

Biyani's Think Tank

Concept based notes

ECONOMIC ENVIRONMENT OF RAJASTHAN

(B.Com. Part-II (P+H))

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Professor

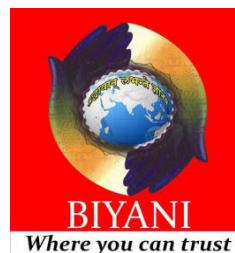
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Preface

I am glad to present this book, especially designed to serve the needs of the students. The book has been written keeping in mind the general weakness in understanding the fundamental concepts of the topics. The book is self-explanatory and adopts the “Teach Yourself” style. It is based on question-answer pattern. The language of book is quite easy and understandable based on scientific approach.

Any further improvement in the contents of the book by making corrections, omission and inclusion is keen to be achieved based on suggestions from the readers for which the author shall be obliged.

I acknowledge special thanks to Mr. Rajeev Biyani, *Chairman* & Dr. Sanjay Biyani, *Director (Acad.)* Biyani Group of Colleges, who are the backbones and main concept provider and also have been constant source of motivation throughout this Endeavour. They played an active role in coordinating the various stages of this Endeavour and spearheaded the publishing work.

I look forward to receiving valuable suggestions from professors of various educational institutions, other faculty members and students for improvement of the quality of the book. The reader may feel free to send in their comments and suggestions to the under mentioned address.

Author

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B.COM PART - II
Paper-I
Economic Environment in Rajasthan

Unit-I

Economic Environment Meaning, factors affecting Economic Environment, Basic features of Indian Economy. Rajasthan Economy an Overview: Population, Area, Agriculture, Land Reforms, Crops, Animal Husbandry, Dairy Development, Mineral Resources, occupational Structure and Human Resource Development; Current Environmental Issues.

Unit-II

Planning in Rajasthan, Rajasthan Budget, Rural Development schemes- Evaluation & Impact of Development programmes; Human development Index; Problems of Rajasthan Economy- Poverty and Unemployment, Panchayati Raj Institutions.

Unit-III

Agriculture policy of Rajasthan, Significance, new agriculture strategy. Agriculture inputs, food management, major schemes for agriculture sector. Agriculture Finance, Agriculture Insurance, Agriculture productivity, Commercialisation of Agriculture minimum support price, demand and supply of agriculture products and their effect on general price level with reference to Rajasthan.

Unit-IV

Infrastructure Development in Rajasthan: Road, Energy, Water Transport, social Infrastructure-Education, Health, Tourism Development in Rajasthan- Challenges and Prospects, Main Tourist places in Rajasthan, Socio-Economic Impact of Tourism.

Unit-V

Industrial Development in Rajasthan Industrial Policy, Role of cottage and small industries in Rajasthan, Credit flow to Industrial Sector. Rural Finance- Concepts, need and importance, Main source of Rural Finance in Rajasthan, Problems and Prospects of Rural Finance

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UNIT-1

Q.1 What do you mean by Economic environment? Explain the characteristics of Economic environment.

"Economic environment is a complex and wide term." It is constituted by combination of two words. The first word is 'economic or business' and another word is 'environment'. The word 'economic' refers to all those activities, which are related to earnings of wealth.

By 'environment' we make reference to a set of external and internal factors which affect the economy. The internal environment refers to work place, work culture, colleague relations etc. By and large, business environment is external. In other words, 'environment' means all those external forces and factors, which have direct impact on the business and the economic activities.

1. According to Wheeler, "Economic business environment means the aggregation of all those factors, prevailing outside the business firms and industries which influences the organisational composition."

Characteristics of Economic Environment

1. **Complex and Wide Concept:** Economic environment is a complex and broad concept, since it includes various factors. These are also known as factors creating economic environment.
2. **Dynamic:** Economic environment is dynamic, and not static. The factors affecting economic environment go on changing, according to country, time period and circumstances, thereby making the environment dynamic.
3. **Effect of Various Factors:** Economic environment is influenced by various factors. These factors are mutually interrelated and affect each other. Out of these, human factors may be controlled, but natural factors are not controllable.
4. **Relation with Economic Activities:** Economic environment is related to economic activities of human beings. Economic activities includes agriculture, industries, business, transport and communications, insurance, banking etc.
5. **Effect of Economic System:** Economic system widely effects economic environment. Economic environment of a particular country is in accordance with capitalist, communist, socialist and mixed systems of economy. In India, both private and public sectors had developed till 1990, due to adoption of mixed economy.
6. **Role of Government:** Role of Government is important in economic environment. Policies of Government widely affect environment. For example, the policies framed by the capitalists

dominate the economic scene, in the capitalist economy. The Government adheres to the policy of least interference on the contrary, the economic activities are operated by the Government, itself.

7. **Infrastructural Facilities:** Infrastructure facilities are essential for creation of economic environment of any country. The economic environment will be strong and advanced in countries with high infrastructure facilities, like Power, Irrigation, Transport, Communications, Insurance, Banking, Roads, Education, Medical, etc.

8. **Availability of Capital:** Availability of capital determines the pace and direction of economic development. By availability of capital, full utilisation of human resources and exploitation of natural resources becomes easier. With shortage of capital, economic activities shrink in the country.

9. **Attitude of Public:** The attitude and outlook of public in any particular country widely affects economic environment. If the public of any country is materialistic and progressive by attitude, the economic activities develop very fast and developmental environment is created in the country. On the contrary, if the attitude of public is spiritual and balanced, the tendency to earn money is also inhibited, creating slackness in the development process.

10. **Distribution of Wealth and Income:** If the distribution of wealth and income in the country is unequal, tendency of concentration of economic power increases, which leads to dissatisfaction among the general masses. This dissatisfaction causes hinderance for economic development.

11. **Close Relationship among Different Factors:** Close relationship among various factors of economic environment is also highly essential. Change occurring in any one factor effects another factor, as well. That is why, it is said that the environment not only effects the economic/business situations. Rather, these have also their impact, on the environment, since it is a scientific rule that every action has its reaction also.

12. **Continuous Contact:** It is essential that every person or group engaged in economic activity should have continuous contact with the environment so that economic activities may be undertaken, in accordance with the changes taking place in the environment.

13. **Effects of Factors on Economic Development:** Factors of economic environment have substantial effect on economic development. If these factors are favourable, the economic development also becomes faster. On the contrary, adverse factors result into slowing down the pace of economic development.

14. **Ever Changing:** Economic environment is always not the same and static. Various new changes become visible in economic environment also, due to changes taking place in its various factors/ components. That is why, boom, recession, property, etc. often goes on taking place, in the economy.

Q. 2 Explain the Factors Affecting Economic Environment.

(I) Economic Factors

1. Natural resources are gifts from nature, like land, water, minerals, and more. They can't be created by people. Having lots of natural resources can help a country develop faster. However, just having them isn't enough; you need to use them wisely. India has many natural resources, but its economic development has been slow because it didn't use them well. Now, India is working to use its resources better.

On the other hand, Japan doesn't have many natural resources, but it's very economically advanced. This shows that how a country develops depends on how it uses its resources.

2. Human Resources: The population of a country plays a crucial role in its economic development. When the quality of the population (healthy, prosperous, and happy people) improves, it has positive effects on development. However, when the quantity of the population (rapid growth) increases, it can have negative effects.

In India, the fast-growing population is a hindrance to economic development. It leads to problems like poverty, unemployment, and underdevelopment. In contrast, advanced countries have seen population growth contribute to their development. India has a very high population, which hinders its economic progress. It's important to figure out how to use this large population to boost the country's economic growth.

3. Capital Formation: Capital formation is an important factor of economic environment. Normally, the higher rate of capital formation will result in achieving higher rate of economic development. Prof. Nurkse is of the view that capital formation is an important pre-condition for economic development. Another economist, Prof. Kuznets has also observed that capital and its accumulation are essential requirements for economic development. The views expressed by these Economists lead us to conclude that for faster and sustainable economic development, higher rate of capital formation is very essential.

4. Economic Policies: The economic environment of a country is significantly influenced by its economic policies, which are determined by the government. Good economic policies can lead to high and rapid economic development, while bad policies can create obstacles.

These policies cover various areas like monetary (related to money supply and inflation), fiscal (concerning government revenue, spending, and taxation), industrial (shaping industrial development), agriculture (focusing on agriculture), and population (dealing with population growth).

Population policy, for instance, addresses the issue of overpopulation and aims to control its growth while improving the quality of the population. Employment policy is crucial for reducing unemployment and enhancing living standards.

Well-designed and development-oriented economic policies promote faster economic growth, while flawed policies can harm the economic environment and hinder development.

5. Economic System: The economic system of a country has a big impact on its economic environment. There are three main types of economic systems: capitalist, socialist, and mixed.

In a capitalist system, capital and private businesses are highly valued, and the government has minimal involvement. Countries like the United States, Japan, Britain, Germany, and France have developed their economies using this system.

In a socialist or communist system, the government controls production, supplies, and exchange to provide equal opportunities for all. Russia, China, and Cuba are examples of countries that have used this system, although communism has declined since the dismantling of the Soviet Union. Currently, only China and Cuba continue with this approach.

A mixed economy is a blend of capitalism and socialism. India adopted this system after gaining independence, and it has evolved over time, especially since liberalization policies were introduced in 1991. In today's world, most countries follow liberal economic policies. The global economy is influenced by international organizations like the World Trade Organization, which makes it challenging for any single country to develop using entirely independent economic policies.

6. **Economic Conditions:** The economic state of a country, including income levels, employment, infrastructure, living standards, and more, significantly impacts economic development. Favorable economic conditions foster development, while unfavorable conditions hinder it.
7. **Technology and New Innovations:** Technical progress and the adoption of new innovations play a crucial role in economic development. Factors such as scientific aptitude, education, innovation implementation, and entrepreneurship are essential for technical progress.
8. **Foreign Capital/Debt:** The role of foreign capital and debt is vital for a country's economic progress. It can help generate resources for development but also carries risks.
9. **Size of the Market:** The size of the market depends on consumers' purchasing power. A larger market with higher purchasing power creates a favorable environment for economic development.
10. **Occupational Distribution:** The distribution of the population across different economic sectors, like primary (agriculture), secondary (industries), and service sectors, affects development. High proportions in secondary and service sectors support faster development.
11. **Entrepreneurship:** Successful entrepreneurship is critical for implementing technical progress and innovation. Risk-bearing entrepreneurs drive economic advancement.
12. **Infrastructural Facilities:** Adequate infrastructure, such as power, roads, and irrigation, is crucial for economic development. The shortage of these facilities can slow progress, and partnerships with the private sector may be sought for their development.
13. **National Income and Its Distribution:** High national income and its fair distribution contribute to a favorable economic environment. High national income and per capita income increase purchasing power and demand for goods and services, driving development.

14. **Efficient Organization:** Efficient organization and management are crucial for development, even with limited resources. Good organization and human capital development can expedite economic progress.

15. **Money Market and Capital Market:** Well-developed money and capital markets are important for managing short-term and long-term credit. Their proper functioning supports economic development.

II) Non-Economic Factors: - Non-economic factors also significantly contribute to the economic environment of any country. Prof. Wright has observed that the non-economic factors are more important than economic factors. According to Prof. Nurkse, "Economic development has very close relationship with human qualities, social systems, political circumstances and historical coincidences."

Some of the Important Non-economic Factors Affecting Economic Environment are as follows:

1. **Social and Cultural Factors:** People's mindset, traditions, and social circumstances affect economic development. In some countries, social norms and population growth hinder progress. Cultural values impact savings, consumption, and entrepreneurship.

2. **Political Conditions:** Political stability is crucial for economic progress. Strong democracies with smooth power transitions, like India, foster development. Government cooperation and support are important.

3. **Religious Factors:** Religious beliefs influence a nation's approach to materialism. Some religions encourage prosperity, while others prioritize kindness and simplicity.

4. **Moral Factors:** High moral values like honesty and dedication to work are essential for development. Declines in morality, such as corruption and crime, can hinder progress.

5. **Constitutional Conditions:** A country's constitution and fundamental rights impact economic development. Directive principles guide policy formulation. Law and order also play a significant role.

6. **International Conditions:** Globalization means no nation can develop in isolation. International relations, conflicts, and economic trends affect a country's economy. Wars and terrorism disrupt progress.

7. **Physical Environment:** Natural resources, climate, energy sources, and topography influence economic activities.

8. **Ecological Environment:** Maintaining ecological balance is crucial for sustainable development.

9. **Historical Environment:** Historical heritage and factors shape economic activities.

10. **Environmental Protection:** Environmental concerns, like pollution and global warming, pose challenges. Balancing development and environmental preservation is essential.

Q. 3 Explain the basic features of Indian Economy.

1. **Per Capita Income:** Per capita income in India is relatively low due to its large population. In 2021, India's per capita income was approximately \$2,100, considerably lower than many developed countries. This means that the average income earned by an individual in India is modest compared to developed nations, indicating a relatively lower standard of living.

2. **Low Standard of Living of Average Indian:** Despite economic growth, a significant portion of India's population lacks access to basic necessities such as education, healthcare, and sanitation. For instance, a considerable percentage of rural households still lack access to proper sanitation facilities, clean drinking water, and quality education.

3. **Rate of Growth:** India has experienced substantial economic growth, averaging around 7% in recent years. This growth has been driven by sectors like IT, services, and manufacturing. For example, India's IT sector, with companies like TCS and Infosys, has shown consistent growth, contributing significantly to the country's GDP.

4. **Population Explosion:** India faces a population explosion, with over 1.3 billion people. This rapid increase in population strains resources and services. The population pressure is particularly visible in urban areas, where overcrowding and inadequate infrastructure are common issues.

5. **Agriculture Dominance:** Agriculture has been a significant part of India's economy. Approximately 58% of rural households depend on agriculture for their livelihood. Major crops like rice, wheat, and sugarcane are grown extensively. However, the sector faces challenges such as low productivity, lack of modern technology, and vulnerability to climate change.

6. **Economic Disparities:** India exhibits vast economic disparities. Urban centers like Mumbai and Delhi are highly developed, contrasting sharply with underdeveloped regions in states like Bihar and Odisha. This economic divide is evident in access to education, healthcare, and employment opportunities.

7. **Poverty:** Poverty remains a critical issue. As of 2021, approximately 21% of India's population lived below the national poverty line. Poverty is often more acute in rural areas, where agriculture-related jobs are often seasonal and provide minimal income.

8. **Planned Economy:** India operates a planned economy, guided by Five-Year Plans. These plans set targets for various sectors such as agriculture, industry, and education. For example, the Green Revolution of the 1960s and 1970s was part of planned initiatives to enhance agricultural productivity.

9. **Mixed Economy:** India has a mixed economy, where both public and private sectors coexist. Public sector undertakings (PSUs) like ONGC and BHEL operate alongside private enterprises like Reliance Industries and Tata Group. This mixed model encourages healthy competition and public welfare simultaneously.

10. **Unemployment and Underemployment:** India faces challenges related to unemployment and underemployment. Despite economic growth, many skilled and educated individuals

struggle to find suitable jobs. Moreover, a substantial portion of the population is engaged in low-productivity, underpaid jobs in the informal sector.

11. **Regional Disparities:** Regional disparities are evident in India. States like Maharashtra and Gujarat have well-developed industrial bases, whereas states like Chhattisgarh and Jharkhand are still striving for industrial growth. This disparity impacts overall economic progress and the quality of life.

12. **Industrial Backwardness and Unplanned Growth:** Certain industries in India lack modernization. Small-scale industries, in particular, suffer from outdated technology and lack of access to credit. Additionally, unplanned industrial growth in some areas leads to environmental degradation and urban issues.

13. **Unbalanced Foreign Trade:** India's foreign trade has been characterized by a trade deficit. The country imports more goods and services than it exports, leading to a negative trade balance. For example, India imports a significant amount of crude oil to meet its energy demands, contributing to the trade imbalance.

14. **Low Level of Technology:** While India is advancing technologically, there's a technology gap between urban and rural areas. Urban centers often have access to the latest technologies, whereas rural areas lack infrastructure and resources for technology adoption. This digital divide affects economic opportunities and development.

15. **Disinvestment:** The Indian government has initiated disinvestment processes in various public sector enterprises, transferring ownership and management control to private entities. This move aims to enhance efficiency and encourage private sector participation in key industries.

16. **Foreign Debt Burden:** India has a substantial foreign debt, which can be burdensome. Prudent management of this debt is crucial to avoid economic crises. The government needs to ensure that borrowed funds are invested in projects that generate revenue and contribute to economic growth.

17. **Dual Nature of Economy:** India's economy exhibits a dual nature, with a highly advanced technology sector coexisting with traditional agriculture and small-scale industries. This duality reflects the diverse economic landscape of the country.

18. **Globalisation and Liberalisation:** India embraced globalization and liberalization in the 1990s, opening up its economy to the world. This policy shift facilitated increased foreign investments, technology transfers, and economic integration with the global market. For instance, multinational companies like Walmart and Amazon have made significant investments in the Indian retail sector.

19. **Fiscal Deficit:** Fiscal deficit occurs when the government's total expenditures exceed the revenue it generates. India has struggled with managing its fiscal deficit, as public spending often outpaces revenue collection. Careful fiscal policies are essential to reduce the deficit and ensure economic stability.

20. Low Rate of Capital Formation: Capital formation, or the process of increasing the country's stock of capital goods, is crucial for economic development. India faces challenges in maintaining a high rate of capital formation due to factors such as inadequate infrastructure, bureaucratic hurdles, and limited access to credit for small businesses, chemicals, and IT services. The automobile industry, with companies like Tata Motors and Mahindra & Mahindra, is a notable example of a thriving manufacturing sector.

Q.4 “India is Rich Country, inhabited by the Poor People” Explain this statement.

I. India is a Rich Country

India possesses abundant natural resources, which contribute to its potential prosperity. These resources include:

1. Favourable Geographical Location: India's location, with the Himalayas in the north and oceans in the south, east, and west, provides it with a variety of climates suitable for diverse crop production.
2. Vast Area: India's vast land area, ranking seventh globally, supports agriculture, industries, and resources like forests and minerals.
3. Vast Fertile Grounds: The fertile Gangetic and Brahmaputra plains in the north are crucial for the production of various crops like rice, wheat, cotton, and jute.
4. Vast Water Resources: India has abundant water resources, including perennial rivers, lakes, and extensive coastal areas, offering opportunities for irrigation, fishing, and electricity generation.
5. Abundant Forest Resources: The country's extensive forests, covering 22% of its total area, provide essential resources for industries, climate, and agriculture, such as timber, rubber, and medicinal herbs.
6. Abundant Mineral Resources: India is rich in minerals like iron, manganese, mica, and mineral oil, supporting various industries and economic growth.
7. Adequate Resources of Power: India has significant coal reserves, mineral oil, hydropower, and potential for solar and atomic energy, ensuring a steady supply of power.
8. Suitable Surface: The diverse terrain of India includes hilly areas, plateaus, and fertile plains, facilitating different types of agricultural activities.
9. Diverse Favourable Climate: India benefits from a diverse and favorable climate, enabling the production of various crops and supporting year-round economic activities.
10. Huge Manpower: India's large population is a valuable workforce and a vast market for goods and services, contributing to the nation's potential prosperity.
11. Livestock: The country ranks second globally in livestock population, providing resources like milk, manure, and leather, crucial for agriculture and industry.

12. **Technical Knowledge:** India possesses advanced technical knowledge and education institutions, which can accelerate development in various sectors.

On the other hand, India is home to a significant number of poor people due to several reasons:

1. **Low Per Capita Income:** India's per capita income is low, mainly due to rapid population growth, hindering the growth of individual income.
2. **Low Standard of Living:** Many people in India live below the poverty line, lacking access to basic necessities and adequate nutrition.
3. **Widespread Unemployment:** Unemployment rates are high in India, contributing to poverty, social issues, and even terrorism.
4. **Circular Process of Poverty:** Poor health, low income, and high birth rates form a circular process that perpetuates poverty.
5. **High Birth and Death Rates:** High birth and death rates, compared to developed nations, contribute to India's demographic challenges.
6. **Old Techniques:** Outdated and inefficient techniques are still prevalent in various sectors, hindering economic progress.
7. **Low Level of Savings and Capital Formation:** India's low savings rate limits its ability to invest in infrastructure and development.
8. **Backward Social Customs:** Despite legal changes, social customs such as caste discrimination, bonded labor, and dowry-related violence persist.
9. **Heavy Debt Burden:** India's increasing debt burden results from imports of capital and technology for resource exploitation.
10. **Foreign Debt:** The country's dependence on foreign debt and aid, often on unfavorable terms, reflects its financial challenges.
11. **Neglect of Uncultivated Land:** Unutilized barren land and untapped forest resources contribute to untapped potential.
12. **Other Issues:** Additional factors, like beggars, slum areas, inadequate housing, and low attention to balanced development, further exacerbate poverty in India.

However, it is really unsatisfactory that we have not been capable of making full and efficient utilisation of our resources.

Q.5 Write the measures to solve the problem of poverty?

The problem of poverty amidst plenty may be solved by exploring available natural resources and making their utilisation in a planned way, as also by reducing the growing burden of

population and making best possible utilisation of human resources. Besides that, on one side is the need for co-ordinated development by the villages to facilitate adequate and overall development in the country and on another side, there is also the urgent need of development and utilisation of available natural and human resources, of course by conserving the environment also.

Following measures are required to solve the problem of poverty amidst plenty:

1. Proper Development and Utilisation of Natural Resources: India is rich in natural resources. But still these have not been utilised adequately. Hence, these should be utilised and developed. In this regard, Planning Commission has stated that "possibilities of economic development may be advanced to the much beyond the expectations and anticipations, by systematic study, search, evaluation of these resources and by enhancing the use of science and technology in their utilisation."

2. Planning for Best Utilisation of Human Resources: National income should be increased by making use of vast human resources of the country. Use of intensive methods of cultivation will add to increasing the productivity in agriculture and new opportunities of employment will also become available. Besides that employment should be provided to unemployed persons sharing of labour force in rapid economic development be augmented and self-employment should be promoted. Unemployment and disguised unemployed should be eradicated and unemployed persons should be occupied in gainful activities.

3. Co-ordinated Development of Rural and Urban Areas: Eradication of poverty in India requires eradication of poverty of the villages. For that, local resources should be utilised. Overall development of villages should be ensured by making use of science and technology. Development of agriculture, mining, industries, transportation and social systems in the villages should be simultaneous. Besides that, the gaps between urban areas and rural areas should also be bridged. Population drainages from the villages to the cities should also be effectively controlled.

4. Exploration of New Resources and Industries: New institutions should be established to explore and test natural resources, to harness the process for removal of poverty. Search of new resources in the country should be encouraged, by way of research and investigations. Besides new uses of the resources available in the country should also be explored.

5. Eradication of Poverty and Unemployment: Special programmes, suiting various regions and community groups should be executed to eradicate poverty and unemployment in the country. Some such programmes are Integrated Rural Development Programme, Jawahar Rozgar Yojna, Drought Prone Area Programme etc. Besides that, the government should intensify the efforts to systematically adequately increase employment opportunities.

6. Effective Nationwide Family Planning Programme: It is very essential to limit the size of increasing population. Economic planning and family planning are actually two sides of the same coin. Birth rate should be substantially reduced. For that, nationwide family planning programme should be sincerely implemented. People should be motivated to accept it.

7. To Reduce Inequality of Income and Wealth: Efforts should be intensified to ensure the access of benefits of planned development to more and more poor people. Besides, economic

assistance, subsidies, adequate employment opportunities should be made available to the poorer sections, by the Government. Progressive taxation should be levied on richer sections and much more expenditure should be made for upliftment of poorer sections of the society.

Q.6 Explain the causes of under development of Indian economy.

I. Economic Causes,

1. Under Developed Economy: India is an underdeveloped country. A very large position of India's poverty suffers from poverty. Several unutilised poverty resources are available in India. Here, the meaning of underdeveloped economy is non-utilisation of natural resources in the past, due to various socio-economic problems. As compared to other nations, India is backward, due to its poverty, unemployment, lack of education, superstitions, etc.

2. Unutilised Natural and Human Resources: Although natural and human resources in India are available in the abundance, but mostly these are either unutilised or underutilised. Adequate fertile land, water, power generating capacity and mineral wealth are available in India. But their efficient utilization has not been possible, due to lack of capital.

3. Excessive Dependence on Monsoon: Indian economy heavily depends upon monsoon. Sufficient monsoon rains is implicative of economic prosperity in the country. However, failure of monsoon has very adverse effect on agriculture, business, industries and on almost all segments of the economy.

4. Unemployment and Underemployment: Constant rapid growth of population in India has aggravated the problem of unemployment and under employment in the country. Proper utilisation of human resources has not been possible, due to lack of industries. Unemployment has created several evils, like thefts, robbery, law and order problems etc. All these are resulting into deterioration of Indian economy.

5. Lack of Technical and Technological Knowledge: In Indian economy, technical and technological known have always been lacking. For that, we have to depend much on other countries. In India, traditional methods continue to be used in agriculture, industries, communications and transportation. As a result, production process takes lengthy time and requires much labour also and hence production cost also goes up.

6. Undeveloped Capital and Money Market: This is also an important cause for the underdevelopment of Indian economy. Even today, most of the people in the villages have to substantially depend upon the local money lender for meeting their financial requirements. Even in small and large industries, financial support is to be obtained from certain big capitalists.

7. Inflation and Price Rise: One important characteristic of Indian economy is that in India quality of commodities has always increased and inflationary pressures have also continuously prevailed in the economy. Since we have belligerent neighbours, we have to incur heavy expenditure on defence. Besides that, demand and supply also do not balance with each other and hence price rise has been sharp. Inflationary pressures and continuous price rise have resulted into slow pace of economic development.

8. Laxity in Foreign Trade: Laxity and imbalance has been the distinct feature of foreign trade of India, during last 30 years, due to the reason that the modern machinery, technology and equipment, required for development of developing countries are not available with us, in adequate quantity and hence India has to make the import and for payment thereof, India has to take foreign debt.

9. Means of Transportation and Communication: India badly lacks cheap and quick means of transportation and communications. Hence, it is futile to think much about development, without adequate means of transportation and communication, Indian economy can not be at par with the developing countries.

10. Lack of Educational and Training Facilities: India does not have sufficient educational and training institutions in accordance with the demand of the growing population and people continue to abide by their traditional ways of thinking. They also do not know the use of modern machineries and equipment. Nor do they understand the importance of development. All these result into Indian economy being underdeveloped.

11. Lack of Capital Investment: Indian population, at large is rural and poor. Majority of them live below poverty line. They do not have surplus money and hence level of savings and investments are also low. Even those farmers who have savings, due to good crops, spend it for unproductive purposes.

