

# CLASS – 11

## ECONOMICS

Indian Economy Development

CH-5 : Rural Development

Part – 1

Introduction to Rural  
Development

Vaishnavi Agrawal





1. Introduction to Rural Development

2. Rural Credit

3. Rural Banking and Rural Credit System

4. Rural Marketing

5. Cooperative marketing, Buffer stock and PDS

6. Defects of Agriculture Marketing

7. Alternatives of Agriculture marketing

8. Agriculture Diversification

9. Rural Schemes

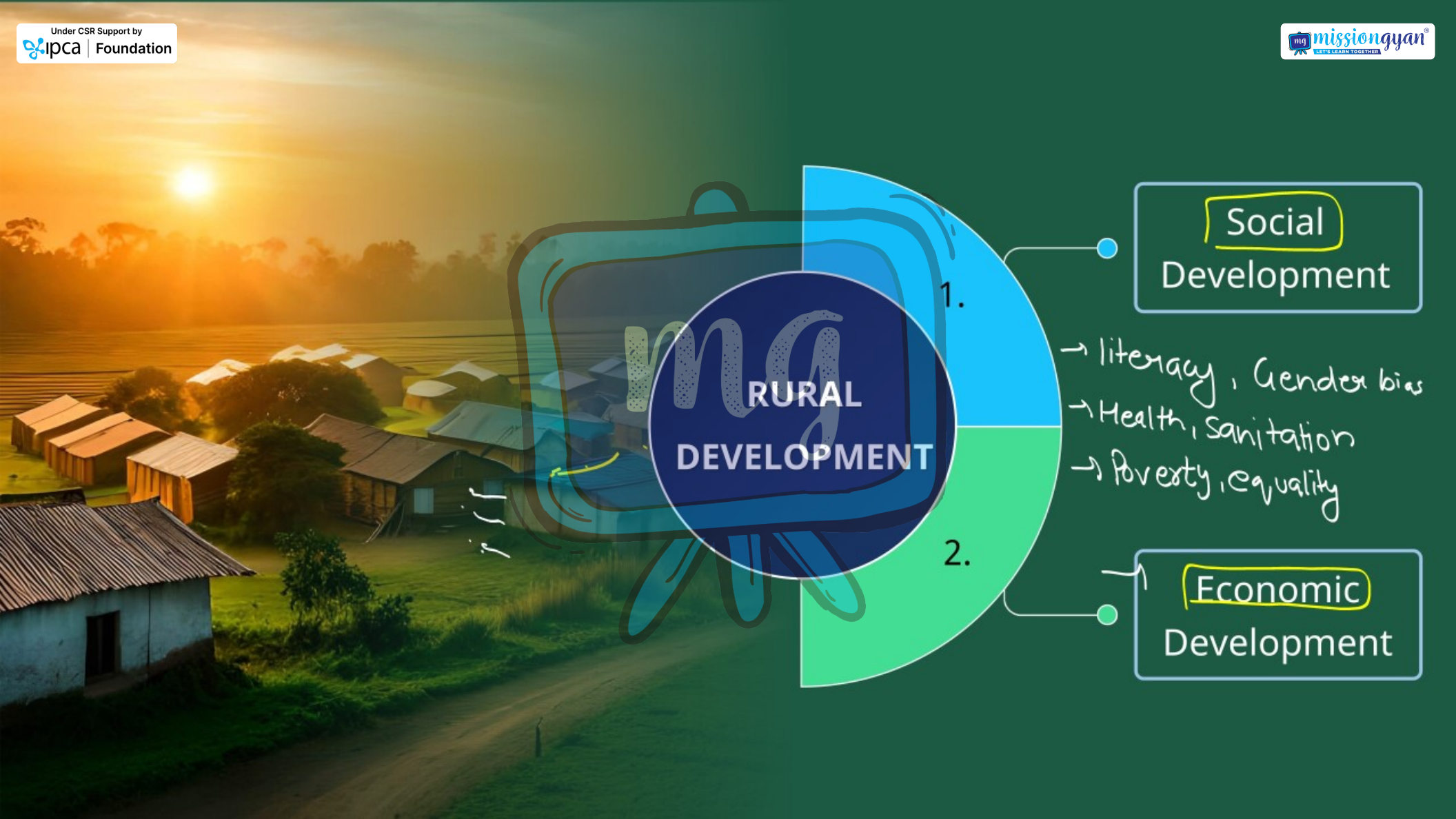
10. Organic Farming

11. Sustainable Development



# RURAL DEVELOPMENT

- The development of areas that are lagging behind in the overall development of the village economy.
- People engaged in farm and non-farm activities in rural areas have to be provided with various means that help them increase the productivity.



