet the growing demands of the farmers. Indian government provided cold storages and warehouses that help the farmers to sell their product at the time when the price is attractive. Also, railways offer subsidised transport facilities to the farmers. This enables the farmers to bring their product to urban areas where they can earn huge profits.

3. Co-operative Agricultural Marketing Societies: The government also started co-operative marketing under which the farmers get access to fair prices. This is due to the better and enhanced bargaining power of the farmers via collective sale in the market.

4. MSP Policy: Minimum Support Price is a minimum legislated price that a farmer may charge in exchange for his products. This enables them to sell their products in the open market at a higher price. The MSP insulates the farmers in case of price fall as this is the minimum price that they can receive. The need of such assurance to the farmers is of immense importance as farming in India is subject to many uncertainties.

Question 5:

Why is agricultural diversification essential for sustainable livelihoods?

ANSWER:

The agricultural diversification implies diversification of crop production and shifting of agricultural workforce to other allied activities such as livestock,

poultry, fisheries, etc. and non-agriculture sector. The shift from the crop farming to non-farm employment is essential in order to raise income and to explore alternative avenues of sustainable livelihood. The importance of agricultural diversification can be explained with the help of the following points:

1. A substantial portion of Indian farming is dependent on the vagaries of monsoon, making it a risky affair to rely upon solely. Accordingly, the need for diversification is required to enable the farmers to earn from other alternative non-farm occupations. This lessens excess burden on agriculture by reducing disguised unemployment.
 2. The kharif season opens up ample opportunities for agricultural employment. However, owing to lack of irrigation facilities, the farmers fail to get gainful employment opportunities during the Rabi season.. Therefore, the need of diversification arises during the Rabiseason.
 3. Agriculture being over crowded cannot further generate employment opportunities.. Therefore, the prospects of the non-farm sectors should be opened up in the rural areas to provide job opportunities, thereby, diverting workforce from the already crowded agricultural sector.
 4. The non farm sector has several segments that possess dynamic linkages. Such linkages enhance the healthy growth of an economy.
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