12. Imperfect Market: Lack of mobility of the factors of production, lack of elasticity in prices, lack of specialisation, lack of complete knowledge about market conditions, etc, indicates towards imperfect market. In such situation, co-ordination in various factors of production becomes difficult and hence these can not be optimally used and hence economic backwardness continue to prevail in the country.

13. Taxation System: Taxation system of the Government is faulty. Every year, new taxes are levied and existing taxes are also increased. Since tax system is complicated and flexible, problem of tax evasion is on increase. Cost of tax collection is much more, as compared to the amount of tax realisation. All these result into deterioration of the economy.

14. Defective Plan Formulation: By now, eleven five year plans and several annual plans have been implemented in India and 3 years passed on twelfth plan is under execution. However, these were not formulated very properly and hence the stipulated target could not be achieved, inspite of spending substantial money on these plans.

15. Dependence on Foreign Assistance: India is a developing nation, which has been striving hard for its development, since 1950- 51, through five year plans. However, India lacks financial and technical resources to complete these plans and hence we have to substantially depend upon foreign countries to meet the financial and technological needs. This dependence is blocking development of Indian economy.

16. Industrial Unrest: Frequent strikes, lockouts, gherao, picketing in Indian industries have lust, not only the industrial developments, it has been determinantal for the development of other sectors of the economy, as well. Class conflicts between the owners and workers have been a major cause of under development and backwardness of Indian economy.

17. **Under Utilisation of Industrial Capacity:** Underutilisation of industrial capacity is also a major cause for backwardness of Indian economy. Not only that, in public sector industries, unutilised capacity is too high, as compared to private sector industries and hence per unit cost is also high. As a result of all these, the price of the product also is high and hence these cannot sustain the competition.

18. **Small Scale of Production:** India has shortage of capital. Hence, most of the industries established in the country are of small and medium size and not of large size. However, cost of production in such industries is high. Due to high cost of production, the products are costly and not of high quality also. As a result, these units become uneconomic.

19. **Deficit Financing:** India has to resort to deficit financing to raise the resources for its economic development. Plan after plan, deficit goes on increasing, which results into price rise, adulteration in various commodities and black marketing and illegal activities and hence the country goes on becoming backward.

20. **Regional Disparities:** Significant regional disparities may be visualised in the Indian economy. Some states of India are resourceful, developed and prosperous, whereas many others are backward. In such conditions, development of Indian economy becomes difficult.

21. **Weak Financial Institutions:** Various institutions and banks are functional in India, to provide finance to primary industries. But, since they are weak, they are not much capable of providing adequate finance to the industries, at the required time and in required quantity. nor can provide required facilities. As a result, Indian economy continues to be backward.

II. Social and Religious Causes

1. **Pressure of Population:** Pressure of population growth is also a cause of backwardness of Indian economy. In 1951, population of India was 36 crores only, which increased to 121 crores in March, 2011 and as on 15th March, 2015 on world population day it was estimated around 127 crores. It has created several economic and social problems, like overcrowding, dirty surrounding, migrating tendency, theft and dacoity etc.

2. **Lack of Education:** 74% of people in India are literate, i.e., 26% people consider undertaking of development activities as a liability, only of the Government and do not provide full co-operation to the Government. Male literacy percentage is 82%, whereas female literacy percentage is about 65% only. In such situation, imagining rapid development appears to be futile.

3. **Lack of Awareness and Public Co-operation:** Since people in India belong to different costs, languages and religious, they have feelings of being superiority or inferiority and have much of envy. They also lack feelings of co-operation and awareness towards economic development. All these result into underdevelopment in the economy.

4. **Traditional Society:** India is a agriculture dominated country. About 70% population of India lives in villages and depends upon rural occupations and agriculture. Due to living in the villages, the people are mostly traditional and lack dynamism. However, with spread of education, the situation is now improving. But still the improvement is not to the desired extent.

5. **Faulty Social System and Customs:** Indian social system has several defects. like child marriage, purdah system, caste system. law of inheritance and joint family system etc. These are the hurdles in the way of development of the country, due to which country is underdeveloped and backward. Besides that, defective customs, like large scale feasts on marriage and deaths, religious bindings etc. also invite extravagance and hence capital formation becomes difficult. Rather, indebtedness goes on growing and economic development is obstructed.

6. **Religious Superstitions:** Even presently, most of the Indian population is enlarged in the net of superstition and luck. They consider poverty as their luck and children as the divine gift and hence feelings of development do not inculcate in their heart.

7. **Female Dependence:** Excessive dependence of females on the male is also an important cause of India's backwardness and hence they have not been the partners in the process of economic development. However, now with spread of education and increasing prices, women have now become more aware and their dependence on male have reduced and they are marching ahead.

8. **Spiritual Approach:** Most of the Indians believe in simple living, high thinking and in wantlessness. From such approach, it so appears that for them materialism is not the priority, whereas investor countries, materialism dominates the society. That is why, our economy is backward, as compared to western countries.

III. Political Causes

1. **Foreign Rule:** For long time. Indian was ruled by the Britishers British rulers aspired to make India the producer of raw materials and as the market for finished products of Britain. That is why, they not only exploited the Indian economy, but also discouraged its economic development. Hence, India continued to be underdeveloped and backward.

2. **Inefficiency and Corruption in Administration:** Inefficiency and corruption in administration has been prevailing right from the British rule, which has substantially obstructed the economic development of the country. Even today, red tapism, bribery and carelessness among the Government offices and employees are not very uncommon.

3. **Lack of Cordial Relations with Neighbouring Countries:** India's relations with neighbouring countries, China, Pakistan and Bangladesh are not friendly and cordial. That is why, India has to incur substantially heavy expenditure on its defence budget. As a result, resources for development fall short of the requirements and hence the economy cannot develop to the desired extent.

4. **Lack of Efficient Leadership:** In political field, India lacks efficient leadership, which may effectively be motivated people for harnessing economic, development of the country. In British rule, India was much exploited by the Britishers. After independence, path of economic development was certainly paved under the leadership of Pandit Nehru and Smt. Indira Gandhi. But, presently no such dynamic and efficient political leadership can be visualised which may make India economically strong, like Japan and America, in a short span of time.

5. Political Conditions: Most of our leaders presently aim only at giving power and fulfilling their own interests. They do not have dedication even for their own party. Hence, economic development of India has not been as adequate, as was expected.

Q.7 Write the Suggestions for Rapid Growth of Indian Economy.

The country may march ahead quite rapidly if these causes are suitably avoided. Following suggestions are given for rapid development of Indian economy:

1. Utilisation of Natural Resources: India is rich in its natural resources. Available natural resources should be properly and adequately utilised for harvesting economic growth.
2. Feelings for Development: For success in any work, it is essential that the person doing that work has sufficient interest and feelings for that work. Some is true for the economic development of any country. No country can develop, till people of that country do not have feelings of national interest and nationality. Indian people should be so motivated that they develop intense feeling to work hard for economic development of the country, so that dependence on foreign assistance may be minimised.
3. Appropriate Norms for Capital Investments: India is a developing country. Huge capital investment is required for various developmental programmes. Hence, certain appropriate norms and principles for investment of capital should be suitably determined. Besides, it should also be determined, as to how much capital will be invested in various sectors and areas.
4. Effective Planning: India is following economic planning, ever since 1950-51. However, the planned economic development has not been capable of having the desired impact on the well-being of people, at large. Plan achievements have always lagged behind the stipulated targets. Hence, the need of implementing planning, more effectively, to earn the confidence of people.
5. To Remove Imperfections of Market: Several imperfections exist in the markets of the developing nations, like India. Economic development may be speeded up, by removing these imperfections.
6. Promotion of Financial Organisations: Financial organisations have distinct rule in economic development. Hence, number of economic organisations should be suitably enhanced in the country. Besides, their functioning should also be made more effective, in accordance with the requirements of economic development.
7. Encouragement to Private Industries: In India, progress of private sector industries has been much better, as compared to public sector industries. Hence, encouragement to private sector industries may be helpful in augmentation of overall economic development in the country. The Government has made all possible efforts in this direction and such efforts are continuing well.
8. Emphasis on Human Resources: India does not possess adequate capital, but it has abundant labours force. Hence, the Government should so construct the structure of economic

development that more significance may be accorded to labour and the workers should also be motivated to realise their important role in economic development.

9. Encouragement to Capital Formation: Availability of sufficient capital in the country is very essential for economic development, which is possible only by way of savings. Hence, people should be motivated to make savings and use it for productive activities. Otherwise, our dependence on foreign countries for capital will go on continuing. Hence, the Government should encourage the habit of making savings, by providing incentives and payment of good interest.

10. Changes in Social Structure: Social customs and traditions have also obstructed economic development of India, which is largely rural and uneducated. The people are still attached to old traditions, customs and rituals. Economic development may be augmented by obviating these traditions, etc.

11. Addition in Social Capital: For economic development of any country, the first requirement is that social services, like water supply, power, educational institutions, post offices, roads, medical institutions and clubs, etc. be suitably developed in both the rural and the urban areas. By such development, path of sustainable and long term economic development will be paved in the country.

12. Control on Population Growth: Growth of population in India is very fast, which is a big obstacle in the development of the country. All out efforts should be made to exercise control on population growth.

13. Efficient Administration: Five year plans are the base of our economic development. For implementation of these plans, large volume of capital is required which may be obtained from internal and external sources. However, proper utilisation of capital requires highly efficient and sensitive administration. Hence, administration should be made much more effective, efficient and honest to facilitate formulation, execution and direction of various development programmes.

14. Progressive and Stable Government: Progressive and stable Government is essential to generate confidence among people, to maintain internal peace in the country and to provide security to the country against foreign attacks, etc. It will keep in augmenting the pace of economic development, by way of proper implementation of progressive policies and developmental programmes.

15. International Co-operation: Financial and technical co operation is big volume should be available to the underdeveloped and developing countries, like India from the developed nations. For that feelings of good and cordial relationship among the nations should be encouraged at the international level.

Q.8 Write a short note on economy of Rajasthan.

In the context of study of the economy of Rajasthan, which is now emerging quite fast, it is noteworthy that formation of Rajasthan was culmination of the efforts to integrate erstwhile 19 princely states, 3 chiefships and the erstwhile 'C' grade state of Ajmer, Mewara, Abu Road and village Sunel of Madhya Pradesh. The process of formation of Rajasthan, by way of

integration commenced on 18th March, 1948 and concluded on 1st November, 1956. Under princely states, the Jagirdars and Zamindars in large number were ruling in the erstwhile states of Rajasthan.

Main Characteristics of Economy of Rajasthan

1. Geographical Location: Rajasthan is located in the northwestern part of India, sharing borders with Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, and Gujarat. It also has an international border with Pakistan. The state is known for its dominant Aravali hills and is the largest state in India, covering 10.4% of the country's geographical area.

- i. Natural Features: - Vast Geographical Area: Rajasthan's vastness, larger than many countries, requires significant resources for development.
- ii. Desert and Semi-Desert Dominance: Approximately 60% of the state is covered by desert or semi-desert areas, where rainfall is scarce, posing challenges for agriculture and infrastructure.
- iii. Scanty and Varied Rainfall: Rajasthan experiences uneven rainfall across districts, causing problems like famine and scarcity. Rich in Minerals: The state has abundant mineral resources, including lead, zinc, copper, and more, although their contribution to the state's economy is limited.
- iv. Water Scarcity: Despite its size, Rajasthan faces challenges in water resources, with issues like high groundwater levels, inadequate rainfall, and insufficient irrigation facilities.

4. Administrative System: Rajasthan has a democratically elected government with decentralization, involving Zila Parishads, Panchayat Samities, Village Panchayats, and municipalities, with reserved seats for women.

5. Population Pressure:

- i. Rapid Population Growth: Rajasthan has witnessed significant population growth, which is higher than the national average.
 - ii. Low Population Density: The state has a lower population density compared to India, impacting resource allocation.
 - iii. Increasing Literacy: There has been substantial progress in increasing literacy rates, particularly among females.
 - iv. Need for Population Control: Urgent measures are needed to control the state's population growth.
6. Agriculture-Dependent Economy: Around 70% of the state's population depends on agriculture, but its contribution to the state's GDP is relatively low due to challenges like droughts and low agricultural productivity.
7. Industrial Development: Rajasthan has made significant progress in industrial development over the past few decades, with the number of registered industrial units increasing.
8. Infrastructure: While progress has been made in infrastructure development, there is still a need for further improvement.
9. Power Generation: Rajasthan has seen substantial growth in power generation capacity, including hydel, atomic, solar, and wind power.

10. Transportation and Communication: The state has an extensive road network and a significant length of railway routes.
11. Educational Development: Rajasthan emphasizes education, with efforts to improve literacy rates And overall educational standards.
12. Medical and Health: The state has focused on enhancing healthcare services, with numerous allopathic and alternative medicine institutions.
13. Lack of Employment Opportunities: High unemployment poses a significant economic challenge.
14. Continuity of Planned Development: The state has consistently implemented development activities with a focus on balanced growth.
15. Low Per Capita Income: Despite growth, per capita income in Rajasthan remains lower than the national average.

Q. 9 Describe the Population of Rajasthan and give the suggestions for population control.

Prominent aspects of population of Rajasthan

1. Population Size: In 2011, Rajasthan's population was 6.85 crore, with more males (3.55 crore) than females (3.30 crore). It ranks 8th in India by population. Uttar Pradesh is the most populous state.
2. Sex Ratio: The number of females per 1,000 males in Rajasthan was 928, lower than India's average of 943. Kerala has the highest sex ratio, while Gujarat and some other states have lower ratios.
3. Population Density: Rajasthan's average population density is just 200 people per square kilometre, lower than the national average of 382. It varies across the state, with desert areas having very low density.
4. Literacy: Rajasthan has lower literacy rates, with an average of 66.1% in 2011. Female literacy is much lower (52.1%) compared to the national average. The state has made progress, but it's still behind many others.
5. Population Growth: The population grew by 2.13% between 2001 and 2011, higher than the national average. Population growth needs better control.
6. Population Distribution: Most of the population lives outside the desert regions. The distribution of people is uneven across the state.
7. Agriculture:
 - i. Rajasthan depends on agriculture and animal husbandry.
 - ii. It used to rely on other states for food, but it's now self-sufficient.
 - iii. Foodgrain production is significant, and Rajasthan ranks fourth in India.
 - iv. Irrigation facilities are limited, particularly in the desert areas.
8. Birth and Death Rates: In 2016, Rajasthan had higher birth and death rates compared to the national average, indicating the need for better healthcare and family planning.

Suggestions for Population Control

Following measures appear essential to ensure success of population control programmes:

1. **Expanding Education and Social Awareness:** Higher social awareness for importance of family limitation, higher levels of education, spread of female education, expansion of activities of information, education and communication in far-flung rural areas and among poorer sections are very essential to increase the acceptability of small family norms and to put this acceptability into practice. Special attention should be paid to the communities who are averse and indifferent towards family limitation programmes. Regular co-operation of influential persons and public representatives should also be obtained.
2. **Higher Economic Development:** It has been well established that prosperity encourages adoption of small family norms. So, for success of population control programmes, economic development of all sections of the society is an urgent and essential need.
3. **Improved Social Delivery:** Gradually, the demand for family welfare services is increasing. It calls upon the need to enhance the service delivery network to match the increasing demand and to ensure that uninterrupted service delivery with effectivity is available. It will further help in generating awareness and increasing acceptability for family limitation programmes, which will ultimately result in control of population in the state. Reduction in infant mortality rate, through reproduction child health programme also needs to be ensured.
4. **Inter Sectoral and Interdepartmental Co-ordination:** Till now, mainly, the state Medical, Health and Family Welfare Department has been responsible for implementation of Family Planning Programme in the state, although the State Population Policy has determined the roles of other departments, agencies, public representatives, non-Government agencies, etc. also. Since the success of family planning activities much depends upon social changes, all the departments and sectors should suitably be associated for this programme in a well-coordinated manner, to achieve better results and ensure effective control on population growth.
5. **Improvements in Monitoring and Review:** Timely and effective monitoring and review of population control programmes at various levels is essential, to identify the weaknesses and to initiate timely activities to remove the weaknesses and obstacles for ensuring smooth programme implementation, in accordance with the stipulated activity plans. The reviews should not be for quantitative achievements only, but also in respect of the desired level of quality, and service delivery system and its level of efficiency. Area review should be regularly undertaken. Interpersonal communication with eligible couples should also be enhanced.
6. **Incentives:** Suitable incentives should be provided to good performing institutions and functionaries, and serious action should also be initiated against indifferent institutions and officials, so that programme may not receive setbacks and interruptions.
7. **Trainings and Orientations:** Regular trainings and orientations should be arranged for public representatives, community leaders, the officials and the social catalysts to make them understand the importance and modalities of family limitation programmes, to enable them to

spread the knowledge about new interventions among the community and to induce the masses to adopt it.

Q. 10 Write a short note on agriculture of Rajasthan.

Agriculture in Rajasthan is influenced by its arid and semi-arid climate, making it a challenging but vital sector for the state's economy. Here are some key points about agriculture in Rajasthan:

1. Climatic Variations:

- i. Rajasthan experiences extreme climatic variations, with a scarcity of rainfall in many regions.
- ii. The arid northwest regions of the state receive very little rainfall, while the southeast receives more due to the presence of the Aravalli Range.

2. Crops:

- i. Major crops grown in Rajasthan include wheat, barley, maize, millets, pulses, oilseeds, and cotton.
- ii. Pearl millet (bajra) is one of the staple food crops, well-suited to the arid conditions.

3. Irrigation:

- i. Traditional methods like 'kunds' and 'baolis' have been used for centuries to conserve water.
- ii. The state has invested in modern irrigation techniques, including the Indira Gandhi Canal, which brings water from the Sutlej River.

4. Horticulture:

- i. Rajasthan also promotes horticulture crops such as citrus fruits, guava, and pomegranates.
- ii. The state has developed a "Bhagwan Mahavir" horticulture scheme to improve fruit production.

5. Livestock:

- i. Livestock farming is crucial, and Rajasthan has a significant population of cattle, camels, and sheep.
- ii. Camels are especially vital for transportation and milk production in the desert regions.

6. Challenges:

- i. Water scarcity remains a significant challenge, with reliance on groundwater and the constant need for water conservation methods.
- ii. Soil erosion and salinity issues are prevalent in some areas.

7. Government Initiatives:

- i. The state government has launched various initiatives to improve agriculture, like the Rajasthan Agriculture Competitiveness Project (RACP).
- ii. Subsidies are provided for farm machinery and equipment.

8. Agro-based Industries:

Rajasthan has developed agro-based industries for processing and value addition of agricultural products.

These include oilseed processing units and wheat milling plants.

9. **Market Access:** The state has been working on creating better market access for farmers, with the establishment of agriculture produce market committees (APMCs) and e-NAM (National Agriculture Market) integration.

10. **Organic Farming:** Organic farming is gaining popularity in the state, especially in areas like Sikkat, where the government promotes chemical-free agriculture.

11. **Crop Diversification:** Efforts have been made to diversify crops to reduce the dependence on water-intensive crops like wheat and rice.

12. **Crop Insurance:** Crop insurance schemes have been introduced to protect farmers from crop failure due to unforeseen events like drought or excessive rainfall.

13. **Research and Education:**

Agriculture universities and research institutions in the state focus on developing crop varieties and techniques suited to the local conditions.

14. **Export Opportunities:**

Rajasthan is exploring opportunities for export of agricultural products, especially in horticulture and spices.

Q.11 Write a short note on New Agriculture Strategy.

1. After India gained independence in 1947, the government implemented various measures to boost agricultural production.
2. These measures included setting up agricultural research institutes, using new farming tools, and increasing fertilizer production.
3. The New Agriculture Strategy, introduced in 1961, aimed to coordinate technical knowledge, input supply, and loans to enhance agricultural production.
4. The Intensive Agriculture District Programme (Package Programme) and the Intensive Area Agriculture Programme (I.A.A.P.) were part of this strategy.
5. The strategy promoted the use of High Yielding Varieties (H.Y.V.) seeds, leading to significant increases in agricultural production.

Programs/Activities of New Agriculture Strategy:

1. **Improved Seeds:** Emphasis on using High Yielding Varieties (H.Y.V.) seeds. National and State Seeds Corporations were established for quality seed production.
2. **Fertilizer Use:** Encouraged the use of fertilizers to enhance soil fertility.
3. **Multi-Crop Program:** Promoted the cultivation of two or three crops annually in irrigated areas.
4. **Small Irrigation Projects:** Focused on developing small-scale irrigation schemes to combat droughts and famines.
5. **Plant Protection:** Emphasized the use of insecticides and pesticides to protect crops.

6. Intensive Cultivation: Launched the LA DP to boost food grain production through intensive cultivation.
7. Agro-Industries Corporations: Established to provide farmers with agricultural tools and machinery.
8. Agriculture Financing Facilities: Expanded cooperative societies and commercial bank loans for farmers.
9. Agriculture Services Centers: Provided technical guidance to farmers.
10. Better Seeds: Promoted the use of improved seeds.
11. Agriculture Marketing: Worked on establishing regulated markets, standardizing commodities, and cooperative marketing.
12. Land Reforms: Focused on land ceiling regulations.
13. Soil Conservation: Implemented soil conservation programs.
14. Support Price Policy: Declared minimum support prices for crops to secure farmers' income.
15. Special Projects for Weaker Sections: Launched projects to support small and marginal farmers.
16. Dry Farming: Encouraged farming in areas with limited irrigation.
17. Crop Insurance Scheme: Introduced to provide economic security to farmers.
18. Development of Non-farm Activities: Developed non-farm activities to create job opportunities and reduce rural-to-urban migration.

Q. 12 What is Human Development? What are the essential components of Human Development and why is it necessary?

Ans. Meaning of Human Development-

People are the real wealth of nation. The basic objective of development is to create an enabling environment for people to live long, healthy and creative lives.

Human development approach is the idea that the purpose of development is to improve human lives by not only enhancing income but also expanding the range of things that a person can be and can do, such as be healthy and well nourished, be knowledgeable and to participate in community life. Seen from this viewpoint, development is about removing the obstacles to what a person can do in life, obstacles such as lack of income, illiteracy, ill health, lack of access to resources, or lack of civil and political freedoms.

Dimensions of Human Development

There are two dimensions of human development. These are

(A) Directly Enhancing Human Capability:

Under this category there are three dimensions:

- (1) Long and healthy life.
- (2) Knowledge
- (3) Decent standard of living

(B) Creating Conditions for Human Development: Under this category there are four dimensions. These are

- (1) Participation in political and Community life.
- (2) Environmental Sustainability
- (3) Human Security and Rights.
- (4) Promoting Equality and Social Justice

The Human Development Index (HDI) provides a composite major of mainly three dimensions:

- (1) Living a long and healthy life (measured by life expectancy at birth)
- (2) Access to knowledge (measured by adult literacy and combined enrolment ratio).
- (3) Having a decent standard of living (measured by purchasing power parity and income).

From the last decade India has created numerous jobs and other activities due to the growth especially in Information & Communication Technology sector, Clean Energy Projects and MNREGS

Essential Components of Human Development:

Certainly, here are the essential components of human development in detail:

1. Education:

- i. Formal Education: Access to quality primary, secondary, and higher education is fundamental for acquiring knowledge and skills.
- ii. Adult Literacy: Programs to improve literacy rates among adults, especially in developing countries.
- iii. Vocational Training: Skill development programs to enhance employability and economic prospects.
- iv. Digital Literacy: Proficiency in using technology and digital resources is increasingly important in the modern world.

2. Health and Nutrition:

- i. Access to Healthcare: Availability of healthcare facilities and services to address illnesses, injuries, and preventive care.
- ii. Maternal and Child Health: Initiatives to ensure the well-being of mothers and children, including prenatal care and immunizations.
- iii. Nutrition: Adequate access to nutritious food to prevent malnutrition and promote overall health.
- iv. Clean Water and Sanitation: Access to safe drinking water and proper sanitation to reduce waterborne diseases.

3. Livelihood:

- i. Employment Opportunities: Availability of jobs in various sectors, including agriculture, industry, and services.
- ii. Economic Growth: Overall economic progress and an increase in income levels.
- iii. Entrepreneurship: Support for individuals to start and manage their businesses.

- iv. **Income Equality:** Measures to reduce income inequality, ensuring that wealth is distributed more equitably.
- v. **Social Safety Nets:** Programs to provide financial assistance and support to vulnerable populations during challenging times.

4. Environment and Sustainability:

- i. **Environmental Protection:** Initiatives to preserve natural resources and reduce environmental degradation.
- ii. **Sustainable Practices:** Encouragement of sustainable agriculture, responsible resource management, and green technologies.
- iii. **Climate Action:** Efforts to mitigate the effects of climate change and adapt to a changing environment.
- iv. **Conservation:** Protecting biodiversity and ecosystems for the well-being of current and future generations.

5. Human Rights and Social Justice:

- i. **Civil and Political Rights:** Ensuring individuals' freedom of expression, participation in governance, and protection of their rights.
- ii. **Social Equality:** Reducing discrimination based on factors like gender, race, and socioeconomic status.
- iii. **Access to Justice:** Making legal systems fair and accessible for all.
- iv. **Rule of Law:** Promoting a just and accountable legal framework in society.

6. Political Participation and Inclusion:

- i. **Democratic Governance:** Fostering democratic institutions, free and fair elections, and accountable governance.
- ii. **Inclusivity:** Ensuring the participation of all members of society in decision-making processes.

7. Security and Safety:

- i. **Personal Safety:** Protection from violence, crime, and conflict.
- ii. **National Security:** Efforts to maintain peace and security on a national and international level.

8. Culture and Identity:

- i. **Preservation of Culture:** Efforts to safeguard cultural heritage, traditions, and languages.
- ii. **Cultural Exchange:** Promoting dialogue and understanding between different cultural groups.

9. Community Participation:

- i. **Social Cohesion:** Building strong communities that offer support and connection for their members.

- ii. Community Development: Involvement of communities in decision-making and development initiatives.

Necessity of Human Development

In present times, investment in man has become an important precondition and essentiality for economic development. The target of economic development will not be achieved without optimum use and development of available labour force.