## RURAL DEVELOPMENT

**Social  
Development**

- literacy, Gender bias
- Health, Sanitation
- Poverty, equality

**Economic  
Development**



1

# SOCIAL DEVELOPMENT

Development of human resources–



Literacy



Female  
Literacy



Education



Skill  
development



Health



Sanitation &  
public health



Poverty  
Alleviation




Living  
standards

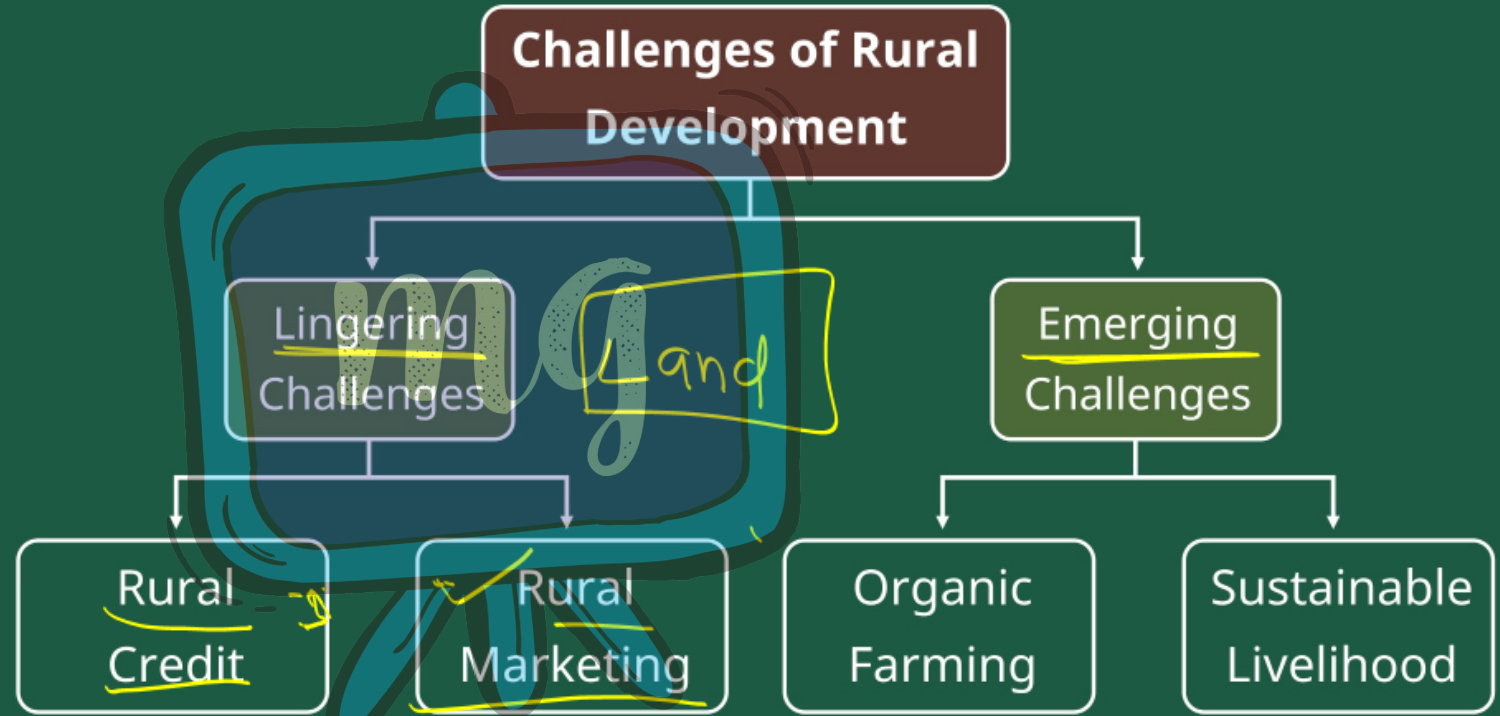
## 2

## ECONOMIC DEVELOPMENT

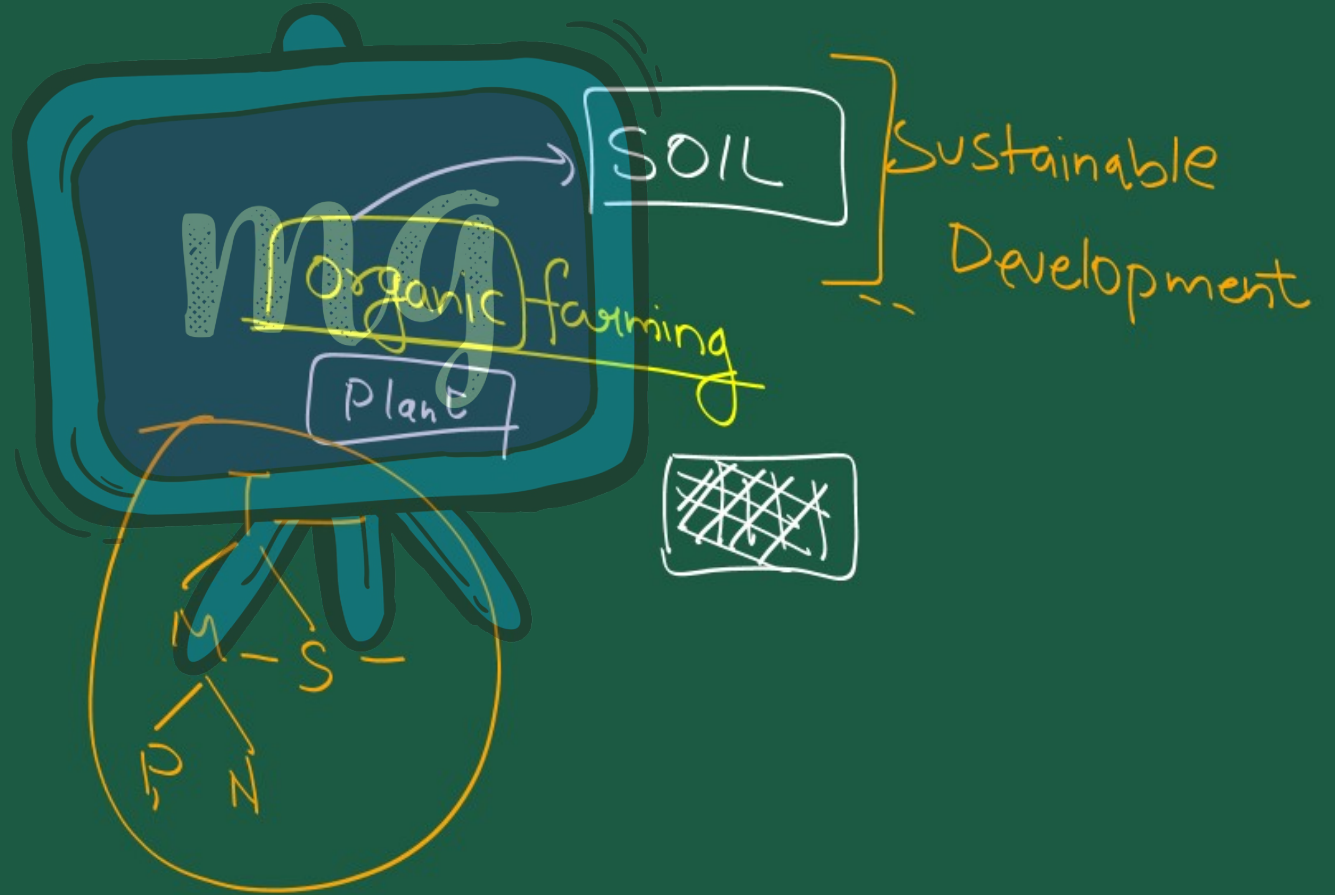
- Land reforms
- Development of the productive resources of each locality
- Infrastructure development like electricity, irrigation, credit, marketing.



