

## CHAPTER I: THE STORY OF VILLAGE PALAMPUR

CLASS:IX

SUBJECT:ECONOMICS

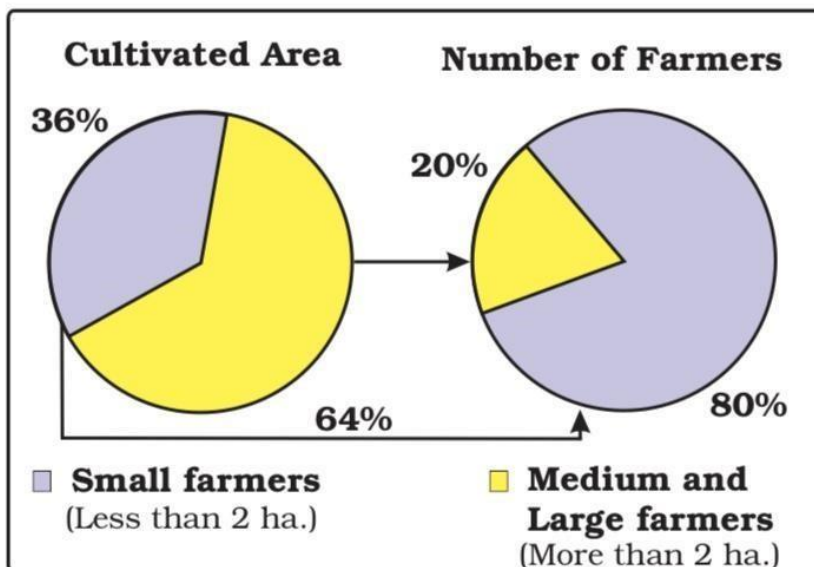
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### ILL EFFECTS OF GREEN REVOLUTION:

- ✚ Land is a natural resource and therefore it's important to sustain its natural resource base. Green revolution is associated with the loss of land fertility due to increased use of chemical fertilisers. Environmental resources are built up over the years and once it's destroyed, it's difficult to be restored. One must therefore, be cautious while using these resources.
- ✚ Land distribution is different in Palampur. Most people engaged in farming don't have sufficient land for cultivation which results in production inefficiency. Majority of the landless farmers are Dalits. In Palampur, there are 60 families of medium and large farmers who cultivate more than 2 hectares of land. A few of the large farmers have land extending over 10 or more hectares.

### CASE STUDY- I

Taking the case of Gobind, who started farming with 2.25 hectares of unirrigated land, managed to feed his family with a little bit of extra income he got from his buffalo. After his death, the land was equally divided among his three sons resulting in each son getting a land of 0.75 hectare in size. Even with modern farming techniques, they are unable to make their ends meet.



**Source:** Agricultural statistics at glance 2003:  
Dept of agriculture and cooperation,  
Ministry of agriculture, Govt of India.

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This graph shows the area of land that is owned and cultivated by small farmers and medium and large farmers. The graph shows the uneven distribution of land.

- ✚ Farming requires a great deal of labour and labour is an important factor of production. While small families usually work with their family members, large and medium farmers hire farm labourers. Farm labourers comprise landless families or families that own less land for cultivation. Farm labourers are paid wages in cash or in kind i.e crop. Wages differ based on several factors. The duration of work also differs.

## CASE STUDY- II

Dala is a landless farm labourer who works on daily wages in Palampur. This means he must regularly look for work. The minimum wages for a farm labourer set by the government is Rs 60 per day, but Dala gets only Rs 35–40. Due to heavy competition of work, villagers get ready to work for low wages.

Most small farmers have to borrow money to arrange for the capital. They borrow from large farmers or the village moneylenders or the traders who supply various inputs for cultivation. The rate of interest on such loans is very high.

We can take a look at an example best suited for this situation.

## CASE STUDY- III

Savita is a small farmer. She plans to cultivate wheat on her 1 hectare of land. Besides seeds, fertilizers and pesticides, she needs cash to buy water and repair her farm instruments. With an estimate of her working capital requirement, she decides to borrow money from Tejpal Singh, a large farmer. He agrees to give Savita the loan at an interest rate of 24 per cent for four months, which is a very high rate. Savita also has to promise to work on his field as a farm labourer during the harvest season at Rs 35 per day. She knows that it's highly difficult for a small farmer to get loans and so she agrees as to the terms whatsoever. As large farmers often have their own savings from farming, they can easily arrange the required capital and therefore lend money to small farmers at a higher rate of interest.

- ✚ Considering all factors of production, labour is the one available in abundance. Though both land and capital are scarce, there is a basic difference between the two factors of production. Land is a natural resource, whereas capital is man-made. It is possible to increase capital, whereas land is fixed.
- ✚ After the harvest, a part of the crop is retained for personal consumption and the surplus is sold. However, small farmers do not have the privilege of this. Large and medium farmers sell it to the traders in the market who buy the wheat and sell it further to shopkeepers in the towns and cities.

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- ✚ Large and medium farmers sell the surplus farm products. A part of the earnings is saved and kept for buying capital for the next season.

### Important non-farming activities:

**Dairy Farming:** is a common activity in Palampur. Cows and buffaloes are fed jowar and bajra. The milk is sold in a nearby village, Raiganj.

**Small Scale manufacturing:** Presently, less than fifty people are engaged in **manufacturing** in Palampur. Unlike the big towns and cities, the production process in Palampur happens on a small scale.

**Shop-Keeping:** Traders are very few in Palampur.

**Transport:** Even people involved in transportation in Palampur get paid to ferry the goods from one place to another.

Palampur is a well-connected, well equipped village.

With technological advancements, **we can hope that the future years will see a rise in production of non-farming activities.**

### EFFORTS TO INCREASE NON-FARM ACTIVITIES :

- Cheap loan can be arranged.
- Extension of easy and cheap transport facilities.
- Provision of marketing facilities.
- Provision of training and skill development.