"Human Power is the asset of the nation "Following arguments substantiate this statement:-

1. Labour Intensive Work: In many activities related to economic development, higher quantity of labour force is required. like construction of railway lines, roads, bridges, etc If the sufficient labour force is not available, such activities will either not be possible or their speed will be slow. As a result, there will be obstacles in economic development.
2. Agricultural Development: Agriculture development provides strong base for economic development. In developing countries, agriculture is the main occupation. Hence, development of agriculture is essential. However, development of agriculture mainly depends upon human resources For intensive and extensive agriculture, availability of workers is essential, which depends upon the volume and quality of population
3. Supply of Labour: Population is the source for labour force capital. The natural resources cannot be explored without the population, and as a result balanced development of agriculture, business and industries will not be possible. In advanced countries, population is a contributory factor for economic development, whereas in developing countries, overpopulation is a problem.
4. Industrial Development: Industrial development is very important for economic progress of any country. For development of industries and business, energetic, enthusiastic, trained and efficient persons are essential in large number. Most of the industries of existing society have benefited from growth of population. In such industries, principle of increasing returns applies and not the principle of diminishing returns
5. Incentive for Investment: Large population is an incentive for big investment, because population increases the demand for the products which in turn also adds to the probabilities of higher profits, which induces higher investment. By higher Investment, employment opportunities also increase along with increase in production and ultimate increase in National Income
6. Wide Market: In countries with large population, the producers of that country have the advantage that wide markets are available to them for their various products in their own country, which encourages for maximum production.
7. Exploitation of Natural Resources: Available natural resources are exploited at the optimum level with the help of human power. In many countries, optimum exploitation of natural resources has not been possible due to shortage of labour force

Q.13 Write a short note on Land reforms in Rajasthan.

Land reforms have distinct significance in agriculture dominated economy of Rajasthan, since these reforms include those institutional reforms, which determines ownership right on land, provides safety against ejection to the tillers of the land by providing them the security

of holding the land and also restrains the concentration of land only in very few hands by determining the ceiling of land holdings.

Meaning of Land Reforms

Land reforms mean all those institutional reforms, which pave the path of increase in production, technological improvements and social justice by creating development-oriented changes in the relationship between the land owners, the cultivators and the government, which facilitate the abolition of middlemen and the intermediaries in the sphere of land. Tenancy reforms aim at determination of fair rent of the land, security to hold the land, effective control on arbitrary ejections, providing ownership rights on land, exercising control on concentration of land through fixing of ceilings on land holdings and distribution of land among landless persons, etc. These reforms help in making development-oriented relations between the government, the cultivators and the land owners, so that the pace of agriculture development may be speeded up and the path of social justice in the economy may be paved.

Objectives and Need of Land Reforms in Rajasthan:

1. **Abolition of Intermediaries:** In 1949, Rajasthan had 60% of its villages under exploitative Jagirdari system and 20% under Zamindari and Biswedari systems, leading to arbitrary rent charges and fear of ejection. The key objective was to eliminate these intermediaries to end farmer exploitation.
2. **Security of the Farmers and Ownership Rights:** Farmers needed ownership rights and security against ejection and unfair rent charges to encourage cultivation. Granting land ownership was essential for this purpose.
3. **Social Justice:** Implementing land reforms aimed at achieving social justice by setting landholding ceilings and promoting equitable land distribution. Controlling land concentration and determining fair rents were steps toward ending exploitation.
4. **Promotion of Agriculture Development:** Transforming landowner-farmer relationships and improving the land system was vital for agriculture development.
5. **Land reform aimed to boost agricultural production and enhance land relations for development.**
6. **Encouraging Technological Changes:** Rajasthan faced challenges like land fragmentation and lack of irrigation and capital in desert areas. Effective land reforms would establish a strong foundation for agricultural advancement.

Land Reforms in Rajasthan:

1. **Protection against Ejections:** The Rajasthan Protection of Tenants Ordinance in 1949 protected farmers from ejections. It granted ownership rights to farmers who were illegally ejected.
2. **Rent Control:** Acts like the Rajasthan Product Rent Regulating Act (1951) aimed to control arbitrarily high rent charges and ensure uniformity. Rent could not exceed 1/6 of the gross product.
3. **Abolition of Jagirdari System:** The Rajasthan Land Reform and Resumption of Jagirs Act (1952) aimed to abolish the Jagirdari system in approximately 17,000 villages. This led to the resumption of around 2.9 lakh Jagirs with compensation to landowners.

4. Abolition of Zamindari and Biswedari System: The Rajasthan Zamindari and Biswedari Abolition Act (1959) eradicated the Zamindari and Biswedari systems in about 5,000 villages. It granted tenancy rights to cultivators and ended exploitation.
5. Rajasthan Land Reforms and Acquisition of Land Owners Estate Act (1963): This act targeted the elimination of feudalism by acquiring land from landowners and ex-rulers.
6. Rajasthan Tenancy Act (1955): A comprehensive act dividing cultivators into categories and granting rights to land. Provisions included the right to transfer, mortgaging land, and rent control.

Suggestions for Implementation of Land Reforms in Rajasthan:

1. Simplify Land Reform Acts: Remove complications to avoid legal obstacles in implementation.
2. Withdraw Right to Challenge Laws: Withdraw the right to challenge land reform laws in courts to expedite implementation.
3. Integrated Time-Bound Program: Implement an integrated, time-bound national land reform program for better coordination and assessment.
4. "Land to the Tiller" Principle: Grant land rights to actual tillers, eliminating absentee ownership.
5. Immediate Implementation: Ensure prompt implementation of land reform laws to prevent loopholes and exploitation.
6. Control and Anti-Corruption Measures: Maintain efficiency and control corruption in administration to facilitate effective implementation.
7. Remove Legal Gaps: Address legal gaps in land reform laws to avoid court challenges.
8. Strict Penalties for Arbitrary Rents: Enforce strict penalties for those charging arbitrary rents to protect landless workers.
9. Swift Distribution of Surplus Land: Ensure prompt distribution of surplus land to landless individuals.
10. Restrictions on Non-Cultivator Land Transfer: Implement strict provisions to prevent land transfer to non-cultivators and land fragmentation.

Q.14 Write a short note on- “Animal husbandry in Rajasthan”

Animal husbandry in Rajasthan

1. 55% of total area of Rajasthan is desert and so livestock of Rajasthan is one of the main sources of livelihood.
2. Development of livestock sector has a significant beneficial impact in generating employment and reducing poverty in rural areas.
3. Livestock is the main source of animal protein for the population. It is estimated that more than 80% rural families keep livestock in their households.
4. Contribution of animal husbandry sector to the GDP of the State has been estimated to be around 10.21%.

Constituent Animals of Animal Husbandry in Rajasthan.

The animals of prominent breeds and their areas are briefly described as follows:

1. Cows-Bullocks
2. Buffaloes
3. Sheep Husbandry
4. Goats
5. Camels
6. Horses, Ponies and Donkeys

Importance of Livestock in Economy of Rajasthan:

1. The State has about 11.27 per cent of the livestock of the country.
2. The State accounts for about 6.98 per cent of cattle,
3. 11.94 per cent of buffaloes,
4. 16.03 per cent of goats,
5. 13.95 per cent of sheep and
6. 81.50 per cent of camels of the country.
7. The State contributed 12 per cent of milk and 32 per cent of wool to the nation's production in the year 2016-17.
8. Livestock provide 35% of draft power in the state.
9. More than 80% rural families keep livestock in their households. Contribution of animal husbandry sector to the GDP of the State has been estimated to be approximately 8%. (Source: Animal Husbandry, Dept.)
10. Rajasthan ranks 2nd in Milk production in India.
11. Rajasthan ranks 2nd in per capita milk availability.
12. Rajasthan ranks 1st in wool production in India.
13. Rajasthan produces 10% of meat in India.
14. Rajasthan Ranks 14th in egg production in India
15. Constraints in development of Livestock in Rajasthan.
16. Livestock is an unorganized sector and holdings are very small, further much of the livestock belongs to economically weaker section which restricts it to being just source of livelihood.
17. Markets for livestock are also unorganized and suffers from inadequate investment by Public (State) & Private sector.
18. Inadequate availability of quality breeds
19. Lack of health & nutrition support, along with frequent occurrence of natural calamities that result in high occurrence of diseases and mortality.
20. Rajasthan is majorly an arid region and there is inadequate availability of fodder & feed resources, Inadequate infrastructure in terms of cooperatives, veterinary and knowledge support.

Q. 15 What is the importance of Animal Husbandry particularly in Rajasthan?

1. **Base of Agriculture:** The bulls, buffaloes, camels, horses, donkeys, etc. are used in Rajasthan for various agricultural activities, like ploughing, pulling water from the wells, carrying the goods, transportation of agricultural products, pulling the bullock carts, etc.

2. **Supply of Fertilisers:** Gobar and urine of animals make available, useful fertilisers, which helps in increasing the production of agricultural production, by way of their use in the fields.

3. **Availability of Wool:** Sheep in Rajasthan contributes to about 40 per cent to 42 per cent of total wool production of the country.

4. **Production of Milk:** Every year, 170 lakh tons milk becomes available to Rajasthan from the milk animals, which is not only the important constituent of nutritious diet, but has also been helpful in development of dairy industry. Rajasthan contributes to about 10 per cent of total milk production of India.

5. **Availability of Meat:** Contribution of Rajasthan in total meat production of India is about 30 per cent.

6. **Leather and Bones:** Animals provide leather after their death, which is used for our agriculture and industries. Sometimes, it is exported too. Animal bones are also used for industries.

7. **Increase in Employment Opportunities:** Employment opportunities also increase due to animal husbandry. It provides employment to the persons engaged in rearing of sheep, goats and camels, etc. Besides, employment also increases due to flourishing of animal husbandry-based industries.

8. **Importance in Transportation:** Bullock carts, camel carts, tongas, etc. are used in good number, even today for transportation in the rural areas of the state.

9. **Production of Eggs:** Production of eggs, which makes available nutritional elements was 57.2 crore during 2000-2001 in the state. Production of 138.5 crore eggs was estimated for 2015-16 and 136.3 crores in 2016-17.

10. **Role of Animal Husbandry as Insurance cover during Famine and Drought:** Sheep and goat consume thorny shrubs and the leaves of the trees, animal husbandry functions as an insurance during periods of famine and drought, as at that time, it becomes the main source of employment and income.

11. **Availability of Nutritious Diet:** Milk, ghee and meat provided by the animals is substantially helpful in meeting the nutritional requirements of the people of the state.

Reasons of distinct importance of animal husbandry in arid and semi-arid regions are as follows:

1. **Abundance of Animal Wealth:** These regions have large number of animal wealth, including sheep, goats, camels, cows and buffaloes.

2. **Suitable Climate for Animal Husbandry**

3. **Lack of Agricultural Activities:** Agricultural activities in this area is highly limited, due to lack of rains. Hence, animal husbandry is important from the view of alternative employment to the people residing here.

4. **Saving of Fodder:** This area has abundant thorny shrubs and trees for feeding of sheep, goats, camels, etc. which solve their problem of fodder.
5. **Full Time Employment:** People in this area can devote their full time in animal husbandry activities, due to lack of agricultural activities in the area. Since animal husbandry is the main occupation in these areas.
6. **Low Cost:** The survival of livestock is possible to fairly large extent with the help of thorny shrubs, leaves of the trees, etc.
7. **Sufficient Income:** Sufficient milk, wool, meat, leather, etc. become available from the livestock of arid and semi-arid areas.
8. **Revenue to Government:** The government also gets various types of revenue from the livestock of this area.
9. **Development of Animal Husbandry based Industries:** Development of seven industries based on livestock products has been possible in this area. Development industrial units of woollen goods, yarn, carpets, etc. in Bikaner and Jodhpur has contributed well to industrial development. Dairy development is also attributable to animal husbandry sector.
10. **Helpful in Poverty Alleviation:** The government has also given importance to animal husbandry for financing required for milk animals, sheep and goats, etc. and for increasing the income of poor persons, under poverty alleviation programme.
11. **Fodder and feeder for animals** become available in arid desert region from the crops Jowar-Bajra. It solves the problem of fodder, etc.

Q. 16 Elaborate the Problems of Livestock Development and Government Efforts for Development of Animal Husbandry in Rajasthan.

Problems of Livestock Development

1. **Inferior Breed of Animals:** Several animals in Rajasthan are sick, weak and of inferior breed. Hence, their productivity is low Efforts should be made to improve their breed.
2. **Animal Diseases:** Several infectious diseases spread among animals in Rajasthan and when the sick animals are not kept separately.
3. **Ignorance of Livestock Breeders:** Mostly the breeders are uneducated and ignorant. Hence, neither they understand the diseases of the animals, nor they have the knowledge of fetching more income by development of animals.
4. **Poverty of Livestock Breeders:** It is due to poverty that they can neither provide nutritious food to the animals nor can get better treatment of the animals.
5. **Lack of Scientific Management:** The farmers' knowledge about in the animals of improved breeds is low. They also lack in scientific management and hence the wastages are more. Cost works out quite high and hence income is low.

6. **Problem of Nutritional Food:** Arrangements should be made for distribution of hybrid seeds of improved and fast-growing nutritional animal feed for solving this problem.

7. **Problem of Uneconomic Animals:** Livestock breeders have so much attachment with their animals that they bear their burden even on their becoming uneconomic.

Several efforts have been made by the state government for development of animal husbandry in the state, under various five-year plans. These efforts have been as follows:

1. **Continuous Increase in Expenditure on Development of Animal Husbandry:** Looking to the importance of animal husbandry in the economy of the state, the government has made continuous increase in expenditure on development of animal husbandry.

Public expenditure on animal husbandry (year)	Amount
Second five-year plan	1.25 crores
Third five-year plan	2.81 crores
Fourth five-year plan	10.0 crores
Fifth five-year plan	13.0 crores
Seventh five-year plan	37.6 crores
Eighth Plan	53.11 crores
Ninth plan	124.3 crores
2013-14	577.10 crores
2017-18	894.35 crores

2. **Cow Promotion Programmes:** 44 cow promotion branches have been opened in Rajasthan for improving the breeds of cows- bullocks. A farm has been established at Chandaurin Jaisalmer district in 1964 for development of bulls of Tharparkar breed.

3. **Increase in Medical Facilities:** Facilities for treatment of animals have continuously increased in the state, as may be seen by the following table:

Particulars	1950-51	1961	2008	2013	2017
No. of Veterinary Hospitals, Dispensaries and health centres.	147	270	3601	5018	7550

4. **Implementation of Breed Improvement Programme 'Gopal Yojana':** 'Gopal Yojana' - Under this scheme, educated youth of rural areas are imparted training regarding artificial insemination, cartaration of useless animals, modern techniques of animal case, balanced nutrition to animals, fodder and fodder seed development, organization of camps for treatment of infertility, etc. After imparting required training, the trained persons are entrusted the work relating to these activities.

5. Livestock Research and Training Activities: One Veterinary College each at Bikaner and Jaipur were established during second plan for livestock research and training. By now, 8 sheep research centres have been established at Bikaner, Jaipur, Jodhpur, Mandore, Pokran, Hanumangarh, Chittorgarh and Desar Kodaum. Foreign bulls and animals of foreign breed have also been developed for testing.

6. Integrated Cattle Development Programme: This programme includes improvement of cattle breeds, disease control, nutritious feed and fodder development programme and other development activities. This programme is being implemented in Jaipur, Bharatpur and Alwar districts with the co-operation of Dairy unions.

7. Establishment of Artificial Insemination Centres: This scheme aims at preparing animals of good breed. 17 lakh artificial inseminations were performed during 2008-09. This number increased to 25.87 lakh in 2017-18.

8. Fodder Development Centres: This scheme includes distribution of seeds of improved grass, growing of special crops of husk.

Mini kits of hybrid seeds of fodder are distributed in this area. Demonstration activities for the farmers are also undertaken.

9. Continuously increasing Expenditure on Animal Husbandry during Five Year Plans

10. Establishment of Co-operative Dairy Federation for Dairy Development: It has been established with the assistance from National Dairy Development Board. The milk co-operative federation is making available, nutritional feed for animals,

11. Establishment of State Co-operative Sheep and Wool Marketing Federation: This union was established in 1977 to provide co-operation in commercial development of sheep and wool and also for providing co-operation to the sheep breeders in the field of marketing.

Q. 17 Write a short note on “Dairy Development in Rajasthan”.

Development of dairy industry in Rajasthan is an economic necessity.

About 11.27 per cent of India's animal wealth is in Rajasthan.

Average of 27 cows and 10 buffaloes per 100 persons in the state is much higher as compared to all India average of 5 cows and 3 buffaloes per 100 persons.

Rajasthan has good breed of milk cows and the climate of the state is also favourable to them.

Hence, the average of milk yield is also satisfactory on an average, a cow gives 150 to 160 kg milk in a year.

This average for a buffalo is generally 390 to 400 kg., whereas this average is 210 kg for a cow and 504 kg for a buffalo in India.

It speaks of low productivity of milch animals.

About 40% of milk produced in Rajasthan is used as milk itself. 9 per cent is used for making of curd. 10 per cent is used for ghee and butter. 4 per cent is used as milk-cake. Use of milk is also increasing in preparing the sweets. Hence, prospects of development of dairy industry are increasing in Rajasthan Progress of Dairy Development Programme in Rajasthan (White Revolution)

1.Operation Flood and White Revolution: Rajasthan, like many other states in India, has benefited from the Operation Flood program, which aimed at increasing milk production and making India self-sufficient in milk. The White Revolution in the 1970s and 1980s played a significant role in the development of the dairy sector in the state.

2.Rajasthan State Dairy Development Corporation (RSDDC): The Rajasthan State Dairy Development Corporation is responsible for implementing various dairy development programs in the state. It has been actively working to promote dairy farming and milk processing in rural and semi-urban areas.

3.Milk Production: Rajasthan has shown significant progress in milk production over the years. The state has a substantial population of dairy animals, including cattle, buffalo, and goats. Efforts have been made to improve the breed quality and productivity of these animals.

4.Dairy Cooperatives: Dairy cooperatives, such as the Rajasthan Cooperative Dairy Federation (RCDF), have played a crucial role in the development of the dairy sector. These cooperatives work with local farmers to collect and process milk, ensuring fair prices and market access.

5.Infrastructure Development: There have been investments in improving dairy infrastructure, including the establishment of milk collection centers, chilling units, and processing facilities. These initiatives help reduce milk spoilage and improve the overall quality of dairy products.

6.Government Schemes: The government of Rajasthan has introduced various schemes to support dairy farmers. These schemes include subsidies on cattle feed, animal healthcare, and training programs for farmers to adopt best practices in dairy farming.

7.Value-Added Products: Efforts have been made to diversify dairy production by promoting the production of value-added dairy products like ghee, cheese, and ice cream. This helps in increasing farmers' income and adding value to the dairy sector.

8.Livestock Health: Ensuring the health of dairy animals is critical, and programs have been initiated to provide veterinary services, vaccination, and healthcare support to prevent diseases and enhance milk production.

9.Training and Education: Training and education programs have been conducted to educate dairy farmers about modern dairy farming practices, animal husbandry, and milk processing

techniques.

10. Marketing and Distribution: Improvements in marketing and distribution networks have been made to connect dairy farmers with consumers and ensure that dairy products reach urban and rural markets effectively.

Main Achievements of Dairy Development Programme in Rajasthan

1. Speedy Increase in Milk Production: Milk production in Rajasthan has speedily increased, due to successful implementation of dairy development programme in the state. It becomes clear from this table that milk production in the state is more than 14 times in 2016-17 as compared to the production in 1951. This growth in 67 years is satisfactory achievement.

2. Establishment of 14 Dairy Plants and 25 Cooling Plants: Establishment of 14 dairy plants and 25 cooling centres in Rajasthan for collection and storage of milk is important achievement. Their capacity is 20.35 lakh litre and 9 lakh litre per day, respectively.

3. Establishment of Milk Powder Manufacturing Factories: Five such factories have been established at Raniwara, Hanumangarh, Ajmer, Jaipur and Alwar with daily capacity of 10 tons, each. Two such factories at Jodhpur and Bikaner have the daily capacity of 5 tons, each.

4. Commercial Approach among Milk Producers: Approach of milk producers has undergone a change, Now, they are not just traditional but commercial approach has generated among them.

5. Growth in Employment and Income of Milk Producers: Dairy development programmes have provided direct employment to 3200 persons and indirect employment to 36 thousand persons.

6. Animal Breed Improvement and Increase in Productivity: Milk producers have started giving special attention on breed improvement of animals, rearing of animals yielding more milk, nutritious feed and fodder for animals, control on animal diseases, etc. with a view to increase the milk productivity.

7. Dairy Development has promoted co-operation and mutual goodwill. Now, the milk Producers have been well organized on the basis of co-operation.

8. Marketing of Surplus Milk of the State: According to a broad estimate, per day milk production in the state is 160 lakh litres. Out of it, about 40 to 45 lakh litre milk remains surplus after its supply in the state. The surplus milk is sent to nearby state, through dairy development. Hence, the problem of disposal of surplus milk does not arise.

9. Dairy development programmes helps the milk producers to fetch good price of milk and the consumers are also able to get milk at reasonable prices.

10. Facility in supply of milk, ghee, curd, paneer, butter, etc. as nutritious food to people of the state has also increased, due to dairy development in the state.

Problems of Dairy Development in Rajasthan and Suggestions for Their Solutions

1. Interior Condition of Milch Animals and Their Untimely Death: Weak and their condition is of milch is pitiable. Several animals become the victim of various diseases and die untimely. Adequate veterinary facilities should be made available to improve their inferior conditions

2. Problem of Low Productivity: Average annual animal milk production in Rajasthan In kg 150-160 One Cow One Buffalo 390 to 400. The average production of milk in western countries, like Denmark, Holland and America is about 20times of our average production.

Hence, efforts should be mounted up for giving nutritious feed and fodder to our milch animals and improving their inferior conditions. Animals of improved breeds yielding more milk should be promoted

3. Problem of Providing Reasonable Price of Milk to Animal Bearers: The animal rearers face the problem in marketing of their small quantity milk and they are not able to get reasonable price of their milk. For resolving this problem, organizing the milk producers through membership of dairy unions on Amul Dairy pattern is a step in the correct direction.

4 Problem of Storage and Transportation of Milk: Transportation problem is faced in collecting the milk from the petty milk producers of far-flung villages and carrying it to dairy centres. Low cost and fast means of transportation should be adequately arranged to solve this problem. Sothat milk in high quantity may be collected and saved from getting spoiled.

5. Problem of Corruption: This problem may be solved only by organizing the milk producers and creating awareness among them.

6. Problem of Nutritional Feed to the Animals; The animal breeders in the state are unable to provide nutritional feed to their animals, due to poverty and lack of education. Arrangements should be made for making available nutritional feed for the animal by providing financial assistance to the animal rearers

Q. 18 Write a short note on – “Mineral resources in Rajasthan”.

Rajasthan, known as the "Land of Kings," is a treasure of diverse mineral resources.

1. Diverse Range of Minerals:

1. Rajasthan boasts a rich and diverse array of minerals, making it a prosperous state in terms of mineral resources.
2. A total of 79 types of minerals are found in Rajasthan, with 44 classified as principal minerals and 23 as minor minerals.

3. The state is often referred to as the "museum of minerals" due to its extensive mineral diversity.
4. Approximately 57 different minerals are actively extracted in Rajasthan.

2. Unique Mineral Monopolies:

1. Rajasthan holds a monopoly in the production of certain minerals:
2. Bolstanite and Jasper are exclusively found in Rajasthan within India.
3. Rajasthan contributes a staggering 99% to the nation's zinc concentrate production.
4. The state's share in fluorite is 96%, gypsum is 93%, marble is 90%, and soapstone is 87%.
5. Rajasthan also dominates in lead, feldspar, calcite, sandstone, rock phosphate, and ball clay production.

3. Increasing Value of Mineral Production:

1. Rajasthan's mineral production value has shown remarkable growth over the years.
2. In 1951, the annual value of mineral production in Rajasthan was a mere 3.5 crore, but by 2013-14, it had surged to 21,750 crores.
3. This amounted to approximately 4.5% of the state's net domestic product.
4. Rajasthan contributes around 9% to India's total mineral production.

4. Key Principal Minerals and their uses:

1. **Iron Ore:** Production began in 1953, fluctuating over the years but recently reaching 5767.43 thousand tons (2014-15).
Iron ore is vital for steel production, contributing to infrastructure and manufacturing.
2. **Copper:** Rajasthan is a significant copper producer with reserves of over 13 crore tons.
Copper is essential in electrical and electronics industries.
3. **Manganese:** An important mineral used in various industries, though production has decreased in recent years. Manganese finds applications in steel, paints, and batteries.
4. **Lead and Zinc:** Rajasthan monopolizes the production of these minerals, which are in high demand. Lead and zinc are crucial for various industrial processes, including batteries.
5. **Mica:** Rajasthan's mica production ranks third in India, though production has been declining. Mica is used in cosmetics, electronics, and paints.
6. **Asbestos:** Used for its heat resistance, Rajasthan contributes to 96% of India's asbestos production. Asbestos is employed for making cement sheets and pipes.
7. **Rock Phosphate:** Crucial for fertilizer manufacturing, Rajasthan's share in India's production is 96%. Rock phosphate is a key ingredient in fertilizer production.
8. **Gypsum:** Rajasthan ranks first in gypsum production in India, contributing 60-70% of the total. Gypsum is vital for construction materials.
9. **Soapstone:** Rajasthan leads the nation in soapstone production, driven by growing industrial demand. Soapstone is used in cosmetics, soap, and more.

10. **Limestone:** Rajasthan's limestone production has steadily risen, contributing to the cement industry. Limestone is the cornerstone of cement production.
11. **Marble:** Rajasthan monopolizes marble production, used in construction and artistic endeavours. Marble enhances construction and art.
12. **Tungsten:** An essential mineral for various applications, Rajasthan has been a consistent producer. Tungsten is critical for bulbs and steel hardening.
13. **Beryllium:** Used in strategic industries, Rajasthan is a major contributor to beryllium production. Beryllium is used in atomic power and electrical industries.
14. **Emerald and Tamda (Gem):** Rajasthan has a monopoly in producing these precious gemstones. Emeralds and Tamda are precious gemstones for jewellery.
15. **Coal:** Lignite coal is present in Rajasthan, primarily used as fuel in thermal power plants.
Coal and lignite serve as fuel for power generation.
16. **Mineral Oil and Gas:** Rajasthan holds immense potential in mineral oil and natural gas reserves. Mineral oil and gas are strategic resources for energy production.
17. **Atomic Minerals:** The state houses uranium mines and other atomic minerals in Udaipur, Dungarpur, and Banswara districts. Atomic minerals, such as uranium, hold significance in nuclear energy.

Role and Importance of Minerals in the Economic Development of Rajasthan

Introduction

1. Minerals have played a crucial role in Rajasthan's economic development.
2. They contribute significantly to the state's GDP, employment, and government revenue.
3. Rajasthan's mineral wealth includes a wide range of resources, such as limestone, marble, zinc, copper, and more.

Importance in State Domestic Product

1. Minerals contribute around 4.5% of Rajasthan's total GDP, amounting to ₹23,500 crores annually.
2. Growth in mineral production has been substantial over the years.