- 
- ▮ Transport facilities  
(construction of village roads and feeder roads to nearby highways)
  - ▮ Facilities for Agriculture Research and Extension.
  - ▮ Information Dissemination








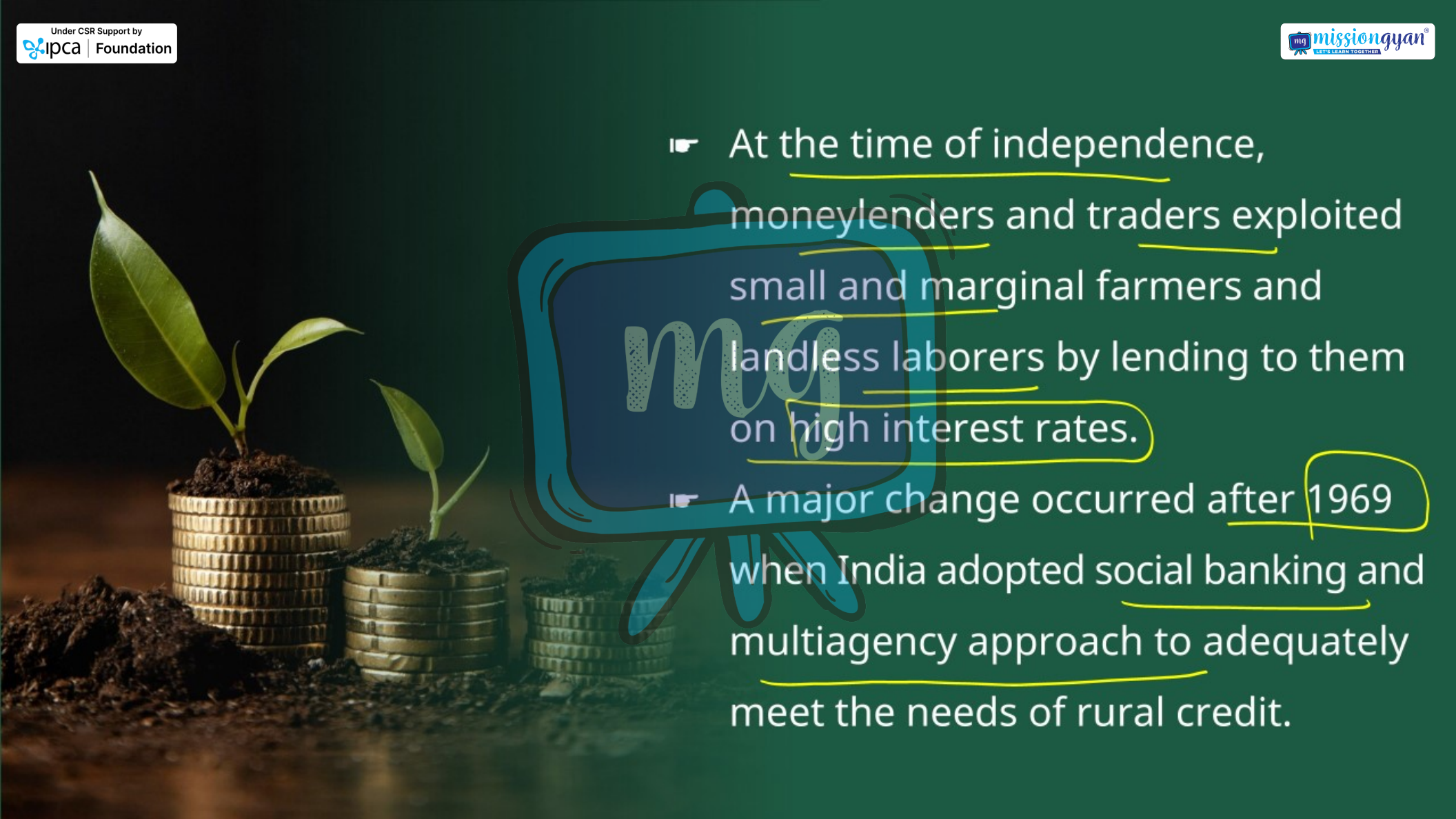
## PROBLEM OF RURAL CREDIT

- Growth of rural economy depends primarily on infusion–
  - ✦ Capital, from time to time, to realize higher productivity in agriculture and non-agriculture sectors.





- 
- As the time of gestation period between crop sowing and realization of income after production is quite long.
  - Farmers borrow from various sources to meet their initial investment on seeds, fertilizers, implements.
  - Other family expenses of marriage, death, religious ceremonies etc.