Importance in Employment

1. Approximately 45 lakh people, out of the state's total working population, are engaged in mineral industries and mining activities.
2. In 1984, there were 1.5 lakh direct employees, and today, it provides direct employment to 5 lakh people and indirect employment to around 20 lakhs.
3. It offers seasonal employment, acting as a safety net during times of famine.

Development of Mineral-Based Industries

1. Abundant mineral reserves have driven the development of various industries in Rajasthan, such as cement, copper, lead, zinc, and more.

2. These industries have significantly contributed to production, employment, and exports.

Source of Non-Tax Revenue

1. The state government benefits from mining through royalties, sales taxes, etc.
2. Non-tax revenue from the mining sector has seen consistent growth, reaching ₹8,700 crores in 2016.

Income from Mineral Exports

1. Rajasthan also generates income by exporting minerals like building stone, granite, and marble, helping to reduce foreign exchange challenges.
2. Atomic minerals in Rajasthan have strategic importance for the country.

Enhanced Infrastructure

1. Building stones from Rajasthan have been instrumental in decorating various establishments.
2. Mining activities also contribute to the subsidiary income of rural workers.

First Mineral Policy of Rajasthan (1978)

1. Focused on surveying and exploring minerals.
2. Provided financial facilities for mineral production.
3. Emphasized the availability of electricity near mines.
4. Encouraged the development of mineral-based industries.
5. Established the Rajasthan State Mineral Development Corporation in 1979.

Mineral-Based Corporations

1. **Rajasthan State Mineral Development Corporation**: Operates in 13 districts, dealing with minerals like gypsum, lead, zinc, and granite.
2. **Rajasthan State Minerals and Mining Corporation**: Engaged in mining and refining of various minerals.
3. **Rajasthan State Tungsten Development Corporation**: Involved in tungsten extraction.
4. Various policies have been introduced over the years to encourage mineral-based industries

a. **Mineral Policy, 1978:**

First mining policy of Rajasthan Government

b. **Mining Policy, 1994:-**

Simplification of mining rules and procedures.	Incentives for mineral-based industries.
Priority to weaker sections in	Promotion of mechanization in mining.

allotment of mines.	
Emphasized modern technology in exploration.	

c. **Mining Policy, 2005:**

Focus on employment-oriented mineral-based industries.	Control over illegal mining.
Simplification of mining laws and procedures.	Conservation of forest wealth.

d. **Mining Policy, 2011:**

Emphasized value addition of minerals.	Use of modern technology in mining.
Conservation of environment.	Simplification of mining laws.
Encouragement to mineral-based industries.	Welfare of mining workers.

e. **Rajasthan Mining Policy, 2015:**

Simplification of mining procedures.	Incentives for mineral-based industries.
Transparency through e-governance.	Development of human resources and training initiatives.
Promotion of public-private participation.	Control on illegal mining.

Development of Mineral-Based Industries

1. **Cement Industry:** Rajasthan is a prominent hub for cement production, with several large factories and white cement units.
2. **Soap Stone Powder Industry:** Factories are established in Dungarpur, Udaipur, Bhilwara, Jaipur, and Dausa.
3. **Hindustan Zinc Smelter:** Located near Udaipur and Chittorgarh, extracting lead and zinc.
4. **Hindustan Copper Limited Khetri:** Involved in melting copper.
5. **Fluorite Beneficiation Plant:** Set up in Dungarpur.
6. **Sodium Sulphate Factory:** Established in Deedwana.
7. **Building Stone Processing:** Prominent in Kota, Udaipur, Rajsamand, and Chittorgarh districts.
8. **Mica and Chips Manufacturing:** Activities in Bhilwara and Chittorgarh.
9. **Granite Polishing Factory:** Operated by Rajasthan Industrial and Mineral Development Corporation in Jalore.

Challenges/Problems in Mineral Production and Suggestions for Solutions

- 1: **Inadequate efforts for surveying and exploring mineral-rich regions.**
Solution: Accelerate exploration efforts, offer rewards for discoveries, and create geological maps.
- 2: **Lack of industry status for mining hinders access to various benefits.**
Solution: Declare mining as an industry and provide fiscal and financial incentives.
- 3: **Continued use of outdated and unscientific mining techniques.**

Solution: Promote modern methods, provide financial support for machinery, and offer training to mining workers.

4: Low production, wastage, and damage during extraction.

Solution: Encourage proper utilization, protect mineral reserves, and avoid unnecessary debris accumulation.

5: Inaccessible mineral areas due to inadequate infrastructure.

Solution: Develop roads in economically viable mineral regions.

6: Lack of coordination leading to disputes over mining leases.

Solution: Improve coordination and clarify policies for mining in forest areas.

7: Rampant illegal mining due to political patronage and misdeeds.

Solution: Enforce strict measures to curb illegal mining and reduce political interference.

8: Inadequate power supply and water availability in remote mineral areas.

Solution: Ensure regular power and drinking water supply to facilitate mineral extraction.

9: Welfare and Training of Mining Workers - Unorganized, uneducated workers facing exploitation.

Solution: Implement labour welfare programs and provide training to enhance productivity.

10: Environment Conservation and Mineral Production - Balancing mineral production and environmental conservation.

Solution: Adopt policies that strike a balance between mining and environmental protection.

11: High production costs due to scattered minerals and lack of capital.

Solution: Encourage investment in modern machinery, improve transportation, and train workers.

12: Flooding of mines during the monsoon season.

Solution: Implement effective drainage methods for mining areas.

13: Challenges in exporting high-quality minerals.

Solution: Focus on developing, extracting, and exporting exportable minerals.

14: Rampant corruption hindering mining activities.

Solution: Take strict measures to combat corruption and minimize delays in mining operations.

Q.19 Write a short note on Current environmental issues.

Meaning of Environmental Issues:

Environmental issues refer to challenges and concerns related to the natural world, ecosystems, and the planet as a whole. These problems have significant impacts on the environment, human health, and the balance of ecosystems.

Causes of Environmental Pollution:

1. **Industrial Activities:** Emissions from factories, manufacturing, and processing plants release pollutants into the air and water, contributing to pollution.
2. **Transportation:** The combustion of fossil fuels in vehicles results in air pollution, primarily through the release of greenhouse gases and particulate matter.
3. **Agricultural Practices:** The use of chemical fertilizers and pesticides can contaminate soil and water, leading to environmental pollution.
4. **Waste Disposal:** Improper disposal of solid and hazardous waste materials can pollute land, water bodies, and even the atmosphere.
5. **Deforestation:** The removal of forests disrupts ecosystems, leading to soil erosion and loss of biodiversity.

6. **Mining Activities:** Extracting minerals and metals can release toxic substances into the environment, impacting soil and water quality.
7. **Oil Spills:** Accidental oil spills from ships or drilling platforms can devastate marine ecosystems and coastal regions.
8. **Chemical Pollution:** The discharge of harmful chemicals into water bodies, like heavy metals and industrial solvents, can be toxic to aquatic life and disrupt ecosystems.
9. **Urbanization:** Rapid urban development can lead to increased pollution due to factors like construction dust, increased traffic, and impervious surfaces that hinder water infiltration.
10. **Climate Change:** The release of greenhouse gases, mainly carbon dioxide, from human activities contributes to global warming and altered weather patterns.

Types of Environmental Pollution:

1. **Air Pollution:** Air pollution involves the release of pollutants into the atmosphere. Common pollutants include carbon monoxide, sulphur dioxide, nitrogen oxides, and particulate matter. It can lead to respiratory diseases, smog, and climate change.
2. **Water Pollution:** Water pollution results from the contamination of lakes, rivers, oceans, and groundwater. Sources include industrial discharges, agricultural runoff, sewage, and oil spills. Water pollution can harm aquatic life and human health.
3. **Soil Pollution:** Soil pollution occurs when harmful substances, such as heavy metals, pesticides, and industrial chemicals, contaminate the soil. This can reduce soil fertility, harm plants, and affect food quality.
4. **Noise Pollution:** Noise pollution involves excessive and disruptive noise, often from urban areas, transportation, and industrial activities. Prolonged exposure to noise pollution can lead to stress and hearing loss.
5. **Thermal Pollution:** Thermal pollution results from the release of heated water into natural water bodies, often from power plants. Elevated water temperatures can harm aquatic ecosystems.
6. **Light Pollution:** Light pollution is caused by excessive artificial light in urban areas, disrupting natural light-dark cycles. It affects wildlife behavior and human sleep patterns.
7. **Plastic Pollution :** Plastic pollution is the accumulation of plastic waste in the environment, particularly oceans. It endangers marine life and ecosystems.
8. **Radioactive Pollution:** Radioactive pollution involves the release of radioactive substances into the environment, often from nuclear accidents or waste disposal. It can cause long-term health and environmental damage.
9. **Biological Pollution:** Biological pollution results from the introduction of invasive species into ecosystems, disrupting native flora and fauna.

Q.20 Write the measures to control environmental pollution with examples.

1. Control on Air Pollution

- Install tall chimneys for industries to disperse pollutants higher into the air, reducing their impact.
- Regularly check and maintain vehicles to control exhaust emissions.
- For example, imposing emission standards on cars to limit harmful gases like carbon monoxide and nitrogen oxides.

2. Effective Control on Water Pollution

- Hold industries responsible for not discharging harmful chemicals into water bodies.

- Use wastewater treatment plants to remove pollutants before releasing water.
- For instance, penalizing factories that release untreated chemicals into rivers and lakes.

3. Control on Noise Pollution

- Regulate the use of loudspeakers at events and control noise from vehicles.
- Enforce rules on noise levels for vehicles and machinery.
- Example: Implementing quiet zones in residential areas to reduce noise from construction sites.

4. Control on Land Pollution and Pesticides

- Educate farmers on proper pesticide use and disposal.
- Encourage proper disposal of waste to avoid land pollution.
- For example, teaching farmers about the right amount of pesticides to use to prevent soil contamination.

5. Afforestation and Expansion of Forests

- Plant more trees to combat pollution and preserve natural habitats.
- Develop green spaces within urban areas.
- Example: Creating city parks and green belts to improve air quality and provide recreation.

6. Creating Awareness

- Inform the public about the harmful effects of pollution through education.
- Encourage individuals to participate in pollution control.
- For instance, conducting campaigns to educate people about the importance of recycling.

7. Government Laws and Regulations

- Enforce strict environmental laws and penalties for violations.
- Assess the environmental impact before allowing the establishment of new industries.
- Example: Imposing fines on companies that fail to comply with emissions regulations.

8. Collaboration

- Encourage cooperation between government, society, and individuals to combat pollution.
- Engage voluntary organizations in environmental conservation.
- For example, NGOs and community groups working together to clean up polluted areas.

9. Promotion of Ecological Balance

- Ensure that large-scale projects like dams do not disrupt ecosystems.
- Promote the preservation of natural environments.
- Example: Evaluating the environmental impact of dam construction before starting such projects.

10. Government Efforts in India

- Establish committees for environmental planning and coordination.
- Enact specific acts like the Water Pollution (Prevention and Control) Act and Air (Pollution Prevention and Control) Act.
 - Impose taxes and penalties on industries for pollution under acts like the Water (Pollution Prevention and Control) Cess Act.
 - Promote afforestation and tree planting initiatives.

- Encourage the cleaning of polluted rivers, such as the Ganga.
- Create a central authority for river cleaning.
- Develop and enforce laws for forest conservation.

Government Efforts for Pollution Control in India

Presently, the means of air, water, land and noise pollutions is increasing very fast, even in India. Hence, survival of human beings, all other living beings and natural vegetations is becoming difficult. All types of efforts for getting rid of absorption of poisonous gases and other substance in the environment are getting good momentum through all types of pollution control measures.

Efforts made in India to control pollution:

1. National Environmental Planning and Coordination Committee: A committee was formed to solve environmental problems by studying them. It also creates policies to maintain a healthy environment, advises industries and government, conducts environmental research, and promotes awareness.
2. Pesticides Act, 1968: This law aims to control the harmful effects of pesticides on people and the environment in India, but it hasn't been very effective.
3. Water Pollution (Prevention and Control) Act, 1964: This law prevents and manages water pollution. It forbids anyone from releasing polluting water into rivers, streams, or reservoirs without permission. There are penalties for breaking this law, and it gives more power to the Pollution Control Board through amendments.
4. Air (Pollution Prevention and Control) Act, 1981: This law is for preventing and controlling air pollution. It requires people and industries to get permission before releasing air pollutants. Breaking the law results in penalties, and it was made more effective through amendments in 1988.
5. Environment Protection Act, 1986: A comprehensive law to protect the environment from pollution. It gives the government more power and includes measures to save the environment, a nationwide pollution prevention program, and the establishment of environmental laboratories. Currently, there are 67 such laboratories in India for water quality testing.
6. Water (Pollution Prevention and Control) Cess Act, 1977: Industries and organizations must pay taxes for causing pollution, and they must also treat polluted water properly.
7. Central Authority for Cleaning of River Ganga, 1985: This authority oversees industries that release polluted water into the Ganges River.
8. Afforestation and Tree Plantation: The government encourages planting trees and social forestry.
9. Forest Protection Laws: Laws have been passed to control deforestation and forest destruction.

UNIT 2

Q. 1 What were the needs and objectives of Economic planning in Rajasthan.

Ans: In spite of agriculture dominated economy of the state, shortage of food grains and lack of irrigation facilities were the main causes of poverty and starvation of the farmers of the state. Recurrence of famines was very common, since most of the area of the state was desert area and the rainfall was also quite uncertain.

Condition of transportation and communication system was quite pathetic. There was acute shortage of telephone service. Social services facilities were also nominal. Medical and health facilities were quite inadequate.

The reorganized Rajasthan had inherited backward and poor people and instable economy. Thus, the atmosphere of economic poverty, social backwardness and economic instability, used to prevail in Rajasthan, before start of the process of planned development in the state.

Beginning of Planned Development in Rajasthan and Political Uncertainty

Process of planned development started in Rajasthan also on 1 April, 1951 in the form of first five-year plan, along with First Five Year Plan in India. At that time, Rajasthan was in the grip of backwardness of agriculture, shortage of food grains, problem of famine and drought, excessive shortage of irrigation facilities, industrial backwardness, absolute shortage of power and resultant economic poverty. Social backwardness and conservatism were dominant in the society. Political uncertainty and haphazardness had created laxity in the administration. Under such serious circumstances, the plan formulators of Rajasthan accorded highest priority to development of irrigation and power in plan expenditure in the public sector as a well-considered policy for long term development of the state.

During first plan, about 58% of total expenditure was incurred on development of irrigation and power. This priority continues to exist even now.

Second priority has been given to agriculture, co-operation and rural development ever since the first five-year plan. About 11% to 13% of state plans has been spent on these sectors.

Objectives of Planning in Rajasthan

1. **Development of Power Sector:** Development of power sector has been the main objective for solving the problem of acute shortage of power resources in Rajasthan and for preparing the requisite strong base required for long term development of the state.
2. **Development of Irrigation and Agriculture:** Rajasthan's economy is agriculture dominated economy. However, it lacks irrigation facilities. Hence, substantially large part of the state is not used for cultivation. Hence, the objective has been to develop irrigation facilities and to increase agricultural production.

3. **Animal Husbandry and Dairy Development:** Development of animal husbandry has also been an important objective of planning in Rajasthan for preparing strong base for rural economy of the state and to enhance contribution of animal husbandry in the economy of desert Rajasthan, where sheep, goat and milch animals are available in good number, but lacks cultivation. It has paved the path of dairy development.
4. **Rapid Industrialisation and Mineral Development:** Mineral production wise, Rajasthan is a prosperous state. It has monopoly in respect of several important minerals. Annual mineral production of about 2000 crores has become an important base of the state economy. Hence, development of mineral based industries has been an important objective of economic planning in Rajasthan. That is why, various industries based on cement, zinc, lead, copper, marble, building stone etc. have flourished well in the state. Engineering, chemical and consumer goods industries have also rapidly developed in the state. Small and cottage industries have also developed well, facilitating increase in employment and production.
5. **Development of Transportation and Communication:** Development of transport and communication facilities in the state has also been an objective of development of the state. That is why, efforts have been made for rapidly developing rail and road transportation in the state.
6. **Reduction in Regional Imbalances:** The State Government has stipulated the objective of the reducing regional disparities also in the state plans aiming at balanced development of the state.
7. **Additions in Social Services and Promotion of public welfare activities** has also been accepted as an important objective of various state plans of Rajasthan. Efforts for expansion of education, growth of health facilities and upliftment of backward classes of the society have also received high priority in plan objectives.
8. **Solution of Problem of Famines and Droughts and arrangements for drinking water:** Along with the objective of solving the problem of famine and drought, the important plan objective has been to solve the problem of drinking water also.
9. **Increase in Employment:** Increasing the volume of employment by enhancing employment opportunities in the state for solving the problem of unemployment and under-employment has also been an important objective of plans in the state.
10. **Eradication of Poverty:** Poverty dominates the state due to its economic backwardness and explosive growth of population. Hence, the objectives of plans is to pave the path of prosperous economic life of people by eradicating poverty.

Q. 2 Write a short on Economic Progress and Assessment of Progress of Planned Development in Rajasthan.

Implementation of eleven five-year plans and 10 annual plans by Rajasthan during last 67 years of planned development has paved the path of rapid industrial development and social upliftment of the state. Now, Rajasthan has come out of the category of poorest and BIMARU States of India.

1. Growth in Gross State Income and Per Capita Income:

1950s-1970s:

- i. Gross income doubled in the first two decades.
- ii. Net domestic product increased from 400 crores (1954-55) to 748 crores (1970-71) at constant prices.
- iii. Per capita income rose from 236 to 302 during this period.

1980s-1990s:

- i. Gross domestic product reached 26,210 crores in 1984-85.
- ii. Challenges: Continuous decline due to famine and irregular monsoons.
- iii. Recovery: Per capita income increased from 6,200 (1980-81) to 13,933 (2000-01) at constant prices.

2000s-2010s:

- i. Net domestic product in 2011-12: 3,96,960 crores.
- ii. Per capita income in 2011-12: 57,427.
- iii. Advance estimates of 2017-18: Net domestic product 7,57,483 crores, Per capita income 1,00,551 at current prices.

2. Agricultural Development:

- i. Abolishment of Zamindari and Jagirdari systems.
- ii. Implementation of Tenancy Act and land redistribution.
- iii. Use of improved seeds and fertilizers.
- iv. Expansion of area under high-yielding varieties and increase in agriculture production index.
- v. Growth in food grain and oilseed production.
- vi. Focus on animal husbandry and dairy development.

3. Development of Irrigation and Power:

- i. Multi-purpose irrigation projects: Bhakra Nangal, Chambal, Rajasthan Canal, Jawai.
- ii. Installation of atomic furnaces and thermal power plants.
- iii. Electrification of pump sets, tube wells, and villages.
- iv. Increase in per capita electricity consumption.

4. Industrial Development:

- i. Government support through land allocation, financial assistance, and concessional rates.
- ii. Growth in the number of factories and small industries.
- iii. Expansion of mineral production: iron ore, copper ore, rock-phosphate, limestone, marble.
- iv. Establishment of industrial areas and manufacturing units.
- v. Manufacturing units.

5. Transportation and Communication:

- i. Expansion of road network: 72,510 km per 100 sq. km.
- ii. Increase in the number of vehicles: 159.30 lakhs (2017).
- iii. Development of rail lines and improvement in rail connectivity.
- iv. Growth in tourism infrastructure and tourist influx.

6. Development of Social Services:

- i. Education Sector:
Increase in the number of universities, colleges, and educational institutions.
Emphasis on technical and professional education.
- ii. Medical and Health Services:
Expansion of hospitals, dispensaries, and health centers.
- iii. Water supply schemes and housing development: Hand pumps and tubewells have been installed, drinking arrangements have been made, House building loans are being provided.
- iv. Social Welfare Programmes: Development of backward castes, labour welfare activities, and employment schemes. Scholarships, grants, and housing support for disadvantaged sections.

7. Employment:

- i. Creation of employment opportunities: 20 lakh additional jobs during the fifth plan.
- ii. Average daily employment in various sectors under various schemes.
- iii. Challenges: Registered unemployed persons still present, efforts ongoing to address the issue.

Assessment of Progress of Planned Development in Rajasthan

The scholars have given mixed reaction about the success and failure of five-year plans in Rajasthan. The pace of economic development in the state has been faster during the plan periods. Industrial production has increased substantially. Overall progress has been recorded in the field of agriculture. Welfare activities, like education, medical and health and social welfare programmes have well augmented in the state. However, planned development has been a subject of criticism also, due to following reasons:

1. Faulty Prioritisation: Irrigation and power has always been given top priority in five year plans in Rajasthan. But, industrial development has been assigned the lowest priority. Hence, desired industrial development could not be possible, whereas top priority should have been given to industrial development by taking into consideration the industrial backwardness of the state.

2. Pace of Economic Development has been slow due to making frequent changes in the projects and undue delay in taking the final decisions. Draft of fourth plan could not be approved expeditiously. All these reveals administrative inefficient.

3. Dominance of Political Interests: Tendency of sacrificing economic interests of the society for the sake of political motives and self-interests has been visible in the proposals and implementation of development programmes.

4. Slow Progress in Education Sector: Although the literacy percentage in Rajasthan has gone up to about 66.1% in 2011, spread of education among women has been too less low. Female literacy percentage is 52.1% only where are male literacy percentages is 79.2%. From the view of female education, we are at 23rd rank in India

5. Lack of Financial Resources: Financial crisis has always been an obstacle in the progress of implementation of plans in Rajasthan Work of Rajasthan canal is still incomplete. Only 93.5% of the amount proposed for various plans during first three five year plans could be spent in the state. Financial crisis prevailed during fourth plan also. Pace of development can not catch the required speed due to excessive dependence on the centre. The Government is always in the grip of financial crisis. The debt burden on the government is very heavy.

6. Lack of Freedom from Famines: Even after more than six decades of planned development, the state continues to frequently face famines in the state. Lack of employment, lack of foodgrains, lack of drinking water, also lack of drinking water and irrigation facilities in desert areas, all are the indicators of failure of economic planning in the state. Continuous famine during two years had shattered the economy of Rajasthan. During last 65 years between 1951 to 2015-16, famine conditions had been prevalent in the state during 56 years. As result, the economy of Rajasthan had to lag behind.

7. Low Per Capita Plan Expenditure: Per capita plan expenditure in Rajasthan has been low as compared all India average. It has also been an impediment in fast development in the state. It becomes clear from this table that except second and third plan, per capita plan expenditure in Rajasthan has been low as compared to all India average in all five year plans.

8. Complete utilisation of mineral wealth could not be made. In spite of abundance of mineral wealth in the state, the desired production does not become possible, due to lack of means of transportation, etc.

9. Administration Laxity and Corruption: It has also been an important reason of slow pace of economic development in the state. Delay and corruption prevails in issuing licences to the industries. in sanctioning of schemes and in completion of the formalities.

10. Unemployment: Unemployment in Rajasthan is continuously increasing for both the educated and the uneducated persons. Even doctors and engineers are facing the problem of unemployment.

Q.3 Write a short note on Panchayati Raj Institutions.

Panchayati Raj, instituted in Rajasthan in 1959, stands as a pivotal system for decentralized governance, with historical and constitutional significance. The transformative impact of the 73rd Constitutional Amendment Act of 1992 played a key role in elevating the status of Panchayati Raj institutions, redefining the constitutional landscape through amendments to Article 40. This detailed analysis delves into the essential features of the constitutional

amendment, the intricate structure of Panchayati Raj in Rajasthan, and its substantial role in fostering economic decentralization.

Key Features of the 73rd Constitutional Amendment Act:

1. Constitutional Status:

- The introduction of Part-IX and the Eleventh Schedule in the Constitution was a landmark development.
- The amendment mandated the establishment of a three-tier Panchayati Raj system in every state.

2. Compulsory and Voluntary Provisions:

- Provisions were carefully categorized as compulsory and voluntary, exerting influence on state laws.

3. Gram Sabha:

- Positioned as the cornerstone of the system, the Gram Sabha encompasses all registered voters.
- Empowered to wield authority at the village level.
- Regular meetings with specified quorum requirements ensure active grassroots participation.

4. Three-Tier System in Rajasthan:

- The system comprises the Gram Panchayat at the village level, Panchayat Samiti at the intermediate level, and Zila Parishad at the district level.

5. Election Process:

- Direct elections determine the composition of members and chairpersons at different tiers.
- The Sarpanch of the Gram Sabha is directly elected by adult voters.
- Higher-level chairpersons are elected indirectly by members.

6. Reservations:

- Reserved seats for Scheduled Castes, Scheduled Tribes, and one-third for women, with rotational allocation.
- Ensures equitable representation and inclusivity.

7. Exempted Areas and PESA Act:

- Certain areas were initially exempted, a gap addressed by the Panchayats (Extension to Scheduled Areas) Act of 1996 (PESA Act).
- Rajasthan conformed to PESA, fortifying local governance structures.

8. Financial Commission:

- Article 243-I established a Finance Commission tasked with reviewing the financial positions of Panchayati Raj Institutions.
- A vital mechanism for ensuring sustainable financial support.

Panchayats in Rajasthan and Economic Decentralization:

1. Three-Tier System:

- The state hosts 9900 Gram Panchayats, 295 Panchayat Samities, and 33 Zila Parishads.
- Territorial constituencies are based on population dynamics, ensuring effective representation.
- Wards provide a granular approach for local governance.

2. Economic Development Role:

- Panchayati Raj Institutions play a critical role in various sectors of rural development, including agriculture, education, health, infrastructure, and more.
 - Actively engage in economic planning, resource mobilization, and development program implementation.
 - Facilitate the growth of production, employment, and income in rural areas.
3. **Election and Governance Structure:**
 - Direct voting systems are employed at all levels.
 - Specific eligibility criteria, such as matriculation and family size restrictions, ensure competent and accountable representation.
 - Reservation policies promote diversity and equal opportunities.
 4. **Financial Resources:**
 - State Finance Commissions recommend the allocation of divisible net income from taxes, duties, and fees.
 - Grants and assistance from the consolidated fund enhance the financial capacity of local bodies.
 5. **Tenure of Panchayati Raj Institutions:**
 - A standardized five-year tenure ensures periodic elections and continuous local governance.
 - Mandated elections within six months of tenure expiry underline the commitment to a democratic process.
 6. **Economic Decentralization and Democracy:**
 - Economic decentralization, facilitated by Panchayati Raj, fosters democracy, active citizen participation, and economic prosperity in rural areas.
 - Government efforts to strengthen Panchayati Raj Institutions underscore their pivotal role in shaping the future of local governance and economic development in Rajasthan.

Conclusion: Panchayati Raj in Rajasthan, molded by the 73rd Constitutional Amendment Act, emerges as a robust system for democratic governance and economic decentralization. Its three-tier structure, reservation policies, and active participation of Gram Sabha members contribute to inclusive and accountable local governance. This model serves as a beacon for other states in fostering participatory democracy and building sustainable, economically prosperous rural communities. The government's ongoing efforts to strengthen Panchayati Raj Institutions underscore their critical role in shaping the future of local governance and economic development in Rajasthan.

Q.4 Write in detail about the Rural Development Programmes in Rajasthan- Evaluation and Impact.

Answer. Nearly 75% of population of Rajasthan lives in villages and 34% rural population in the state has to live below poverty line.

In the initial stage of planned development, it was anticipated that the benefit of economic development will become equally available to all sections of society.

But, unfortunately, maximum benefit of economic development was shared by urban affluent sections and the benefit shared by poor sections of rural areas was negligible. That why, later on, rural development programmes were adequately promoted.

Main objectives of Rural Development Programmes:

- (i) Poverty alleviation of rural public;
- (ii) Strong structural development for economic and social development of rural areas;
- (iii) Maximum employment generation for rural public;
- (iv) Maximum capital investment for development of rural areas;
- (v) Elimination of regional imbalances; and
- (vi) Promotion to equitable distribution of income in rural areas.

Rural Development Programs in Rajasthan

1. Poverty Alleviation Programs:

- **Integrated Rural Development Programme (IRDP):** Started in 1978-79, it aimed to lift families below the poverty line by providing livelihood opportunities. Around 27.02 lakh families benefited till 1996-97. This centrally sponsored scheme was a comprehensive co-ordinated, multi dimensional and progressive programme for eliminating poverty and unemployment in rural areas. It was equally financed by the State and the Central Government in the proportion of 50: 50. This programme aimed at raising the rural families living below poverty line above it, by making available to them, the means of livelihood and also the gainful opportunities of self employment, with the ultimate object of improving their standard of living.

- **Training to Rural Youth for Self-Employment (TRYSEM):** Launched in 1979, The main objective of this programme was to provide technical professional skill to rural youth living below poverty line for enabling for self-employment in various fields of agriculture and allied activities, industries, service and business activities. Training was imparted to youth, by keeping in view, their local requirements and facilities available for self employment.

- **Indira Avas Yojana:** A housing scheme aimed at constructing affordable houses for the poor.

- **Jeevan Dhara Yojana:** The objective of this scheme is to provide cent-percent subsidy to small and marginal farmers for construction of wells and other small irrigation works. Till 1995-96. this scheme was a part of Jawahar Rozgar Yojana. But, now it is being implemented separately.

- **Programme for Identification and Rehabilitation of Bonded Labourers:** This programme is being implemented, under Bonded Labour Emancipation Act, 1976 with the assistance of Central Government. During 1998-99, 33 bonded labourers had been rehabilitated upto December, 1998 by the proposed expenditure of 15 lakh.

(B) Programmes of Structural Development and Employment Generation: These programmes include Jawahar Rozgar Yojana, Assured Employment Scheme, 32 Zile-32 Kaam, Apna Gaon-Aapna Kaam, Untied Fund Scheme, Rural Growth Centre Yojana, etc. following is the brief description of these programmes:

2. Structural Development and Employment Generation Programs:

- **Jawahar Rozgar Yojana (JRY)**: This new programme aiming at increasing the employment in rural areas and to build productive community assets through construction activities in rural areas was started by Central Government in 1989-90. Earlier on going programmes, National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme were also merged into Jawahar Rozgar Yojana and the new comprehensive programme was taken in hand, in which the share of the centre and the state was 50: 50.

The main objective of Jawahar Rozgar Yojana was to make available additional employment opportunities to unemployed and under employed persons in rural areas and to create such community assets through construction activities, which may bring qualitative improvements in the living standards of people in rural areas.

- **Assured Employment Scheme**: This centrally sponsored programme was started in Rajasthan in 122 development blocks on 2 October, 1993. It was being implemented in all development blocks of the state, since 2001, within Sampooran Gram in Rozgar Yojana. Like Jawahar Rozgar Yojana, of the centre and the state in its financing was 80:20, which was revised to 75:25 in 1999. This scheme aims at ensuring 100 days employment in a year to at least two persons of each family living below poverty line.

- **Apna Gaon-Apna Kaam**: This programme started in January, 1991 for executing various community construction works for community use and increasing employment in rural areas was a unique employment programme of Rajasthan. Out of it, public contribution was of 7.52 crores. This scheme has fulfilled the basic objective of real public participation in local development and planning.

- **32 Zile-32 Kaam**: This programme of process of local planning and development for making best utilization of local resources available in the districts was being implemented through public participation in all districts of the state, since 1991-92 under this programme, every year, a special work was selected and implemented through public participation in all districts of the state, since 1991-92 under this programme, every year, a special work was selected and implemented, by looking at the local requirement of each district. Like any work of school building, dispensary building, lift irrigation, annicut construction, road development, drinking water supply, electricity related scheme was selected and executed.

- **United Fund Scheme**: This scheme aims at giving proper importance to local requirements and public-aspirations in both, the urban and the rural areas. Under this scheme, community construction were completed among which school and dispensary building, drinking water arrangement, community hall, maternal centre, blood donation centre are the main works.

- **Village Fund Scheme:** This scheme is being implemented in Rajasthan, since 1995-96 to fulfill the shortage of essential economic and social structure in rural areas, to bring improvement in standard of living of rural people and to speed up development in rural areas. Under this scheme, arrangements are made for development related works in 1185 selected Rural Growth Centres, like-construction of pucca roads, bus stop, construction of village market, co-operative society, bank branch, fair price shop, police station, patwar office, school, hospital, dispensary, maternity centres, agro-service station, post office, post-telegraph and telephone office, etc.

Regional Development Programs:

12. Drought Prone Area Programmes: For this programme, share of centre and the state in expenditure was 50:50. The objectives of this programme are to reduce the adverse effects of drought in drought prone areas and to provide keep to people in increasing their employment and income through construction of social assets, as also to prevent expansion of desert, to make additions in irrigation facilities, to improve drinking water supply, etc.

13. Desert Development Programme: This centrally sponsored scheme was started in 11 desert districts of Rajasthan in 1977-78 to check the spread of desert and to speed up development in desert areas.

Now, this programme is being implemented in 85 development blocks of 16 desert districts of the state. Programmes, like-pasture development, forest development, dairy development, water conservation, development of irrigation facilities, electrification are accomplished under this scheme.

14. Border Area Development Programme BAPD: Under this programme, priority is given to investment on security departments. like police, C.I.D., B.S.F. and Home Guard, etc.

Since the economic structure of all these four districts is weak, importance is given to the activities related to public works department, Rajasthan State Electricity Board, Public Health Engineering Department, Sheep and wool department, Animal Husbandry Department, Education Department, Medical & Health Department and Human Resource Development Department of Government of Rajasthan.

15. Mewat Area Development Programme: Under this programme, various economic and social, programmes of road construction, water supply, education, medical and health, etc. are being implemented by Mewat Development.

16. Dang Area Development Programme: This is backward ravine area spread over 357 Gram Panchayats of 8 districts of Rajasthan Sawai Madhopur, Karauli, Dholpur, Baran, Jhalawar, Kota, Bundi, Bharatpur and suffers from the terror of dacoits also. Since 1995-96, works of economic and social development are being implemented for structural development of these areas by Dang Region Development Board through District Rural Development Agencies, so that the people of Dang area may come at par with other areas of the state.

17. Ganga Kalyan Yojana: This centrally sponsored scheme was started in February 1997. Under this scheme, irrigation facility through wells, tubewells, etc. is being provided,

individually or in group to such small and marginal farmers, who are not getting such benefit, under any other scheme. The funding pattern by the centre and the state is 80:20. Earlier, this facility was under Integrated Rural Development Programm (IRDP). Now, it is being implemented as a separate programme of Pradhan Mantri Gramodaya Yojana. About 50 percent fund of Ganga Kalyan Yojana is spent for providing ground water irrigation facility to small and marginal farmers of scheduled castes and scheduled tribes.

(D) Women and Children Development Programmes:

18. Development of Women and Children in Rural Areas - DWACRA: This scheme was started in 1984 as sub-scheme of Integrated Rural Development Programme. Under this programme, group of 10-15 women belonging to below poverty line category was imparted employment related training to provide opportunities of self-employment and facilities of raw material, sale of products and skill development were also made available at local level, so that their income and standard of living may go up through addition in their income earning capacity. It facilitates their economic and social empowerment also.

19. Women Development: This programme was started in 6 districts of the state in 1984 with assistance from UNICEF to improve the economic and social status of women in Rajasthan under this programme, women are made much more capable and competent through implementation of educational and training activities, exchange of informations and group activities of development.

Other Programmes:

20. Mahatma Gandhi National Rural Employment Guarantee Scheme: This scheme is being implemented since 2006 for making available, employment of opportunities to people in rural areas and also for promoting inclusive growth. This scheme aims at making available, the assured employment 100 days in a financial year to unskilled labourers of each family to enhance livelihood security in rural areas.

21. Pradhan Mantri Sadak Yojana: Government of India started this scheme on 25 December, 2000 for reducing the poverty and increasing the employment. Under this scheme, 97,838 habitations have been connected with roads, by constructing 2.5 lakh kilometre roads.

22. Guru Golwalkar Jan Bhagidar Vikas Yojana : This scheme has been, started in 33 districts on 30 September, 2014. It aims at ensuring public participation in development, employment generation and construction and maintenance of community assets in rural areas. 20% funds for this scheme are raised through public contribution and 80% funds are provided by the State Government.

23. Member of Legislative Assembly Local Area Development Fund: Under this scheme, provision has been made for incurring of annual expenditure of 2 crore by each MLA in his constituency for the works relating to infrastructure development, construction of public utility assets and removing of regional in balance.

24. Member of Parliament Local Area Development Scheme: Under this scheme, every M.P. can get executed works of upto 5 crore, every year for infrastructure development in his parliamentary constituency, by recommending the works to the District Collector.

It becomes clear from above description that Panchayati Raj System is working as an important strong agency for implementing rural development programmes in the State. Democratic system of Panchayati Raj has become necessary for connecting the rural masses with the main stream of development, as also to prevent their migration to urban areas and for making them active participant in future rural development. The right of rural public to select and implement their local development programmes is the most salient characteristics of Panchayati Raj. Hence, efforts for its success are essential and also the need of the day.

Q.5 Write the Suggestions for Success of Panchayati Raj and Rural Development in Rajasthan.

The Government of Rajasthan has taken revolutionary step for economic, social and political development of rural areas of the state, by passing and implementing new Panchayati Raj Act, 1994. However, till administrative, financial and political powers are not transferred to local level, block level and district level Panchayati Raj Institutions, to reasonable extent as envisaged in this act and the local public does not enhance its active and effective participation in development programmes implemented for their cause, their success appears to be difficult. Hence, following suggestions may be given for the success of Panchayati Raj System and rural development:

1. **Speeding up of Literacy Campaign and Training Programmes:** Although provisions have been made for reservation of women, scheduled caste and scheduled tribe person for various posts at each level of Panchayati Raj Institutions, but till adequate and proper arrangements are not made for the literacy and training of elected representatives, Pradhans and Zila Pramukhs, they cannot competently discharge. Hence, literacy and training programmes should be arranged at war level for making successful, the democratic decentralization in the state.

2. **Transfer of Administrative and Financial Authority upto Gram Panchayat Level:** For success of Panchayati Raj System, it is necessary that financial and administrative authority should be transferred from centre to the states → from the states to the district level → from district level to block level and ultimately from the block level to Gram Panchayat level. This vertical transfer of financial and administrative authority will facilitate, not only the democratic decentralization of power, but will also strengthen the self at all levels. governance

3. **Power should be appropriately distributed** between the Government officials and representatives elected by the public. If the power of implementation of local public services like-water, electricity, medical and health, transportation, etc. is given to Panchayati Raj Institutions, it will be possible to make available, better services.

4. **Increase in Mutual Co-operation and Co-ordination among Elected Public Representatives:** Success of implementation of various rural development programmes largely depends upon mutual co-operation and co-ordination among all elected public representatives Lok Sabha members, M.L.A.s, Panchas, Sarpanchas, Pradhans and Pramukhs, so that adequate and proper co-ordination may be established between both, planning from above and planning from below. For this purpose, mutual cordial relations between public representatives need to be promoted.

5. **Dominance of General Public on Panchayati Raj Institutions:** For success of Panchayati Raj system and rural development, it is essential that dominance on the authority of Panchayati Raj Institutions may not be of influential and affluent persons. Rather, it should be of honest, gentle and public welfare oriented public representatives elected by the general public, so that the implementation of rural development programmes may be for maximum welcome of public at large.

6. **Adequacy of Financial Resources:** The dream of Panchayati Raj System and rural development may be materialized, only when adequate funds are made available to Panchayati Raj Institutions for accomplishing their tasks. For that, much more financial assistance is being provided to Panchayati Raj Institutions by increasing the amount of grant-in-aid and making statutory provision for making available. much more funds. Much more assistance is being provided to Panchayati Raj Institutions, in accordance with the recommendations of tenth finance commission. The State Finance Commission should also make recommendation for transferring Government funds from time to time to these institutions, in accordance with responsibilities assigned to them.

7. **Determination of Rural Development Programmes in accordance with Public Expectations:** Development programmes. in rural areas should be determined in accordance with local public expectations and resources, so that adequate co-operation of public may be obtained for fulfilling their basic requirements. In this perspective, the objective of rural development works should be to pave the path of development through creation of productive community assets, generation of employment opportunities and development of agriculture, animal husbandry, small industries, education, medical and health and irrigation facilities by making required investment for such development activities.

8. **Co-ordination between various Rural Development Programmes:** Mutual coordination should be established between various rural development programmes implemented by Panchayati Raj Institutions, so that unnecessary duplicate expenditure and unnecessary conflict among development programmes may be avoided. Better effective implementation of various rural development programmes in integrated form will pave the path of rapid economic development.

9. **Completion of Rural Development Programmes:** Many a times, it so happens that implementation of a programme is suddenly left incomplete and some new programme is started. It creates doubts and confusion among the public and public confidence in implementation of programmes is shattered. It also becomes difficult to seek their active participation. Hence, the tendency of leaving the activities incomplete should be discouraged. All possible efforts should be made to effectively complete development programmes, by making better utilization of resources even by keeping the number of programmes within manageable limit

Q.6 What are the Causes and Factors of Poverty in Rajasthan?

1. **Adverse Geographical Circumstances:** Adverse geographical conditions of the state is an important cause of its poverty. About 61% land area of the state is arid and desert. Monsoon winds pass through the state without raining due to parallel positioning of Aravali hills. Arid and semi-arid climate of the state is damaging and less productive. Area under desert is going on increasing. Natural calamities, uncertainty of rains etc. cause droughts and famine in the

state, resulting into poverty. Lack of underground water and scanty rainfall have resulted in occurrence of famine and drought during 47 years, out of last 55 years. Acute famines of 1985-88 and 1999-2003 have proved to be quite harmful for the people, livestock and the cultivation of Rajasthan and have aggravated the poverty in the state.

2. **Slow Pace of Economic Development:** Slow pace of economic development in the state has also obstructed poverty alleviation in the state. Faster development promotes employment, income and production and results into addition in prosperity and decline in poverty.

3. **Weak Economic Structure:** Infrastructure facilities, like railways, roads, electricity, irrigation facilities have not developed in the state to the desired extent. Economic structure of the state is very weak as compared to other developed states, due to inadequacy of financial resources. It has been a hurdle in reducing the poverty and the backwardness.

4. **Lack of Irrigation Facilities:** Even now, about 70 percent of cultivated area of the state depends upon rainfall for the purpose of irrigation, which is often uncertain, irregular and inadequate. Availability of irrigation facility in just 30 percent cultivated area has been an important cause for not being able to alleviate poverty in the state, which is basically an agriculture dominated state.

5. **Decline of Small and Cottage Industries:** Development of several big industries in various parts of the country and the dominance of their products in the markets have resulted into decline of small and cottage industries, which are the important sources of alternative employment and income for poor people. Consequently, it has added to the volume of poverty in the state.

6. **Increasing Unemployment and Lack of Employment:** All types of unemployment is continuously increasing in the state. Large scale unemployment prevails even in agriculture sector. Alternative employment opportunities have not increased to keep pace with growth in population and hence large-scale increase in unemployment has been a major cause of poverty. According to the estimates number of employment seekers in the state was 7.3 lakh in 1993-94. Number of registered unemployed persons in employment exchanges was approximately more than 25 lakhs, by the end of 2005-06.

7. **Population Growth:** Rapidly increasing population in Rajasthan is also an important cause of increasing poverty in the State. Population growth during the decade 1971-81 was 33 percent, whereas it was 28.44 percent and 28.41 percent in the decades of 1981-91 and 1991-2001. Growth during the decade 2001-2011 was 21.3 percent. The population growth rate has been high as compared to the national average. Not only that, more children and low income among the poor and backward sections have also been helpful in increasing the poverty.

8. **Problem of Famine and Drought:** About 55 years out of 64 years between 1951-52 to 2014-15 have witnessed drought and famine in Rajasthan. This situation has aggravated poverty in the state, as a result of decline in production, employment and income. Implementation of long-term policy for solving the problem of famine and drought in Rajasthan is essential for eliminating poverty in the state.

9. **Lack of Effective Implementation of Land Reforms:** Exploitation of farmers, concentration of land in the hands of few prosperous farmers, non-distribution of land among landless cultivators, uneven distribution of land, etc. have obstructed alleviation of poverty in agriculture sector. Poverty in agriculture sector has been aggravated, also due to sub-division and fragmentation of land and diversion of land for non-agricultural activities from use in cultivation. The target of poverty alleviation could not be achieved, due to lack of sincerity in implementation of land reforms by the Government.

10. **Increasing Prices of Essential Commodities:** Constant increase in prices of essential commodities, limited income of people and lack of adequate employment opportunities have also increased poverty in the state. The conditions of poor persons have worsened due to lack of adequate proper arrangements of distribution by the Government.

11. **Financial Constraints of Government:** The financial position of the Government is also not strong due to backwardness of the state. This situation obstructs not only the developmental activities. financial obstacles also arise in expansion of social services and implementation of poverty alleviation programmes, since adequate financial resources do not become available for these programmes.

12. **Social Conservatism and Backwardness:** Majority of rural population in Rajasthan is in the grip of faulty traditions and customers wasteful expenditure on the occasions of marriages and deaths as quite common. These expenses are incurred, even by taking loans, which push them towards exploitation by the local money- lenders and the resultant poverty, which goes on to several generations. Lack of education and knowledge, large family size, lack of employment result into addition in poverty.

13. **Industrial Backwardness:** Industrial backwardness still prevails in agriculture dominated economy of Rajasthan. Somewhat development of industries has taken place only at some selected centres. Even now, Rajasthan is much behind Maharashtra, Gujarat, Tamilnadu, West Bengal, Punjab and Haryana in respect of industrial development. Industrial backwardness is also an important cause of poverty in Rajasthan.

14. **Administrative Corruption and Inefficiency:** Generally, the benefit of poverty alleviation programmes and development does not reach to poor people, due to prevalence of corruption and administrative in efficiency at various levels in the economy. Benefit thereof is much derived by the prosperous and capable persons and poverty continues to exist.

15. **Lack of Social Security:** Like other states of India, social security lacks in Rajasthan also. If no social security becomes available during conditions of unemployment, sickness, old age, accident and death, it is an open invitation to poverty. It is unfortunate that even after 65 years of planned development, social security completely lacks in the country. It has also obstructed alleviation of poverty in Rajasthan.

16. **Other Causes:** Apart from aforesaid causes, historical background of Zamindari and Jagirdari system, bonded labour, exploitation have also been the causes of poverty in Rajasthan. Political instability and lack of public co-operation to the Government are also the factors responsible for poverty in the state.

Q.7 Brief about some special Programmes of Poverty Alleviation and Employment Generation in Rajasthan.

Several special programmes for poverty alleviation and employment generation have been implemented / being implemented in Rajasthan. These include Integrated Rural Development Programme, Jawahar Rozgar Yojana, TRYSEM, National Rural Employment Program, Rural Landless Employment Guarantee Scheme, Minimum Needs Programme and also several area development programmes, like - Desert Development Programme, Drought Prone Area Programme, Tribal Area Development Programme and Aravali Development Programme, etc. These programmes directly or indirectly have impact on poverty alleviation in the state. Following is the brief description of these special schemes or programmes.

Integrated Rural Development Programme (IRDP) vs Swaran Jayanti Gram Swarozgar Yojana (SGSY)

Integrated Rural Development Programme (IRDP):

- i. Aimed at providing income opportunities to families below the poverty line in rural areas.
- ii. Implemented prior to 1 April 1999.
- iii. Faced implementation issues, including selection of non-needy families, corruption, and misutilization of government subsidies.
- iv. Lack of cooperation from banks and poor retention of acquired assets were key challenges.
- v. Over 50% of families in Jaipur district who benefited from IRDP sold their animals.

Swaran Jayanti Gram Swarozgar Yojana (SGSY):

- i. Initiated on 1 April 1999, merging IRDP, TRYSEM, SWCRA, SITRA, G.K.Y., and Million Well Scheme.
- ii. Objective: Uplift poor rural families above the poverty line.
- iii. Ensured 50% allocation for scheduled castes and tribes, 30% for women, and 3% for disabled individuals.
- iv. Aims to provide beneficiaries with protection and self-reliance.
- v. Implemented to rectify the shortcomings of IRDP and enhance the effectiveness of poverty alleviation efforts.

2. **TRYSEM or Training to Rural Youth for Self-Employment:** This scheme was started by Government of India in 1979 for alleviating poverty in rural areas and for providing self-employment to rural youth by providing training to them to unemployment. Under this eliminate scheme, it was envisaged to impart training to 40 young persons each year in each development block and, thus, imparting training to 2 lakh rural youth, every year in the country.

3. **National Rural Employment Programme (NREP):** This scheme was started in 1980. This scheme envisaged construction of schools in rural areas, construction of rural roads, minor irrigation and soil conservation programmes and digging of wells, etc. for enhancing the wage employment in rural areas. Employment was provided on famine relief works also through this scheme and the system of food for work was also implemented in Rajasthan, in

which the share of Central and State Governments was 50: 50. Employment of 14 crore man days was generated 3 years from 1986-87 to 1988- 89 by incurring expenditure of about 155 crores. It was merged with Jawahar Rozgar Yojana in 1989-90.

4. **Rural Landless Employment Programme - RLEGP:** This scheme was an attempt to provide guarantee for making available, employment of 100 days to at least one person of each landless labour family, under this scheme, also provision was made for providing employment for those very activities, which could be included in National Rural Employment Programmes (NREP). Expenditure of 85 crores was incurred on this programme during three years from 1986-87 to 1988-89 and employment of 5 crores mandays was provided to rural landless labourers This scheme was also merged with Jawahar Rozgar Yojana in 1989-90.

5. **Since 1993-94, Assured Employment Scheme:** Since 1993-94, the Government used to ensure, making available employment to at least two members of each family living below poverty line for 100 days in a year, under this scheme.

6. **Jeevan Dhara Scheme:** Till 1995-96, this scheme was part of Jawahar Rozgar Yojana. But, subsequently cent-percent subsidy was given to small and marginal farmers for construction of wells and minor irrigation works, under this scheme.

7. **Identification and Rehabilitation of Bonded Labour :** This programme is being implemented under Bonded Labour Emancipation Act, 1976 with the assistance of central Government. During 1998-99 33 bonded labourers were rehabilitated by spending 15 lakhs. 24 and 48 bonded labourers were got emancipated during 2000-01 and 2001-02, respectively.

8. **Jawahar Rozgar Yojana (JRY) vs Gram Samridhi Yojana (JGSY)**

Jawahar Rozgar Yojana (JRY):

- Initiated by the Government of India in 1989-90 to boost rural employment.
- Merged National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP).
- Center and state contribution ratio: 75:25.
- Aimed to provide at least 100 days of employment per year to one member of each poor rural family, with a minimum 30% allocation for women.

Gram Samridhi Yojana (JGSY):

- Formerly known as Jawahar Rozgar Yojana, it was rebranded as Jawahar Gram Samridhi Yojana.
- Centrally sponsored scheme with a financial sharing ratio of 75:25 between the Centre and State Governments.
- Objective: Creation of durable village-level assets and essential rural community facilities.
- Focus on enhancing employment opportunities for the impoverished rural population.
- Aims to build sustainable rural infrastructure while increasing employment prospects for the rural poor.

9. **Aapna Gaon Aapna Kaam:** This programme was started in January, 1991 for building up of public utility community works in rural areas and for increasing the employment. Under this programme, 70 percent funds is provided by the Government on collection of 30 percent funds by the villagers through public co-operation for undertaking their public utility community works and arrangements were made for raising of works by the villagers in their village.

10. **District Poverty Alleviation Programme:** This scheme is being implemented in 47 development blocks and 7,036 villages of six poverty stricken districts, Baran, Churu, Dausa, Dholpur, Jhalawar, Rajsamand and Tonk, since 25 July, 2000 for upliftment of poor persons, with financial assistance of World Bank.

11. **Mukhya Mantri Rozgar Yojana :** Announcement about this scheme was made by the Chief Minister on 12 October, 1999 for making available the Kiosks, to unemployed youth for self employment.

12. **Indira Avas Yojana:** This scheme was started by Government of India to make available the shelter to poor villagers living below poverty line in rural areas. This scheme which was started in 1985-86 continued to be implemented as sub-plan of RLEGP and subsequently of Jawahar Rozgar Yojana.

13. **Sampoorn Gramin Rozgar Yojana:** This centrally sponsored scheme was started on 15 August, 2001 by integrating two ongoing schemes (i) Jawahar Gram Samridhi Yojana, and (ii) Assured Employment Scheme. In this scheme, the financial share of the Central Government and the State Government is in the proportion of 75: 25. This scheme aims at making available, wage employment and creation of community assets. This scheme also aims at providing food security and developing basic facilities. Various works like soil and moisture conservation, water resources development, forestation and development of basic rural facilities have been accomplished.

14. **Swaran Jayanti Gram & Swarozgar Yojana :** This centrally sponsored scheme was started on 1 December, 1999 by merging the earlier ongoing programmes - I.R.D.P., TRYSEM, SITRA, G.K.Y. and M.W.S., in which the financial share of the Central and the State Governments is 75:25. This scheme aims at providing constant income to poor persons, establishment of small industries in rural areas and to enhance the capacity of poor persons in the rural areas for their collective development by selecting the works in rural areas.