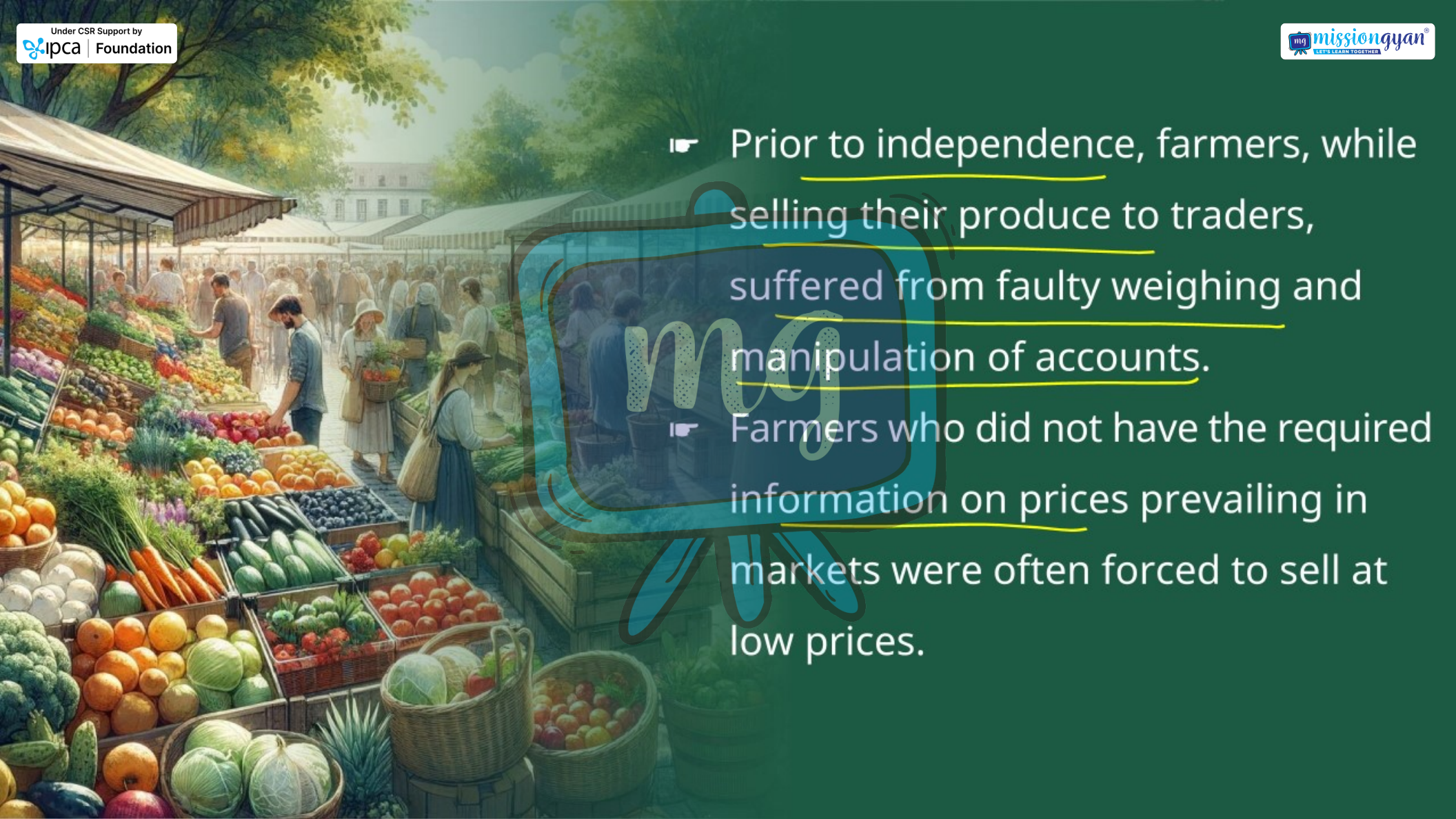
- 
- At the time of independence, moneylenders and traders exploited small and marginal farmers and landless laborers by lending to them on high interest rates.
  - A major change occurred after 1969 when India adopted social banking and multiagency approach to adequately meet the needs of rural credit.



## PROBLEM OF RURAL MARKETING

- Rural marketing is a process that involves the assembling, storage, processing, transportation, packaging, grading and distribution of different agricultural commodities across the country.