15. **Swaran Jayanti Sahari Rozgar Yojana:** This centrally sponsored scheme is being implemented, since 1 December, 1997 in place of earlier schemes (i) Nehru Rozgar Yojana (ii) Basic Services Programme for urban poor, and (iii) Prime-minister urban poverty alleviation programme. The financial share of the centre and the state is 75: 25. This scheme aims at to make available self-employment opportunities to families living below poverty line in urban for their social and economic upliftment, as also to develop basic physical facilities and social services. Following were the two major components of this schemes.

i) Urban Self Employment Programme: During 2005-06, 2216 persons were benefited under this programme, upto December, 2008, against the targets of 4,500 persons and trainings were imparted to 997 persons, against the target of 4,000 persons for skill enhancement.

(ii) Urban Wage Employment Programme: The objective of this programme was to make available the employment to the persons living below poverty line in urban areas by creating useful assets relating to basic facilities. During 2005-06 employment of 24 thousand man-days was generated upto December, 2005, against the target of employment of one lakh man-days.

16 **Mahatma Gandhi National Rural Employment Guarantee Scheme (MNAREGA)**

Scheme: This scheme was started on 2 February, 2006 for providing better livelihood security to poor persons in rural areas. This scheme aiming to provide guarantee for 100 days wages in each financial year to each household, whose adult member is ready to do unskilled physical is an important achievement of social sector.

This scheme was included in earlier mentioned (i) Sampoorn Gramin Rozgar Yojana, and (ii) National Rural Employment Guarantee Scheme in 200 districts identified in the primary stage of National Food for work programme. Employment under this scheme will be generated through those works which can develop infrastructure facilities in that area. The alternatives of suggested works will relate to courses of continuing poverty, like prevention of drought, destruction of forests and soil erosion.

This scheme is being implemented under National Rural Employment Guarantee Scheme Act, 2005, which was notified on 7 September, 2005. Each State Government had prepared scheme for its implementation, in accordance with the terms specified in the notification issued by it within six months of this Act becoming applicable.

17. **Prime-minister Employment Scheme:** This scheme was started in 1993-94 for elimination of poverty and for providing self employment.

Q.8 **Give your Suggestions for Removing Poverty in Rajasthan.**

Effective steps are required to be taken in future. For that following suggestion may be offered:

1. **Effective Control on Population Growth:** To materialist the concept of two child norm, each couple should be made, mentally prepared. For that, required publicity should be arranged and all other required facilities should also be provided.

2. **Well Planned Employment Programme:** Comprehensive and well-planned programmes for wage employment to poor persons, in accordance with local requirements should be implemented effectively.

3. **Expansion of Social Services:** Social services should be adequately expanded to fulfill the educational, health and other basic requirements of poor persons.

4. **Land reform programmes** should be **effectively implemented**, so that additional land may be allotted to landless agriculture labour, so that they may be properly engaged in beneficial agricultural activities.

5. **Promotion to Public Sector Construction Activities:** It will increase opportunities of wage employment to poor persons and thereby poverty may be suitably reduced.

6. **Development of Small and Cottage Industries:** The poor persons may be motivated for self-employment by promoting the development of small and cottage industries in the state and arrangements for proper sale of their products at fair prices may facilitate reduction in poverty.

7. **Promotion to Co-operation:** Benefits of co-operation may be made available to poor persons by promoting co-operative movement in the state.

8. **'Dry farming'** technique should also be used for increasing agricultural production in the state.

Q. 9 Write the concept and causes of problem of Unemployment in Economy of Rajasthan.

Answer: This concept of unemployment measures the number of persons remaining unemployed during all 365 days of the year or for more longer period and it is indicative of permanent or long term unemployment. Under this concept, data regarding unemployment are collected under two headings. First is the unemployed in Principle usual status and another heading is, unemployed in usual status (adjusted) in which subsidiary status unemployed workers are not counted.

2. Under Weekly Status concept of National Sample Survey Organization, any person who remains available for work, but does not get employment of even an hour on any day within the reference period of a week, during search of work is included in this category. This concept makes known the average number of persons remaining unemployed for a week. This is indicative of unemployment arising among employed persons in between their employment due to seasonal reasons.

3. The Daily status concept of unemployment of any person is looked into, with reference to each day of last week, under this concept of National Sample Survey. In respect of those days of the week, when he does not get the work of even an hour in a day, in spite of his being available for search of employment and doing the work, it reveals the status of daily unemployment. However, in respect of that day, when he is able to get work of more than a hour, but for less than four hours, he is considered to be at work for half day and unemployed for half day. The day, he gets work of 4 hours or more, he is considered to be in the category of employed persons.

According to report of National Sample Survey Organization for 43rd round, rates of male unemployment in rural and urban areas were 5.9 and 7.2 percent respectively. Rates of female unemployment were 5.2 and 4.2 percent.

It becomes clear that unemployment rates in rural sectors are too low as compared to urban sector. It also becomes clear that increase in unemployment rates is fast.

Problem of under employment is most acute in agriculture dominated economy of Rajasthan. Seasonal unemployment is usually created among the farmers and agriculture labourers in Rajasthan, due to lack of irrigation facilities, excessive dependence of agriculture on seasonal rainfall, uncertainty, irregularity and inadequacy of monsoon, etc. and they all get in search of

additional employment during such period and many a times, they are not able to get full time work. Hence, they want alternative employment. All this is indicative of under employment.

Causes of Increasing Unemployment in Rajasthan

The main causes of increasing unemployment:

1. **Adverse Geographical Conditions:** Two third part of Rajasthan is arid desert area, which is acutely lacking irrigation facilities and rainfall is also quite inadequate, since Aravali hill range is parallel to monsoon airs emanating from Arabic Sea. Hence, employment opportunities are limited. Seasonal unemployment substantially goes up on failure of monsoon.
2. **Lack of Irrigation Facilities:** Rajasthan is agriculture dominated state and failure of monsoon and resultant famine, as also lack of irrigation facilities cause substantial damage to agriculture, which is the backbone of the economy of the state. As a result, unemployment among the cultivators and agriculture labour increases substantially in rural areas of the state.
3. **Slow Pace of Industrial Development:** Although Rajasthan is the birth place of leading industrialists of India, the pace of industrial development in the state has not been high, due to lack of required industrial infrastructure. Hence, desired growth in employment could not be possible and unemployment went on increasing employment opportunities in organized industrial sector have been quite limited.
4. **Explosive Population Growth:** Explosive growth of population in Rajasthan has aggravated the problem of unemployment.
5. **Defective Education System:** Education system of Lord Maculay has created on army of white-collar class in Rajasthan also, like other States of India who prefer to work in offices as clerk. However, tendency of self-employment could not develop, due to lack of desired development of technical and professional education well planned co-ordination of employment with programmes of economic development is also lacking in the state. Hence, number of unemployed persons has increased in the state.
6. **Lack of Manpower Planning:** No effective efforts have been made in the entire country for man power planning. Hence, it is difficult, even to think about effective man power planning in economically backward state, like Rajasthan.
7. **Lack of Effective Employment Policy:** Of course, several employment programmes have been started, here and there in various schemes for removal of unemployment in the state, but no comprehensive and effective employment policy has been followed, which has aggravated unemployment. However, the Government had constituted an advisory committee on employment during the decade of 1990 for preparing effective employment policy, under the chairmanship of Prof. V.S. Vyas. The committee has made recommendation for effective employment policy in respect of "Towards Full Employment in Rajasthan' in its final report in 1991.

8. **Inclination Towards Capital Intensive Industries:** Since last three decades, much more importance is being given to establishment of capital-intensive industries. Hence, desired growth in employment opportunities could not be possible.

9. **Decline of Small and Cottage Industries:** Small and cottage industries have substantially declined in Rajasthan, due to tough competition with big industries. Decline of these labour-intensive industries resulted into growth of unemployment in the state.

10. **Mentality of Unemployed Persons:** Today, the mentality of educated unemployed persons is to go for Government Job. They have no inclination for self-employment. Such type of mentality has developed, even in rural areas. Hence, inspite of efforts by the Government, success of self-employment programmes is negligible. The Governments are also quite limited and hence the number of unemployed persons registered in employment exchanges is steadily increasing.

Q. 10 What were the Recommendations of the Advisory Committee on Employment for Full Employment in Rajasthan during the Decade of Nineties?

The recommendations offered by advisory committee on employment for full employment in Rajasthan constituted by the Government of Rajasthan under the chairmanship of Prof. V.S. Vyas during the decade of nineties is as follows:

1. **Opening Balance of Unemployed Persons and Probable Additional Labour Force:**

The committee had estimated that the increase in the number of persons seeking new employment due to increase in labour force during the decade of nineties will be about 44 lakh. On adding the opening balance of 48 lakh unemployed persons in it, about 49 lakh additional employment opportunities will have to be created in the entire decade for achieving the status of full employment.

2. **Annual Employment growth rate** will have to be increased from 2.1 percent to 2.5 percent. For that annual growth rate of development during eighth plan will have to be increased to 5.5 percent and during ninth plan, it will have to be increased to 6 percent.

3. **Employment Generation through Increase in Irrigation Facilities and Multi-Crop Programmes in Agriculture Sector:** Employment to about 2 lakh additional persons may be provided through expansion of irrigation facilities by Indira Gandhi Canal Project. Possibility was also expressed for providing 5-6 lakh new employment by sowing more than one crops in irrigated areas.

Addition of 1.5 lakh to 2 lakh in direct and indirect employment through animal husbandry, fish rearing and tree plantation is also possible.

4. **Generation of New Employment in Mining Sector:** The committee has suggested that since Rajasthan has abundant mineral deposits their well-planned utilization has the possibility of making available, about 3.5 lakh to 5 lakh additional employment opportunities.

5. **Rapid industrial development** in the state can possibly provide about 5 lakhs to 8 lakh additional employment, if agriculture based, livestock based and mineral based industries are rapidly developed in the state.

7. High Possibility of Growth of Employment in Handiworks, Handicrafts and Small and Cottage Industries: Proper development of employment intensive handiworks, handicrafts and cottage industries, like, gold and silver jewellery, Gem cutting and polishing, manufacturing of attractive articles of lac, leather and marble, as also the manufacturing of carpets, wooden toys and decorative goods and development of electronics industries has good potential of generating about 2.4 lakh employment opportunities in organized sector and 8 lakh new employment opportunities in unorganized sector if untiring efforts are made by the Government.

8. Promotion to Construction Activities: About 5-6 lakh new employment opportunities may be created by suitably promoting construction activities in various fields, like building construction, road construction, construction of dams and canals for irrigation, construction of wells, Apna Gaon Apna Kaam and also by promoting soil conservation activities.

9. Development of Tourism: History of Rajasthan symbolises bravery, sacrifice, devotion and stories of power, beautiful places and industrial sites. Hence, the state has vast potential for development of tourism. Proper and adequate utilization of this potential has the possibility of making available about 1-2 lakh new employment opportunities in the state.

10. About 10-15 lakh additional employment opportunities may be created in the state through proper development of business and development of transportation and communication facilities. Development in various sectors of the economy will also help in creating new employment opportunities in the field of business and transportation and communication services.

Q. 11 Write Suggestions for Solving the Problem of Unemployment and Generation of Employment Opportunities.

Following other suggestions also deserve consideration.

1. Effective Control should be exercised over explosive growth of population, so that the heavy crowd of new arrivals demanding employment may be restrained. It was estimated that during the decade of 1990 above, 44 lakh new employment seekers will enter into the labour market, if present rate of population growth goes on continuing Hence, need is of bringing down the population growth rate from the present rate of 2.5 percent to 1.8 percent.

2. It has become necessary to speed up industrial and mining development, since mining activities facilitate employment generation at large scale. Utilisation of abundant mineral deposits can yield double advantage. On one side, it will increase employment in the state and on another, the pace of economic production and development will also be speeded up. Industrialisation will pave the path of growth in employment in the state.

3. Increase in irrigation facilities and multi-dimensional agricultural development should be suitably emphasized. It will help in increasing new employment opportunities in the state and the problems of seasonal unemployment and under-employment may be easily solved.

4. Labour intensive small and cottage industries should be promoted, so that more and more employment opportunities may be generated there in and the path of self-employment may also be paved.

5. Tourism industry should be suitably developed, since the number of tourists in Rajasthan is increasing, year after year. During 2001, about 7 lakh foreign tourists and 75 lakh domestic tourists had visited Rajasthan. Employment in the state may be substantially increased by providing better services and facilities to such a large number of tourists.
6. Emphasis should be placed on successful implementation of Rozgar Yojana, so that much more employment may be provided.
7. Proper co-ordination should be established among various employment programmes and all possible effort should be made to achieve their employment target, by making available the funds required for their implementation.
8. Strength to Infrastructure: The central and the State Governments should ensure proper and adequate development of power, drinking water facilities, irrigation facilities, means of transportation and communication, banking services and financial institutions to strengthen basic infrastructure in the state for speedy development of the economy of the state and the funds required for their development should be essentially provided.
9. Animal husbandry, fisheries and social forestry also have vast possibilities for generating new employment opportunities in the state.
10. Economic liberalization and unnecessary controls should be restrained, so that the path may be paved for holistic development in the economic sphere.
11. Implementation of manpower planning and effective employment policy may help in eliminating unemployment and may also pave the path of proper utilization of man power.

UNIT 3

Q.1 What is the role of Agriculture in Rajasthan?

Introduction

Rajasthan is an agriculture dominated state. Its economy continues to be dominated by agriculture. About 70 to 72 percent of the state population directly or indirectly depends upon agriculture and animal husbandry for livelihood.

Its importance for the economy of the state may be will visualised, by the following facts:

1. **Important Source of Net State Domestic Product of the State:** Substantial share of domestic income of the state is received from agriculture. During 1960-61, share of agriculture and allied sectors in gross state domestic product was about 57.3 percent. It reduced to 19.43 percent only, during 2014-15. Still, its share in total production continues to be substantial.
2. **Base of Livelihood for 72 percent Population:** Substantially large portion of state population continues to depend on agriculture for its livelihood. This is the major source of their income.

3. **Base of Employment:** Agriculture and animal husbandry are the major source of employment for the people of Rajasthan.

4. **Major Source for Supply of Industrial Raw Material:** Agriculture is a major source of industrial raw material also in the state. Development of all agro-based industries depends on agriculture.

5. **Major Source of Income to the State Government:** The Government charges not only the rent for the land, it also levies irrigation cess and agriculture cess for production. Hence, it is an important source of state revenue also.

6. **Supply and Self Dependence in Foodgrains :** Agriculture meets food grain requirements of people of Rajasthan Foodgrain production was 29 lakh tons only, during 1950-51. It had gone up to 180 lakh tons during 2003-04 and to 235.6 lakh tons, during 2010-11. However, it reduced to 225.82 lakh tons in 2017-18. The state is now not only self-dependent in respect of foodgrains, it makes exports also to another states.

7. **Important for Transportation, Trade and Communication:** Agriculture is instrumental in providing income and employment to all these sectors, also.

8. **Income to State Government from Land-Revenue and Taxes:** Income to the State Government from land revenue was approximately 31.55 crores, 209 crores and 400 crores, during 1996-97, 2011-12 and 2015-16, respectively.

9. **Industrial Prosperity** also depends upon Prosperity of Agriculture, since the demand of industrial upon their demand by sizeable population engaged in agriculture and allied sectors. Agriculturists are the important consumers also in the state economy. Demand for agricultural implements and equipment, pesticides, chemical fertilisers, textile, sugar and several other consumer goods, much depends upon prosperity of agriculture.

10. **Social and Political Importance:** Due to majority of people, being engaged in agriculture, their political importance has substantially gone-up, in the vote-based politics. That is why, all political parties make best possible efforts to formulate and implement various policies aiming at the development and welfare of the agriculturists to sustain their political power.

11. **Development of Banking and Insurance Sectors** also largely depends upon development of agriculture. Growth of agricultural credit has provided momentum to the development of banking sector. Branch expansion in rural areas has been substantial. Insurance business is also flourishing, along with prosperity of agriculture. Life Insurance and Cattle Insurance are becoming popular. Crop insurance is also becoming important.

Q. 2 What are the main features of New Agriculture Strategy or Green Revolution in Rajasthan ?

Green revolution was launched in the entire country during 1965-66, after the end of third five year plan. Improved agricultural practices started being promoted, in agriculture sector on selective basis, within the new strategy for development of agriculture. Rajasthan also joined hands with green revolution. Agriculture policy for speeding up the development of agriculture in irrigated areas of the state, by way of promoting technological and technical

improvements along with institutional reforms, was followed in the state. This policy is called, new agriculture policy, new agricultural strategy or green revolution.

Following were the salient features of this green revolution or agricultural strategy:

1. **Selection of Appropriate Areas for Development of Agriculture:** Initially, programmes of agriculture development were implemented, only in selected areas, having adequate irrigation facilities, so that available agricultural inputs may be used rationally and effectively.

2. **Encouragement to Improved and High Yielding Crops :** Use of improved and high yielding seeds was promoted, aiming at rapid growth in agricultural production. Area under hybrid Bazra, hybrid Jowar, Mexican wheat, sona kalyan increased rapidly in the state. Area using these seeds was too limited. Area under high yielding crops was 2.88 lakh hectares during 1968-69. It is increased to 30.9 lakh hectares in 1990-91 and to 38.54 lakh hectares, during 1996-97. However, it had reduced to 37.54 lakh hectares during 1999-2000, and further to 32.89 lakh hectares during 2000-01 and to 20.16 lakh hectares only 2002-03, due to bad monsoon. However, it again increased to 43.6 lakh hectares during 2003-04 and to about 52 lakh hectares, during 2014-15. 75.96 thousand tons high yielding and improved seeds were distributed, during 2005-06. Now, it has reached to 82 thousand tons.

3. **Development and Expansion of Irrigation Facilities :** In this new policy, more and more emphasis was placed on development of sources of irrigation, particularly on small irrigation schemes, resulting into rapid growth of irrigated area, which increased from 23.5 lakh hectares in 1965-66 to 80.88 lakh hectares in 2007-08, to about 98.65 lakh hectares in 2013-14 and 105.62 lakh hectares in 2015-16.

4. **Encouragement to Use of Chemical Fertilisers:** Use of Chemical fertilisers was also promoted under the policy of green revolution for achieving growth in agricultural production and also for increasing the productivity per hectare. As a result thereof, use of chemical fertilisers was quite nominal during 1965-66. It increased from 54 thousand tons in 1970-71 to, 1.3 lakh tons during 1973-74 and to 8.2 lakh tons during 1999-2000. Its consumption was approximately 14.5 lakh tons, during 2014-15.

5. **Multi-cropping Programme:** Promoting quick yielding

crops is also a good policy to increase agricultural production. Among these, hybrid Jowar, bazra, maize, Jaya and padma varieties of rice, sona kalyan wheat are quick yielding crops. These were promoted in the state. Earlier area under these crops was limited. It increased to 2.8 lakh hectares in 1968-69. It was approximately more than 35 lakh hectares during 2013-14.

6. **Emphasis on Subsidiary Crops :** In this strategy, emphasis was also placed on various crops supplementing foodgrains, like potato, banana etc. to meet the shortage of foodgrains and to increase the availability of nutritious food.

7. **Plant Protection Activities:** Encouraging the use of pesticides to save the crops from various insects and increasing agricultural production is the indispensable component of green revolution. Area covered under plant protection was about 15 lakh hectares during 1965-66. It increased to 27 lakh hectares during 1969-70 and to about 89 lakh hectares

during 1999-2000. Approximately. 90 lakh hectares were covered by plant protection activities during 2014-15.

8. **Implementation of Land Reform Programmes** : Efforts were mounted up, under this policy of green revolution to provide security of land holding to the cultivators, as also for elimination of exploitation and for fixing of fair rent, as important components of land reforms.

9. **Encouragement to Development of Dry Farming**: This policy placed emphasis also on dry farming in such areas of Rajasthan, which lacked irrigation facilities, particularly in vast dry and desert areas of the state.

10. **Encouragement to Use of Improved Agricultural Implements and Mechanisation**: It was also an important feature of this policy. The Central Government exempted tractor industry from licensing. The State Government set the target of equipping 20 percent farmers with improved agricultural implements.

11. **Distribution of Improved Seeds**: Distribution of improved seeds has been promoted for faster growth in agricultural production. Distribution of improved seeds was about 27 thousand tons, during 1993-94. It had increased to approximately 82 thousand tons during 2014-15.

Q. 3 Write a short note on Development of Agriculture in Rajasthan: Five Year Plans Overview.

First Five Year Plan (1951-1956):

1. Priority on agriculture and irrigation development.
2. Expenditure: 38.4 crores (~71% of total plan expenditure).
3. Addressed acute food shortage and famine recurrence.

Second and Third Five Year Plans (1956-1966):

1. Increased momentum in agriculture development due to the Green Revolution.
2. Focus on irrigation, rural development, and agriculture.
3. Expenditure: 63.8 crores (Second Plan) and 156.5 crores (Third Plan).

Seventh Five Year Plan (1985-1990):

1. Significant growth in agriculture and irrigation investment.
2. Expenditure: 2029.4 crores (~65% of total plan expenditure).
3. Marked progress in agricultural infrastructure.

Eighth Five Year Plan (1992-1997):

1. Total expenditure: 7073.64 crores.
2. Emphasis on agriculture, rural development, co-operation, irrigation, and power sectors.

Ninth Five Year Plan (1997-2002):

1. Agriculture development allocation: 1953 crores.
2. Irrigation and flood control allocation: 3027 crores.
3. Focus on additional irrigation potential, food grain, and oilseed production.

Tenth Five Year Plan (2002-2007):

1. Agriculture development allocation: 1934 crores.
2. Irrigation and flood control allocation: 3475 crores.
3. Achieved food grain production of 149.28 lakh tons, 57.67 lakh tons of oilseeds, and 6.29 lakh tons of sugarcane (2006-07).
4. Targeted creating additional irrigation potential in 170,000 hectares.

Eleventh Five Year Plan (2007-2012):

1. Agriculture development allocation: 2269 crores.
2. Focus on 3.5% annual agricultural growth.
3. Significant emphasis on irrigation and flood control with an allocation of 7302 crores.

Twelfth Five Year Plan (2012-2017):

1. Substantial allocation of 10,977.13 crores for agriculture development.
2. Detailed provisions: 2001.93 crores (2012-13) and 2362.88 crores (2013-14).
3. Continued focus on enhancing agricultural infrastructure and productivity.

Additional Points:

1. Infrastructure Development: Investment in rural infrastructure, including roads, storage facilities, and market connectivity.
2. Technology Integration: Promotion of modern agricultural practices, including the use of advanced machinery, improved seeds, and efficient irrigation techniques.
3. Crop Diversification: Encouragement for diversification beyond traditional crops, including horticulture and floriculture, enhancing farmers' income streams.
4. Water Conservation: Implementation of water conservation and rainwater harvesting projects to address water scarcity issues.
5. Research and Development: Investments in agricultural research and development institutions to foster innovation and enhance crop resilience.
6. Public-Private Partnerships: Collaboration with private sector entities for technology transfer, market linkages, and skill development among farmers.
7. Sustainable Agriculture: Promotion of sustainable agricultural practices, emphasizing organic farming, and reducing chemical inputs for long-term environmental sustainability.

These strategies, spread across multiple Five Year Plans, have contributed significantly to Rajasthan's agricultural development, transforming it into a more resilient, technologically advanced, and diverse agricultural economy.

What were the important Achievements of Agriculture & Irrigation Development in Rajasthan from 1951-52 to 2017-18?

Agricultural Development in Rajasthan: Comprehensive Overview

1. Rapid Growth in Agriculture:

- Pre-planned era: 0.5% growth rate.
- Planned development: 3-4% annual agricultural growth.
- Index of agricultural production: 174.96 (2016-17) from 156.16 (2013-14, base year: 2005-06 to 2007-08).
- Foodgrain production growth: 4.5 times.
- Oilseed production growth: 45 times.

2. Self-Sufficiency in Foodgrains:

- Production in 1951: 29.4 lakh tons; reduced to 40 lakh tons due to drought.
- Production in 2016-17: Approximately 231.04 lakh tons.
- Rajasthan transformed into a food surplus and exporting state.

3. Diverse Non-Foodgrain Crops:

- Four-fold increase in production of oilseeds, cotton, and sugarcane.
- Oilseed production: 65.12 lakh tons (2016-17).
- Cotton production: 15.60 lakh bales (2016-17).

4. Expansion of Cropped Area: Area cultivated: 95 lakh hectares (1951) to 261.2 lakh hectares (2013-14).

5. Irrigation Development:

- Projects like Bhakra-Nangal, Chambal, and Jawai completed.
- Gross irrigated area: 105.62 lakh hectares (2015-16).
- Irrigated area in 1950-51: 11.74 lakh hectares; 52.64 lakh hectares in 1991-92.

6. Land Reforms and Tenancy Act:

- Abolishment of Zamindari and Jagirdari systems.
- Land Ceiling Act implemented, surplus land distributed to the landless.
- Consolidation completed in 70 lakh hectares by 1998-99.

7. Fertilizer Usage:

- Increase in chemical fertilizer usage: 7.92 lakh tons (2001-02).
- Target in 2015-16: 16.5 lakh tons.

8. Promotion of Improved Seeds:

- Establishment of 60 seed multiplication farms.
- Area under improved seeds: 52 lakh hectares (2014-15).

9. Animal Husbandry:

- Establishment of veterinary hospitals, dispensaries, and mobile units.
- 5346 veterinary institutions functional in the state.
- Focus on breed improvement, disease control, and animal health testing.

10. Agricultural Education and Research:

- Agriculture Universities in Udaipur and Bikaner.
- Central Agriculture Research Centre in Jaipur.
- Budget provisions for agricultural and veterinary education.

11. Co-operative Credit for Agriculture:

- Cooperative institutions provided substantial short and medium-term loans.
- Loaning in 2014-15: 13,941.87 crores (short term) and 166.75 crores (medium term).

12. Dairy Development:

- Operation of dairy development programs in six districts.
- Establishment of milk chilling plants with significant daily production capacities.
- Increase in the number of milk producer co-operative societies: 13,576 (2015-16).
- Daily milk collection: 23.41 lakh liters.

13. Mechanization of Agriculture:

- Establishment of farms and workshops to promote agricultural machinery.
- Tractor numbers: Approximately 6.5 lakh (2011-12).

14. Other Initiatives:

- Soil conservation efforts covered 30 lakh hectares.
- Plant protection programs on 70 lakh hectares (2013-14).
- Electrification of 100% villages (43,264 villages electrified by 2017).
- Fisheries development in 3.3 lakh hectare surface water area.
- Implementation of programs for minor and marginal farmers.

- Fisheries department provides training to unemployed individuals.