- 
- Prior to independence, farmers, while selling their produce to traders, suffered from faulty weighing and manipulation of accounts.
  - Farmers who did not have the required information on prices prevailing in markets were often forced to sell at low prices.




- They also did not have proper storage facilities to keep back their produce for selling later at a better price.



## ORGANIC FARMING

- A system of farming that relies upon the use of organic inputs for cultivation.
- Animal manures and composts are the basic organic inputs.
- It discards the use of chemical inputs, like chemical fertilizers, insecticides, and pesticides.



- 
- Simply discarding the use of chemical fertilizers is not organic farming.
  - It is a system of farming that focuses on maintaining soil health (rather than plant health) so that farming becomes a long period sustainable process along with an eco-friendly environment.

## SUSTAINABLE DEVELOPMENT



Conventional farming (using chemical fertilizers) erodes the fertility of the soil, whereas organic farming (using animal manures and composts) sustains fertility of soil.

It uses existing resources so optimally that their availability for future generations is not reduced.



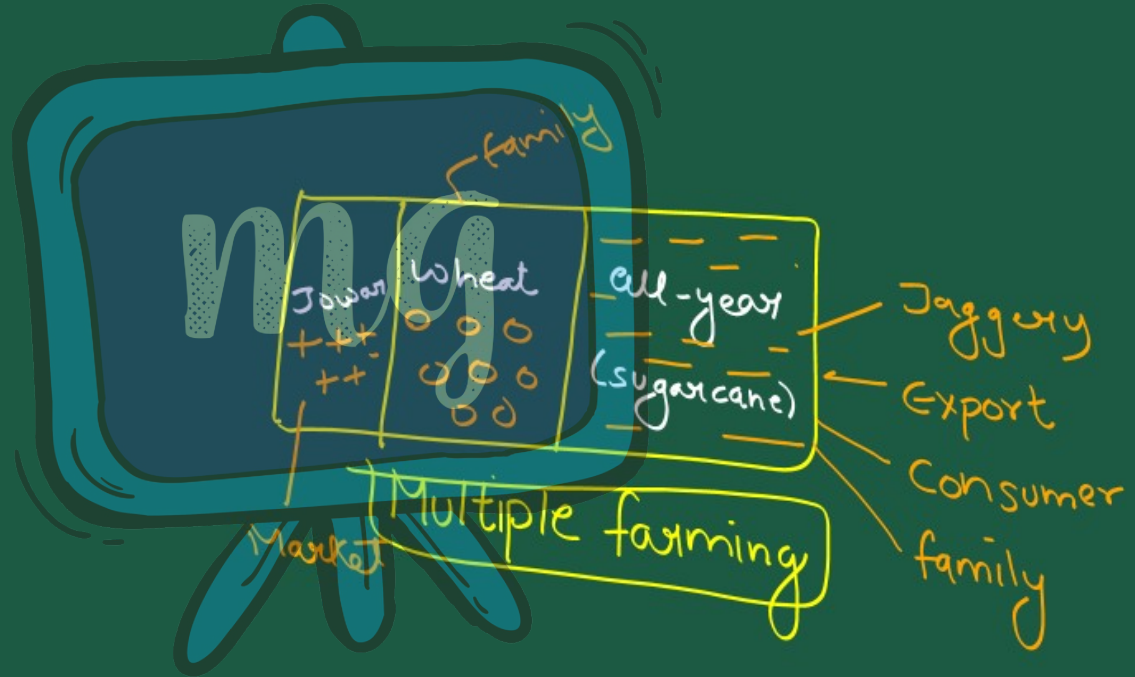
- ▮ The process of development is sustained over a long period of time.




## AGRICULTURE DIVERSIFICATION INCLUDES TWO ASPECTS

- Change in cropping pattern.
- A shift of workforce from agriculture to other allied activities (livestock, poultry, fisheries, animal husbandry etc.) and non-agriculture sector.





- 
- 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.





1

Which of the following is the major difficulty in rural development of India?

- ☐ A Rural Credit
- ☐ B Rural Marketing
- ☐ C Sustainable Development
- ☒ D All of the above



2

Rural Development implies-



Development of cities



Development of country's relations with other country's



Only social growth of villages



Social and economic development of villages