Q. 4 Write the Problems and Obstacles of Agriculture Development and Suggestions for Solution.

Although the public and the Government of Rajasthan are making sincere efforts to pave the path of higher prosperity through agriculture development for the achievements of desired targets and for preparing a strong base for industrialisation, certain obstacles are obstructing the desired progress.

1. Natural Calamities:

Famine, droughts, excessive rains, storms, and locust invasions wreak havoc on crops.

Emphasize soil conservation, expand irrigation facilities, promote plantation drives, and employ pesticides to mitigate natural disasters' impact.

2. Lack of Irrigation Facilities:

Limited irrigation facilities leave a significant portion of cultivable land dependent on unpredictable rainfall.

Accelerate ongoing irrigation projects, promote groundwater usage, seek international aid, and optimize existing canal systems like the Rajasthan Canal and Chambal command area.

3. Faulty Agrarian System:

Historical exploitative systems have morphed into new forms, leaving many farmers landless.

Enforce land reforms, curb land transfers, ensure ownership for actual cultivators, and eliminate exploitative intermediaries.

4. Poverty and Indebtedness Among Farmers:

Farmers remain mired in poverty and debt due to exploitation and natural calamities.

Facilitate access to financial resources through cooperative societies, provide non-cash loans, control moneylender exploitation, and empower farmers economically.

5. Lack of Scientific Cultivation:

Limited education and resources hinder farmers from adopting modern agricultural practices.

Provide improved seeds, fertilizers, and machinery, offer timely training, conduct demonstrations, and encourage the adoption of scientific cultivation methods.

6. Defective Marketing System:

Farmers face unfair pricing and exploitation by traders and middlemen.

Promote cooperative marketing, establish efficient storage facilities, set fair support prices, and enforce government price policies.

7. Lack of Bank and Institutional Credit:

Limited access to institutional credit hampers agricultural development.

Encourage nationalized banks to provide more credit, especially for modern farming practices, and streamline the loan disbursement process.

8. Problem of Expansion of Cultivated Area:

Dry climate and inadequate irrigation hinder the utilization of vast desert areas.

Accelerate projects like the Rajasthan Canal, expand irrigation facilities, and encourage settlement in these areas to boost agricultural activity.

9. Protection from Natural Calamities:

Farmers face substantial losses during famines and natural disasters.

Implement crop insurance schemes, offer relief employment, and provide financial assistance during crises to protect farmers' livelihoods.

10. Price Increases of Agricultural Inputs:

Rising input prices burden small farmers.

Regulate input prices, ensure timely availability at subsidized rates, and consider the socioeconomic impact while implementing subsidy withdrawal.

11. Agriculture Research:

Limited progress in agricultural research, particularly in dry farming techniques.

Invest in research, focus on developing drought-resistant crops, and promote sustainable farming practices tailored to Rajasthan's arid climate.

12. Inadequate Transportation:

Poor road connectivity in remote areas hampers agricultural trade.

Focus on rural road development, ensuring connectivity even in the remotest villages to facilitate the transportation of agricultural goods.

In conclusion, Rajasthan's agricultural sector stands at a pivotal juncture. Addressing these challenges demands concerted efforts from policymakers, farmers, and society at large. By implementing these solutions effectively and inclusively, Rajasthan can usher in a new era of agricultural prosperity, transforming the lives of its farmers and ensuring food security for its people.

Q. 5 Write a short note on Agriculture Inputs in Rajasthan.

Economy of Rajasthan is mainly, agriculture dominated economy. Following important inputs are used in the state for agriculture to increase the productivity and production of agriculture and thereby enhancing the prosperity and well-being of about two - third population of the state.

Main Inputs of Agriculture in Rajasthan

1. Various sources of irrigation
2. Supply of fertilizers
3. Pesticides for plant protection
4. High yielding improved seeds
5. Soil conservation
6. Mechanisation in agriculture
7. Agriculture research
8. Agriculture financing

The importance and progress of all these agriculture inputs are explained, as follows:

(1) Sources of Irrigation and Their Development

Wells, tube wells, tanks, lakes and canals are the main sources of irrigation in Rajasthan. Development of irrigation facilities is of high importance in the state, due to uncertainty and irregularity of monsoon climate of Rajasthan.

Need/Importance of Irrigation Sources

Distribution of rains due to monsoon climate, irrigation is essential

- (1) Looking to the uncertainty, irregularity and uneven for Kharif crops.
- (2) Irrigation is essential for providing more water to various crops requiring much more water, like-wheat, rice, fruits and vegetables, etc.

- (3) Irrigation is essential for increasing agriculture productivity.
- (4) Availability of adequate irrigation facilities is highly essential for expansion of cultivated area.
- (5) Freedom from famine and drought can be achieved, only through the development or irrigation facilities.
- (6) Source of Government Income: Sources of irrigation provide income also to the Government.
- (7) Increase in agricultural production is also possible, only through the development of irrigation facilities.
- (8) Continued irrigation is essential for supply of industrial raw materials.
- (9) Helpful in Economic Prosperity of Farmers: Development of irrigation facilities augments agricultural production and productivity, resulting into growth of employment and income among the farmers and, hence their level of prosperity goes up.

Development of Irrigation in Rajasthan

Since Rajasthan is an agriculture dominated state, irrigation is continuously required for agriculture to prevent the adverse effects of lack of adequate rainfall and its uncertainty. Main sources of irrigation in the state are, wells, tanks and canals. Still, irrigation facilities had become available only for 40% of cultivable land. Remaining 60% of cultivable land has to depend upon rains, even now. Main Sources of Irrigation: (1) Wells. (2) Tanks, (3) Canals. (4) Tubewells and other sources are the main sources of irrigation in Rajasthan. Their brief description is as follows:

1. Wells and Tubewells: Farmers in Rajasthan mainly use wells for irrigation, accounting for about 66.54% of the irrigated area. Some important districts relying on wells are Bharatpur, Chittorgarh, Bhilwara, and others.

Changes Over Time: The area irrigated by wells has increased significantly, from 27 lakh hectares to 71.17 lakh hectares by 2015-16.

Key Fact: Wells provide water to about 57.75 lakh hectares of land in Rajasthan.

2. Tanks: Tanks are water storage structures used for irrigation in certain districts like Kota, Bundi, and Udaipur. However, their usage depends on rainfall; more rain means more water for irrigation.

Changes Over Time: The area irrigated by tanks fluctuates based on rainfall. For example, it decreased to 0.62 lakh hectares in 2003-04 but increased to 1.04 lakh hectares by 2007-08.

Key Fact: About 1.3% of Rajasthan's cultivable land is irrigated by tanks.

3. Canals: Canals are artificial waterways supplying water for irrigation. In Rajasthan, they cover approximately 31.1% of the area, with districts like Kota and Bharatpur benefiting from canal irrigation.

Changes Over Time: The area irrigated by canals has increased from 19.06 lakh hectares in 2003-04 to 32.55 lakh hectares by 2015-16.

Key Fact: The Indira Gandhi Canal project aims to transform Rajasthan's desert land into fertile soil by providing irrigation. The first phase of this project is complete.

(2) Use of Chemical Fertilizers

Chemical fertilizers are also the important inputs for increasing agricultural productivity and production. Use of chemical fertilizers had increased in Rajasthan along with the beginning of green revolution in the state. However, looking at the adverse effects of chemical fertilizers, the tendency of moving towards bio fertilizers is also on increase.

Increasing trend in consumption of chemical fertilizers has been visible in Rajasthan also for increasing the production in agriculture.

Consumption of Fertilisers in Rajasthan

Consumption of fertilizers during first plan was negligible, whereas during second plan, fifth plan and seventh plan, annual average was 1.3 thousand tons, 96.4 thousand tons and 254.8 thousand tons, respectively.

Apart from it, the tendency of making use of bio-fertilizers is becoming strong, by looking at the adverse effects of chemical fertilizers.

(3) Increasing Use of High Yielding Seeds - HYV Due to beginning of green revolution, trend of making use of high yielding improved seeds is on increase in Rajasthan also and area under such seeds has also increased well in the state. High yielding varieties include, hybrid, maize, high breed Jower, Jaya variety in rice, Padma hybrid Jowar, Mexican and Sona Kalyan wheat, etc. Improved varieties of seeds of oil seeds are also being used.

(4) Use of Pesticides for Plant Protection

Various types of insects, rats etc., cause harm to the growing crops. For getting rid of this problem, use of pesticides is also on increase for protecting the plants. Area under plant protection is also increasing.

Looking at the adverse effects of pesticides on health, now the trend of making use of bio-pesticides is on increase, since they are less expensive and suits the environment also.

(5) Soil Conservation Programme

Problem of land erosion is very serious in Rajasthan Fast blowing winds and wind storms in desert areas establish the sand from one place to another. Even, railway tracks and roads also get Jammed and the Western desert is extending towards fertile areas of the state. The State

Government has taken effective steps to control this situation through by plantation of trees, etc.

Besides, soil erosion in hilly and high places is also caused due to torrential rains. Hence, soil erosion in those areas is controlled by stair type surfacing. Plantation is also done in these areas to solve this problem.

(6) Mechanisation in Agriculture and Use of Modern Equipment

Even now, the farmers undertake cultivation with the help of traditional and old equipment and tools. Hence, desired growth has not been possible in the sphere of agricultural production. However, now with reduction in number of bullocks and problem of grass, the cultivators are moving towards mechanization and improved equipment for cultivation. These include tractors, harvesters, tillers, etc. Progress of mechanization is very slow in Rajasthan and reliable official data are also not available in this regard.

(7) Agriculture Credit and Loans

Just as credit is life sustaining blood for industries, credit is highly essential, even for agriculture in Rajasthan. The importance of credit further increases, due to poverty and indebtedness of the farmers. Agriculture, generally, requires three types of financial credit—short term, medium term and long term. Short term and medium term credit in rural areas in Rajasthan is provided by commercial banks, regional rural banks, Zamindars and the money-lenders, as also by co-operative societies. Long term agriculture credit is made available by land development banks.

(8) Agriculture Education and Research

In respect of agriculture education and research, Rajasthan is very backward. Agriculture colleges are functional at Jobner and Udaipur for agriculture education. Veterinary college is functional at Bikaner.

Q. 6 Explain the meaning and concept of food management.

Food Management and Major Schemes for Agriculture in Rajasthan

Fulfilment of basic requirements, like, food, clothing and housing for the public, is economically, socially and politically essential for any development-oriented economy, like that of India. Providing food security for the people of the country is very essential. Hence, much attention is paid in the country on adequacy and quality in availability of food grains at reasonable rates to the people.

Meaning of Food Management Food management means making adequate and proper arrangements to maintain sufficient supply of quality food grains at reasonable rates for the people of the country, so that it may be possible to fulfill the objective of ensuring food security.

Objectives of Food Management

- (i) To ensure food security for people in the country;
- (ii) To effectively manage minimum support price;
- (iii) Management of public distribution system (PDS) in the country, collection and distribution of food grains;
- (iv) To ensure availability of essential appropriate policy measures; food materials by taking
- (v) To make arrangements for maintenance of buffer stock to solve the problem of surplus and shortage of food grains; and
- (vi) To ensure availability of cereals to weaker sections of the society, particularly the deprived sections, at fair prices.

Four Aspects of Food Management

Food management in India has following four important aspects, which are essential for ensuring adequate food security for the population of the country.

1. Quantitative Aspect:

- i. This aspect deals with the quantity of food available. Sometimes, there's not enough food to meet the demand, and in such cases, the government has to use its reserved stock (buffer stock) or import food grains. If there's excess supply, the government buys the extra grains and may try to export them.
- ii. Example: India imported 9 crore tons of food grains between 1951 to 1995 due to shortages. Efforts like the Green Revolution increased food production in the country.

2. Qualitative Aspect:

- i. This aspect focuses on the quality of the food available. It's not just about having enough food; it's also about having nutritious food. People need a balanced diet with a certain number of calories each day. In India, poverty and cultural beliefs sometimes lead to inadequate calorie intake and lack of protein from sources like meat and fish.
- ii. Example: Many Indians don't get enough calories per day as compared to countries like America and Britain. Religious beliefs and poverty are factors contributing to this situation.

3. Economic Aspect:

- i. This aspect is about the economic conditions of the people. Even if there's enough food, people must have the money to buy it. Poverty and unemployment create a situation where people can't afford a proper diet.
- ii. Example: In 2011-12, around 21.92% of Indians were living below the poverty line. High unemployment rates, around 7 to 8 crores, make it difficult for people to secure their food needs.

4. Administrative Aspect-

- i. This aspect involves the management and distribution of food. Inefficiency and corruption in the administrative system lead to various problems such as unfair distribution, black market activities, hoarding, and fraudulent sales meant for the poor.

- ii. Example: Problems like improper distribution systems, black market activities, delays in stock management, and non-compliance with government guidelines by state authorities hinder the effective distribution of food grains.

Q. 7 Briefly describe the Government Steps under Food Management and Their Achievements. Also give the suggestion for solving food problem in india.

Food Management in India: Ensuring Adequate Nutrition for All

India, a land of diverse cultures and abundant agricultural resources, has always faced the challenge of ensuring that every citizen has enough to eat. Over the years, the government has taken numerous steps to manage the nation's food resources effectively. Let's explore the key initiatives in simple words:

1. Development of Agriculture and Green Revolution:

India significantly increased its food grain production through initiatives like the Green Revolution. In 1950-51, we produced 5.5 crore tons of food grains, which surged to a record 27.57 crore tons in 2017-18, although it dipped to 25.31 crore tons in 2015-16 due to natural disasters. Additionally, production of vital protein sources like milk, fish, meat, and eggs also saw growth.

2. Grow More Grains Movement:

- Started in 1942 and continued after independence, this movement aimed to boost food grain production. It was part of the Community Development Programme and played a role in increasing food production.

3. Import and Export of Food Grains:

- India imported 12 crores tons of food grains between 1951 to 1980, but with the Green Revolution, we moved towards self-sufficiency. Now, India even exports various agricultural products.

4. Minimum Support Price and Buffer Stock:

- The government announces minimum support prices for crops, ensuring farmers get fair prices. Excess grains are stored in buffer stock, aiding during scarcities caused by droughts or famines.

5. Control Over Hoarding and Profiteering:

- Laws were enacted to prevent hoarding and unfair price hikes, ensuring stable food prices for consumers.

6. Public Distribution System (PDS):

- under the PDS, food grains are provided to the economically weaker sections at subsidized rates through ration shops. This ensures even the poorest have access to essential food items.

7. National Food Security Act:

- This 2013 Act guarantees quality food at affordable prices. It covers 75% of the rural and 50% of the urban population, emphasizing nutrition support for women and children.

8. Control on Wastage and Population:

- Efforts have been made to reduce food wastage during events like weddings. Population control measures have also been implemented, emphasizing family planning and welfare programs.

9. Food Policies:

- Various governments have introduced policies focusing on increased production, appropriate pricing, public distribution, and maintaining buffer stocks.

10. Food Subsidy:

- The government provides subsidies to ensure that essential food items are affordable for everyone, especially those with limited means.

11. Other Initiatives:

- Several programs like mid-day meals, nutrition schemes, employment guarantees, and storage improvements have been implemented, further enhancing food security.

In summary, India's food management initiatives encompass a comprehensive approach, ensuring that no citizen goes hungry. These efforts not only address immediate needs but also pave the way for a healthier, more food-secure future for all Indians.

Suggestions for Solving Food Problem in India

Following suggestions are useful to solve food problem, under food management in India :

1. Efforts should be intensified for increasing the production of food grains, for which it is necessary to augment irrigation facilities in the country.

2. Change in Consumption Habits: Even now, people much depend on rice and wheat for their food. Consumption of more nutritional items, like, fruits, tomatoes, potatoes, milk and other edible agricultural products should also be encouraged.

3. Literacy among women should be developed and their dependence on men should be reduced for bringing reduction in birth rate for effective control on population growth.

4. Co-operative societies should be linked with fair price shops for improving distribution system. Effective steps should also be taken to control corrupt practices.

5. Efforts for stability in food grain prices are also necessary. It will be useful to give guarantee to by the Government for minimum price of their products. Price support policy should also be adhered.

6. Arrangement for Imports: Proper arrangements in advance should be made for importing food grains, before crisis arises during periods of food scarcity in the country. Announcing about import of food grains after arising of the crisis will not prove to be effective.

7. Buffer Stock and Storage System: Buffer stocks and proper storage system are of much importance for proper distribution system and stabilisation of food grain prices. Sale of food grains, out of this stock at the time of crisis and collection of food grains at the time of good production, yield double advantage. On one side, the fear of decline in paces gets eliminated and, on another side, pooled stock may be properly used.

8. Integrated policy for production and distribution of food grains should be sincerely followed, by preparing national food grain budget.

9. Public co-operation: The success of food policy much depends upon public co-operation. Hence, it is better to implement appropriate food grain policy, by taking the public into confidence. Presently, the entire scheme of nationalization of wholesale trade of wheat has almost failed, in the absence of public co-operation. Actually, food crisis has aggravated, over years.

Q.8 Briefly describe Public Distribution System in India. Write its objectives and deficiencies also.

Public distribution system means that system of distribution of essential consumer goods, in which the goods, like-wheat, rice, sugar, imported edible oil, kerosene, oil, coal for kitchen, etc. are distributed to the consumers throughout the year in all parts of the country at almost uniform prices.

The Central Government makes allotment of these goods to the State Government and centrally administered territories. Their responsibility is to make available the essential commodities the consumers at fair prices and to make available, minimum nutritional level to the consumers.

Main Objectives of Public Distribution System

Following are the main objectives of public distribution system:

(i) To make arrangements for distribution of essential consumer goods to the consumers at fair prices;

(ii) To save the consumers from the exploitation of high prices and to make available, minimum nutritional level to them;

(iii) To increase the supply of essential consumer goods, to remove the fear of scarcity and to control speculative markets.

(iv) To maintain stability in the prices of essential consumer goods in the market and to control market prices;

(v) To make proper arrangements for distribution of those goods in economically backward areas;

(vi) To make arrangements for making available reasonable prices to the producers for their produce and to supply essential consumer goods to the consumers at fair prices. The public distribution system has become an important constituent of Government policies to fulfill these objectives.

Progress in India's Public Distribution System: A Path Towards Food Security

India's Public Distribution System (PDS) is a crucial initiative ensuring that essential commodities reach every citizen, especially in rural areas, at fair prices.

The evolution and progress of the PDS:

1. In the 1980s, the government took over wholesale trading of wheat, expanding the number of fair price shops. By 1992, there were around 4 lakh such shops, with 75% located in rural areas.

2. Revamping the System (RPDS - 1992): A revamped PDS started in 1992, targeting 16 crore people in challenging regions. This system included items like tea, soap, pulses, and salt, distributed alongside rice, wheat, sugar, edible oil, and kerosene. Local surveillance committees ensured smooth operations.

3. Targeted Public Distribution System (TPDS - 1997): TPDS began in 1997, focusing on poverty alleviation. It provided subsidized food grains (25 kg per family per month) to families below the poverty line. Special cards were issued to these families, ensuring they received essential items at concessional rates.

4. Antyodaya Foodgrain Scheme (2000): Launched in 2000, this scheme aimed at the poorest families. It provided 25 kg of food grains per month to 100 lakh families at highly subsidized rates, significantly aiding those in extreme poverty.

5. Challenges and Adjustments: While the allocation of food grains increased over the years, there were challenges in offtake. The government reduced the collection for buffer stock, considering the rising subsidy burden. Allocation was reevaluated to manage costs effectively.

6. Benefits and Impact: The PDS has played a pivotal role in ensuring food security for millions. Subsidized grains and essential items reach the poorest, enhancing their nutrition and overall well-being. Various schemes tailored to specific needs have significantly reduced hunger and poverty in India.

In essence, India's PDS stands as a testament to the government's commitment to eradicating hunger and poverty. Its continuous evolution and adaptability showcase a determined effort to ensure no citizen goes to bed hungry in the world's largest democracy.

Deficiencies of Public Distribution System and Measures to Obviate the Deficiencies

1. Storage Issues: Food grains spoil due to inadequate storage.

Improve storage facilities to prevent spoilage, ensuring grains remain fresh and accessible.

2. Illegal Grain Sales: Corrupt individuals sell PDS goods at high prices.

Enforce strict measures and punishments to curb illegal sales, ensuring grains reach the intended recipients.

3. Increasing Subsidy Burden: Subsidy costs are rising significantly, straining government finances.

Implement efficient management practices and cost-effective measures to reduce the financial burden on the government.

4. Quality Concerns: PDS grains often lack quality.

Increase administrative vigilance to maintain quality and combat adulteration in distributed grains.

6. Ration Card Issues: Poor families struggle to obtain ration cards, while non-needy individuals manipulate the system.

Regularly audit ration cards, cancel forgeries, punish offenders, and ensure deserving families get access, preventing misuse.

7. Ensuring Food Security: Not all sections of society have food security.

Enforce food security bills, ensuring every citizen has reliable access to food, fostering inclusivity and addressing hunger.

Q.9 Explain the Major Agricultural Schemes in Rajasthan.

Major Agricultural Schemes in Rajasthan:

1. Rashtriya Krishi Vikas Yojana (RKVY):

Objective: Integrated agricultural plans for states, focusing on agriculture, animal husbandry, fisheries, poultry, horticulture, and dairy, considering local conditions and resources.

The Rashtriya Krishi Vikas Yojana was introduced with an aim to provide support to the agricultural sector in achieving 4% annual agriculture growth. RKVY scheme was launched in the year 2007

The main objective of Rashtriya Krishi Vikas Yojana is to develop farming as the main source of economic activity. Some of the objectives also include:

- Risk mitigation, strengthening the efforts of the farmers along with promoting agri-business entrepreneurship through the creation of agri-infrastructure.
- Providing all the states with autonomy and flexibility in making plans as per their local needs.
- Helping farmers in increasing their income by encouraging productivity and promoting value chain addition linked production models.
- To reduce the risk of farmers by focusing on increasing the income generation through mushroom cultivation, integrated farming, floriculture, etc.
- Empowering the youth through various skill development, innovation, and agri-business models.

2. Pradhan Mantri Krishi Sinchai Yojana (PMKSY):

Objective: Promote efficient water management using micro-irrigation techniques like drip and sprinkler systems, ensuring higher yields and water conservation.

The Indian Government encourages water conservation and its management to be at a high priority. In order to get this in motion, the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) was introduced with a vision of expanding irrigation coverage (Har Khet ko Pani) and using the water more efficiently (More Crop Per Drop). This scheme will provide an end-to-end solution on source creation, distribution, management, field application, and other extension activities.

Objectives of PMKSY

The real goal of the PMKSY is to accomplish the merging of investments in the irrigation sector at the field level. Other objectives include:

- Increasing accessibility of irrigation facilities and expansion of cultivable range under guaranteed irrigation areas (Har Khet ko Pani)
- Enhancing On-Farm water use efficiency to lessen wastage of water
- Integrating the source, distribution, and efficiency of water through appropriate technologies
- Enhancing and promoting the implementation of precision- irrigation and other water-saving technologies (More crop per drop)
- Enhancing refilling of aquifers and present supportable water protection rehearses by investigating the attainability of reusing treated city-based water for peri-urban farming

- Peri-urban farming refers to farm units close to town which operate intensive semi- or fully commercial farms to grow vegetables and other horticulture, raise chickens and other livestock, and produce milk and eggs.
- Ensuring integrated development of rainfed areas by different methods like:
- Regeneration of Groundwater
- Watershed approach for conserving water and soil
- Arresting runoff
- Providing livelihood and other NRM Activities (natural resource management)
- Promoting extension activities for farmers and field workers like:
- Water Harvesting
- Water Management
- Crop alignment
- Drawing in more noteworthy private investment in precision irrigation system framework. This will result in increased production and productivity which will further enhance farm income.

3. Paramparagat Krishi Vikas Yojana (PKVY):

Objective: Promote organic farming through cluster-based organic villages, reducing chemical usage, and adopting eco-friendly, low-cost technologies.

A traditional farming improvement programme, PMKY was launched in 2015. It is an extended component of Soil Health Management (SHM) under the [National Mission on Sustainable Agriculture \(NMSA\)](#).

With the help of PKVY, the government aims to support and promote:

- Organic farming
- Reduction in dependence on fertilizers and agricultural chemicals
- Improvement of the soil health while increasing the yields.
- Organic food, thus produced will be linked with modern marketing tools and local markets.

The funding pattern under the scheme is in the ratio of 60:40 by the Central and State Governments respectively. In the case of North Eastern and the Himalayan States, Central Assistance is provided in the ratio of 90:10 (Centre: State).

Objectives:

- The objective is to produce agricultural products free from chemicals and pesticides residues by adopting eco-friendly, low- cost technologies. Key Thrust areas of PKVY in promoting organic farming include the following:
- Promote organic farming among rural youth/ farmers/ consumers/ traders
- Disseminate the latest technologies in organic farming
- Utilize the services of experts from the public agricultural research system in India
- Organize a minimum of one cluster demonstration in a village

4. National Mission on Agriculture Extension and Technology (NMAET):

It aims to ensure that farmers can easily avail themselves of seeds, pesticides, and machinery at affordable prices.

Functions of NMAET are:

- Promoting sustainable farm agriculture and capacity building among farmers, extension bodies, and other stakeholders through knowledge centres.
- Associating with knowledge generators for collecting and disseminating information to the beneficiaries through all channels.
- Development of disadvantaged groups of farmers who farm in difficult regions because, in these regions, the production is very low, which results in low macro yield.
- Connecting the mission to the grassroots level through effective mediums like farmers portal, Kisan call centres, etc.
- Providing on and off agricultural employment opportunities to youth via several interventions and programmes.

Objective: Strengthen agricultural extension services, delivering appropriate technology and improved agronomic practices to farmers, enhancing agricultural productivity.

5. National Mission for Sustainable Agriculture (NMSA):

It is one of the major missions of the [National Action Plan on Climate Change \(NAPCC\)](#). Change in agricultural practices also plays a crucial role in the mitigation of climate change effects. This mission tries to comprehensively revamp the agricultural practices so that the desired objectives of the Nationally Determined Contributions (NDC's) can be achieved.

Strategies Associated with NMSA

A. Steps would be taken to promote a combined system of farming which would encompass the following

- Covering all the varieties of crops
- Livestock farming and Fisheries
- To give an extra impetus to the scope of livelihood, there will be a focus on plantations and pasture-based composite farming.
- Mitigate the risks associated with the failure of crops through supplementary or residual production systems.

B. Give thrust to the adoption of technologies that will help in protecting resources during extended spells of dry seasons or droughts or during heavy floods caused by excess rains.

C. Promote new water management techniques that will help in the effective and optimum utilisation of water resources.

D. Promoting better agronomic techniques for

- Higher productivity in farms
- Better soil conservation
- Better soils water holding capacity
- Optimum utilisation of energy and chemicals
- Higher soil carbon storage

E. Database on soil through

- Survey of Land use pattern
- By researching the profile of soil
- Using GIS technology for Soil analysis
- To help adopt location and soil specific crop management practices and optimise fertilizer use.

F. Promotion of nutrient practices based on location and crop type for

- Enhancing the health of the soil
- Increasing productivity of crops
- Enhance the quality and protect the land resources and water resources

G. Collaborating with institutions and the domain experts of the respective field to develop climate change mitigation techniques for specific agro-climatic conditions.

6. Horticulture Development:

Objective: Enhance horticultural practices, offering rural employment opportunities, focusing on fruits, vegetables, spices, flowers, and medicinal plants.

7. Agriculture Marketing:

Objective: Improve marketing facilities, ensuring fair returns for farmers' produce, implementing effective market regulations and management practices for agricultural products.

Q.10 Write a short note on Agriculture finance.

Money is crucial for all businesses, especially in India where farming is a major industry. However, getting loans for farming in India is not good. Farmers don't get enough money they need, and often it's not given to the right people when they need it. A committee called the Rural Credit Survey Committee highlighted this problem, saying that getting credit for farming is as important as a rope to a person on the gallows. This lack of proper loans has slowed down farming progress in India.

Need / Importance of Agriculture Finance

Farmers in rural India need loans for almost everything related to farming because they are not very wealthy and don't earn enough money regularly. They need money for buying seeds, fertilizers, paying wages, and rent. On top of that, they have to borrow money for daily expenses, social duties, and paying back old loans. They also need long-term loans for permanent improvements on their land, buying expensive machinery, and building houses and wells.

In India, farmers need three types of credit for their agricultural activities:

Short Term Credit: This type of credit is needed for one year to 15 months. Farmers use it for immediate expenses like buying seeds, fertilizers, paying wages, and rent. Initially, the

annual requirement was estimated to be between 300 crores to 400 crores, but it increased significantly. They repay these loans when they sell their crops.

Medium Term Credit: These are loans taken for 15 months to 5 years. Farmers use this credit for activities like setting up irrigation facilities, leveling land, and buying small machinery. The interest rates on these loans are relatively high. The annual demand for this type of credit is about 35 lakhs to 4.5 crores.

Long Term Credit: Long term loans last from 5 to 20 years. Farmers use this credit for significant improvements such as permanent changes to the land, buying land, constructing wells and tube wells, and purchasing expensive agricultural machinery. These loans also require high-interest rates, and farmers often need to mortgage fixed assets for security. Farmers can repay these loans in easy installments. At the end of the seventh plan, the long-term loans were 4 thousand crores, which increased to 8 thousand crores at the end of the eighth plan and 25 crores up to 2003-04. Presently, the range is between 2.5 lakh crore to 5 lakh crore.

Q.11 Write a detailed description of main Sources of Agricultural Credit in India.

Agriculture credit becomes available in India from several sources. However, the share of institutional credit in agriculture financing is not upto the desired extent. Agriculture financing is from following three sources:

- 1. Private Persons:** These include rural moneylenders, Jagirdars, business moneylenders, trading agents and relatives.
- 2. Financial Institutions** include, Reserve Bank, State Bank, Commercial Banks, Co-operative Societies, Land Development Banks, Agriculture Refinance and Development Corporation etc.
- 3. Government:** The State Government also meet the requirement of agriculture credit through trend and direct loans.

Rural areas often rely on moneylenders for financial support in agriculture. These moneylenders provide loans to farmers but at high costs, leading to exploitation and challenges for the agricultural community.

1. Moneylenders in Rural Credit:

- Professional and non-professional moneylenders offer loans to farmers, contributing significantly to rural credit.
- About 16.1% of rural credit comes from professional moneylenders, and 47.1% from non-professional moneylenders.
- Moneylenders accept valuables like land, houses, or ornaments as mortgage for loans, but the interest rates are exceptionally high, burdening farmers.

2. Drawbacks in Loans from Moneylenders:

- **Excessive Interest Rates:**
Interest rates range from 24% on normal loans to 40%-100% on long-term risky loans, putting farmers under financial stress.
- **Advance Interest and Additional Charges:**
Moneylenders deduct advance interest, reducing the actual loan amount. Farmers face deductions under various names like charity or gift, creating unnecessary financial burdens.
- **Manipulative Accounting:**
Moneylenders manipulate accounts, inflating loan amounts and avoiding proper documentation.
- **Crop Purchase Conditions and Forced Labor:**
Moneylenders often condition loans on purchasing crops only from them, further exploiting farmers. Farmers are forced into various types of labor, sometimes even women and children.

3. Regulation Efforts:

- Laws have been enacted to curb exploitative practices, including restrictions on exorbitant interest rates and land control.
- Licensing, maintaining accounts, issuing receipts, and penalties for violations have been enforced.
- Despite regulations, exploitation continues due to farmers' poverty, lack of awareness, and limited loan alternatives.

4. Future Outlook:

- Expansion of banking facilities, nationalization of commercial banks, and the rise of co-operative societies reduce dependence on moneylenders.
- Land Development Banks provide long-term and modern term loans, diminishing the need for moneylenders.
- Strengthening institutional credit systems will further decrease reliance on moneylenders in the future.

Agricultural Co-operative Credit Societies

Agricultural co-operative credit societies in India have a significant history, originating in the late 19th century. These societies, however, face challenges in meeting the financial needs of farmers due to various drawbacks.

1. Co-operative Credit Structure:

Three-tier structure: Primary co-operative societies at village level, district co-operative banks at district level, and state co-operative banks at the apex level.

Primary societies provide short-term loans at 10%-15% interest, mainly for production activities.

The number of these societies has decreased from 1.05 lakh to over 95,000, but their loan disbursements have significantly increased over the years.

2. Progress in Co-operative Credit:

Co-operative credit started with a mere 3.1% share in agricultural credit. Now, it covers about 29% of agricultural credit needs, with significant growth during five-year plans.

During 2014-15, co-operative credit reached approximately 1,38,470 crore, a substantial increase from earlier years.

Drawbacks of Agricultural Co-operative Credit:

1. Inadequacy:
Farmers need 12 lakh to 15 lakh crore annually.
Co-operative credit provides only 1,38,470 crore, fulfilling just 10% of the total requirement.
2. Excessive Government Interference:
Government-driven co-operative movement lacks public cooperation.
Co-operation in India is like a plant held by the Government, limiting its growth according to the Rural Credit Survey Committee.
3. Political Interference
Politicians and undesirable elements dominate co-operative credit.
Loans go to the wrong people, leaving actual needy farmers without co-operative credit support.
4. Reluctance of Farmers:
Farmers hesitate due to slow loan processing and strict recovery methods.
Many farmers avoid co-operative society loans, limiting their financial options.
5. High Interest Rates:
concern: Co-operative credit societies charge high annual interest rates of 10% to 15%.
Burden: These rates become a financial burden for farmers, making repayment challenging.
6. Inefficient Management:
Democratic management exists theoretically but not in practice.
Selfish elements exploit resources due to farmer ignorance and dominance of self-centered individuals, leading to inefficient management.

An integrated Rural Credit Scheme has been introduced to overcome these challenges. Efforts made to improve co-operative credit societies by addressing their deficiencies.

Agriculture Credit by Government

The Central Government and the State Governments in India also make available agriculture credit. The Government provides loans to the farmers for digging of wells, construction of drains in the fields, soil conservation activities, purchase of animals, implements and seeds or for providing relief at the time of natural calamities, in the form of Tacavi, under Land Improvement Act, 1813 and Agriculture Loan Act, 1844. At the initial stages, the loans were provided in the form of relief at the time of natural calamities. But, now these are generally provided for productive activities. Tacavi loans are not much costly for the farmers. Loans are sanctioned and paid by the concerned Tehsildar or Block Development Officers. These loans are recovered in instalments. Interest rate on these loans is very low.

Demerits of Tacavi Credit:

1. **Insufficiency:** The amount of Tacavi loans is very low, as composed to total credit requirements. The share of Government in agricultural credit was 3% only in 1951. It had increased to 5.5% in 1964-65 still, the farmers have to depend upon the moneylenders. Presently, it provides 5% share of agricultural credit.
2. **Unnecessary Delays:** Several types of formalities are to be completed for tacavi loans. Obtaining of tacavi loans is much delayed due to various formalities, prevalence of corruption and also due to lack of education among the farmers. Hence, loans do not become available at the required time.
3. **Partiality:** As a result of corruption, big farmers and land owners are able to get tacavi loans and needy small farmers often remain deprived of these loans.
4. **Expensive:** In spite of rate of interest being low on tacavi loans, expenses are to be incurred for completion of formalities for obtaining these loans.
5. **Corruption is highly prevalent.** Hence, occurrence of unnecessary delays is quite natural.
6. **Strictness is exercised in recovery of tacavi.** Hence, sometimes the farmers have to face serious difficulties.

Commercial Banks

Commercial banks meet the requirements of short-term loans. Commercial banks in India were not taking much interest in agriculture credit. However, after nationalization of 14 big banks in 1969, nationalization banks have taken over the responsibility of discharging important role in respect of agricultural credit.

The share of banks in agriculture credit was just 0.9 percent in 1951. But, after nationalization, the progress of agricultural loans has been faster. Outstanding agricultural loans of commercial banks were of 70,502 crore. Presently, the share of commercial banks in institutional agricultural credit has reached to 72.5%, whereas earlier, it was just 0.9%.

Commercial banks have made efforts to simplify their working system aiming at preventing the delays in providing agricultural credit and facilitating providing of laws to the farmers.

Efforts are being made for discharging of important role by commercial banks in short term agricultural credit. Several new branches are being opened in rural areas under lead bank scheme and banking facilities are being speedily expanded.

Regional Rural Banks

In June 1976, Regional Rural Banks (RRBs) emerged as a vital financial lifeline for rural India. These institutions were established with the goal of providing essential banking services to rural areas, and over the years, they have played a pivotal role in driving economic growth and financial inclusion in the countryside.

1. Establishment and Expansion:

- RRBs were established in 1976 to extend financial facilities in rural areas, rapidly increasing in number and branches.
- Their primary objective was to provide banking services, especially to marginal farmers and agricultural laborers, encouraging rural savings for productive activities.
- By June 2007, there were 196 RRBs in 370 districts with 14,524 branches. The numbers grew significantly, reaching 57 RRBs and 21,343 branches by June 2012.

2. Financial Impact:

- Loan Disbursements: The RRBs' impact is evident in their increasing loan disbursements over the years. From a modest 30 crore in 1976-77, loans extended by RRBs soared to 3,329 crore in 1999-2000.
- Rapid Growth: By the end of 2013-14, their influence reached new heights, with outstanding loans amounting to a substantial 82,650 crores.
- Branch Expansion: Alongside growing financial contributions, the number of RRB branches also surged. From 5,717 branches in June 1982, it expanded to an impressive 21,343 branches by June 2017.

3. Socio-Economic Impact:

- Productive Use of Funds: RRBs have effectively mobilized rural savings, channeling them into productive sectors, fueling economic activities, and enhancing overall livelihoods.
- Empowering Marginalized Communities: By providing loans to marginal farmers and agricultural laborers, RRBs have empowered rural communities, fostering economic independence and reducing poverty.

Kisan Credit Card Scheme

1. This special card was created in 1988-89 to give short-term loans to farmers. Implemented by Various Banks: 27 commercial banks, 385 Central Co-operative Banks, State Co-operative Banks, and 196 Regional Rural Banks started using KCC because it was so popular.
2. Large Number of Cards Issued: Until October 2011, these banks issued a huge number of cards – 1078.36 lakh! That's more than 10 crore cards!
3. Massive Loan Amounts: Through these Kisan Credit Cards, loans totaling 5,27,052 crore rupees were given to farmers. This helped farmers with their agricultural needs.
4. Continued Popularity: By March 31st, 2014, an incredible 12 crore Kisan credit cards had been issued, showing how widely it was used and appreciated.
5. Policy Update: In 2012, the KCC policy was updated. Now, these cards can even be used as ATM cards, making it easier for farmers to access their money.

Q.12 Write a short note on Role of Reserve Bank of India Agriculture Credit

1. Establishment of Agricultural Department: RBI established a dedicated agriculture department to focus on agricultural credit and rural finance initiatives.
2. Coordination with Co-operative Banks: RBI facilitated agricultural credit through State Co-operative Banks, ensuring coordination among various credit agencies.

3. **Research and Policy Formulation:** Employed experts to study agricultural credit issues, enabling data-driven policy formulation. Provided advice to the Central Government, State Governments, and commercial banks on agricultural credit policies.
4. **Promotion of Co-operative Banking:** Encouraged the establishment and growth of co-operative banks to enhance rural credit accessibility. Coordinated with these banks to provide short-term, medium-term, and long-term loans for agricultural purposes.
5. **Implementation of Regulatory Measures:** Enacted regulations and guidelines to ensure fair lending practices in agriculture. Monitored interest rates and ensured their reasonableness to prevent exploitation of farmers.
6. **Introduction of NABARD:** Established the National Bank of Agriculture and Rural Development (NABARD) in 1982, transferring agricultural finance functions to NABARD. NABARD served as an apex institution for rural and agricultural development, providing refinance facilities to commercial banks and financial institutions.
7. **Institutional Credit Expansion:** Oversaw the expansion of institutional credit distribution from 5.37 crore in 1950-51 to approximately 7,30,766 crore during 2013-14.
8. **Transition of Responsibilities:** Transferred agricultural finance responsibilities from RBI to NABARD, allowing RBI to focus on broader monetary policies while NABARD specialized in agricultural credit.
9. **Supervision and Regulation:** Supervised the functioning of co-operative banks to ensure adherence to lending guidelines. Enforced regulations to maintain the stability and integrity of agricultural credit systems.
10. **Support for Rural Infrastructure:** Contributed to rural infrastructure development by enabling financial support for projects related to irrigation, bridges, roads, and other essential facilities.
11. **Policy Adaptation:** Adapted agricultural credit policies according to the changing needs of the agricultural sector and rural communities. Implemented measures to align agricultural credit with the broader financial landscape of the country.
12. **Encouraging Financial Inclusion:** Promoted financial inclusion by ensuring that rural and marginalized communities had access to formal banking and credit services. Supported initiatives that aimed at empowering farmers financially and improving their economic well-being.
13. **Continuous Evaluation and Improvement:** Regularly evaluated the effectiveness of agricultural credit programs and made necessary adjustments to enhance their impact. Collaborated with other financial institutions, governmental bodies, and agricultural experts to improve credit delivery mechanisms.
14. **Monitoring Interest Rates:** Monitored and regulated interest rates to prevent usurious practices and safeguard the economic interests of farmers borrowing from formal financial institutions.

15. Promotion of Sustainable Agriculture: Encouraged the adoption of sustainable agricultural practices by providing credit facilities to farmers engaged in eco-friendly farming techniques. Supported initiatives promoting organic farming and environmentally responsible agricultural methods.

16. Empowering Farmers: Played a pivotal role in empowering farmers economically by ensuring they had access to affordable credit, enabling them to invest in their farms and improve agricultural productivity.

17. Collaboration with Government Initiatives: Collaborated with various government initiatives and schemes aimed at uplifting farmers and rural communities, aligning banking practices with national development goals.

18. Facilitating Research and Innovation: Supported research and innovation in the agricultural sector by providing financial assistance to agricultural entrepreneurs, researchers, and organizations involved in agricultural advancements.

19. Safeguarding Agricultural Interests: Acted as a regulatory body, safeguarding the interests of both farmers and financial institutions, ensuring a fair and transparent lending environment.

20. Future Focus: Continued to adapt policies and strategies to meet the evolving challenges of the agricultural sector, fostering financial resilience among farmers and rural communities. Paved the way for innovative financial instruments and digital solutions to further enhance agricultural credit accessibility and efficiency.

Q.13 Write a short note on National Bank of Agriculture & Rural Development

1. Establishment and Purpose: NABARD was established on July 12, 1982, as an apex institution for financing agricultural and rural development activities in India. It was set up to promote sustainable and equitable agriculture and rural development, bridging the credit gap in rural areas.
2. Refinancing Agricultural Loans: NABARD provides refinance facilities to commercial banks, regional rural banks (RRBs), and co-operative banks for loans extended to farmers and rural development initiatives. These refinanced loans cover a wide range of agricultural activities, including crop cultivation, livestock farming, and agribusiness ventures.
3. Amalgamation of Agricultural Institutions: NABARD amalgamated the functions of various agricultural institutions, including the Agricultural Credit Department of RBI and the Agricultural Refinance and Development Corporation (ARDC), streamlining the agricultural credit process.
4. Capital Structure and Funding: NABARD's authorized capital was initially 500 crores, later increased to strengthen its financial base. It receives funding from the Government of India, RBI, and external sources, utilizing these resources to finance rural and agricultural initiatives.

5. **Focus on Rural Infrastructure:** NABARD administers the Rural Infrastructure Development Fund (RIDF) to support state governments' initiatives for rural infrastructure development. RIDF finances projects related to irrigation, roads, bridges, electrification, and other essential rural infrastructure, enhancing the overall rural landscape.
6. **Capacity Building and Training:** NABARD conducts training programs and capacity-building initiatives for farmers, rural entrepreneurs, and banking professionals. These programs enhance agricultural and financial literacy, promoting sustainable agricultural practices and responsible lending.
7. **Promotion of Farmer Producer Organizations (FPOs):** NABARD promotes the formation and strengthening of Farmer Producer Organizations (FPOs) to empower small and marginal farmers. FPOs enable collective bargaining, access to credit, and market linkages, enhancing farmers' income and agricultural productivity.
8. **Microfinance and SHG-Bank Linkage:** NABARD supports microfinance institutions and self-help groups (SHGs), facilitating micro-credit disbursement to rural households. The SHG-bank linkage program has empowered women in rural areas by providing them access to financial services, fostering entrepreneurship.
9. **Climate-Resilient Agriculture:** NABARD promotes climate-resilient agricultural practices, encouraging farmers to adopt eco-friendly techniques and sustainable farming methods. It provides financial assistance for organic farming, water conservation, and renewable energy projects in rural areas.
10. **Promotion of Agri-Entrepreneurship:** NABARD offers financial assistance and guidance to agricultural entrepreneurs, encouraging the establishment of agribusiness ventures and processing units. It supports ventures related to food processing, horticulture, dairy farming, and other value-added agricultural activities.
11. **Digital Initiatives and Financial Inclusion:** NABARD embraces digital technology to enhance financial inclusion in rural areas, promoting digital banking services and mobile payment solutions. It supports the development of digital infrastructure, ensuring seamless connectivity and access to online banking facilities.
12. **Monitoring and Evaluation:** NABARD monitors the progress and impact of its financed projects, conducting evaluations to assess the effectiveness of rural and agricultural development initiatives. Regular assessments enable NABARD to make data-driven decisions and refine its strategies for better outcomes.
13. **Research and Innovation:** NABARD invests in research and innovation in the agricultural sector, collaborating with research institutions and agricultural scientists. Research initiatives focus on improving crop yield, soil health, pest management, and agricultural technology adoption.
14. **Collaboration with International Organizations:** NABARD collaborates with international organizations and financial institutions to leverage global expertise and funding for rural and agricultural development projects. These collaborations facilitate knowledge

exchange and best practices sharing, enhancing NABARD's effectiveness in its initiatives. Since its establishment, the bank had sanctioned loans of 81,090 crore for 2,25,000 projects, upto 31 March, 2000. Out of it, loans of 45,600 crore had been disbursed.

15. Support for Farmer Education: NABARD funds agricultural education and extension programs, encouraging farmers to adopt modern techniques and best practices. Farmer training initiatives enhance agricultural productivity and equip farmers with the knowledge to make informed decisions about their crops and livestock.

16. Promotion of Green and Sustainable Initiatives: NABARD encourages green initiatives, including afforestation, renewable energy projects, and sustainable water management. By promoting environmental sustainability, NABARD contributes to climate change mitigation and the preservation of natural resources.

Q.14 Write a short note on State Bank of India.

1. Rural Credit Survey Committee had given suggestion to establish State Bank to implement integrated scheme of rural credit. Hence, the Government established State Bank of India by nationalising Imperial Bank. This bank provides agriculture credit mainly in following five ways:

(i) Finance for Godowns: State Bank of India provides loans for construction of godowns and also makes the loans available on the receipts of goods godowns.

(ii) Loans of Land Mortgage Banks: It indirectly makes additions in agriculture credit by purchasing the papers or giving loans on pledge.

(iii) Marketing and Processing Credit: The State Bank provides loans directly for marketing and processing activities, in such areas, where central co-operative banks are unable to provide such loans.

(iv) Money Transfer Facility to Co-operative Banks: By providing this facility, without any charges, the bank provides indirect contribution in the sphere of agriculture credit.

(v) The State Bank promotes banking facilities, by expanding the branches in rural areas.

2. Rural Branch Expansion: State Bank of India (SBI) opened 432 special branches in villages by December 1984, making banking services more accessible in rural areas.

3. Increased Loans: SBI provided more money for farming. In 1985, they gave 2,504 crore rupees. By 1991-92, this increased to 4,780 crore rupees, showing their support for farmers.

4. Investment in Land: SBI gave 460 crore rupees in loans for farming on land without water and helped reclaim unused land. This boosted farming and land use.

5. Mechanization Support: SBI provided 900 crore rupees to 3 lakh tenants. This money helped them buy tractors and machines, making farming easier and more efficient.

6. Crop Loans: SBI gave 1,200 crore rupees in loans to 35 lakh farmers. This money was used for growing crops, ensuring farmers had what they needed for farming.
7. Minor Irrigation: SBI gave 400 crore rupees to help 6 lakh people with minor irrigation projects. These projects made sure farms had enough water, crucial for good crops.
8. Rural Electrification: SBI supported rural electrification by giving 94 crore rupees for 439 electricity projects in 1986. Electricity helps farmers use modern methods for better farming.
9. Financial Inclusion: By opening 432 branches, SBI gave loans totaling 939 crore rupees to 16.8 lakh farmers in 1988-89. This made sure more people in villages had access to money for farming, improving their lives.

Q.15 Elaborate the drawbacks of Agriculture Credit and suggestions for its Expansion.

Agriculture Problems/ Drawbacks of Agriculture Credit in India

Agriculture credit in India suffers from several drawbacks, which has blocked the development of agriculture. Following are the major drawbacks:

1. Limited Access to Formal Credit: Many small and marginal farmers struggle to access formal credit due to stringent eligibility criteria set by financial institutions. Lack of collateral often bars farmers from securing loans, leaving them dependent on informal sources with exorbitant interest rates.
2. Inadequate Credit Supply: The demand for agricultural credit often exceeds the supply, leaving a significant portion of the farming community without the necessary financial support. Limited availability of timely credit affects farmers' ability to invest in essential agricultural inputs, leading to reduced productivity.
3. High Interest Rates: Agricultural loans come with high-interest rates, making repayment burdensome for farmers, especially during years of poor agricultural yield. High interest rates diminish the profitability of farming operations, trapping farmers in a cycle of debt.
4. Inefficient Loan Disbursement and Recovery: Delayed disbursement of loans and cumbersome paperwork lead to inefficiencies in the system, causing delays in crucial agricultural activities. Inefficient loan recovery mechanisms result in a lack of discipline among borrowers, impacting the overall sustainability of credit programs.
5. Seasonal Nature of Agriculture: Agriculture being seasonal requires timely financial support, which is often lacking, affecting farmers' ability to make timely investments in seeds, fertilizers, and equipment.
6. Lack of Financial Literacy: Farmers, especially in rural areas, often lack financial literacy, making them vulnerable to exploitative lending practices. Limited awareness about different credit options and their implications hampers farmers' ability to make informed decisions.

7. **Insufficient Coverage of Crop Insurance:** Inadequate coverage under crop insurance schemes leaves farmers unprotected against natural disasters, making it difficult for them to recover from losses and repay loans.

8. **Political Interference and Corruption:** Political interference in the distribution of agricultural credit can lead to favoritism, where loans may not reach the neediest farmers. Corruption in the system further exacerbates the challenges faced by genuine farmers, diverting resources away from those who truly need them.

9. **Lack of Support for Diversification:** The focus on traditional crops often neglects the needs of farmers looking to diversify into high-value, non-conventional agricultural activities. Lack of support for diversification limits the income-generating potential of farmers and the overall growth of the agricultural sector.

Suggestions for Agriculture Credit Expansion

1. Strengthening Co-operative Institutions:

- i. Promote and expand the co-operative movement in rural areas.
- ii. Enhance the efficiency of co-operative credit societies and ensure transparency in their operations.
- iii. Establish better coordination among different activities within the co-operative sector.

2. Simplification of Tacavi Loans:

- i. Simplify the process of disbursing and recovering tacavi loans.
- ii. Ensure farmers have easy access to these loans at reasonable interest rates and at the right time.

3. Collaboration with Commercial Banks:

- i. Encourage commercial banks to actively participate in providing agricultural credit.
- ii. Expand banking facilities in rural areas to reach more farmers.
- iii. Foster cooperation between commercial banks and co-operative institutions to strengthen the loaning system.

4. Promotion of Institutional Agriculture Credit:

- i. Promote co-operative credit societies, commercial banks, and other financial institutions.
- ii. Provide support and incentives to enhance the role of these institutions in providing agriculture credit.

5. Development of Co-operative Agriculture and Rural Development Banks:

- i. Develop and empower Co-operative Agriculture and Rural Development Banks to offer long-term loans for agricultural purposes.

- ii. Collaborate with institutions like the Reserve Bank OF India, Agriculture Finance Commission, and Agriculture Refinance Corporation to secure adequate funding for these banks.

6. Focus on Productive Loans:

- i. Emphasize granting loans for productive purposes rather than unproductive uses.
- ii. Discourage loans that are likely to be misused or diverted from agricultural activities.

7. Regulation of Moneylenders:

- i. Implement strict regulations to control the activities of moneylenders.
- ii. Protect farmers from exploitation and ensure they have access to fair and affordable credit.

8. Loans in Kind and Assets:

- i. Provide loans to farmers in the form of assets or resources.
- ii. This approach will discourage diversion of funds for non-agricultural purposes and ensure loans are used for their intended agricultural projects.

9. Combat Corruption and Administrative Inefficiency:

- i. Implement robust measures to control corruption within the system.
- ii. Streamline administrative processes to reduce delays in loan disbursement.
- iii. Ensure loans are allocated to deserving farmers promptly and efficiently.

Q.16 What is Agriculture Insurance in India? Write the description of efforts made for Agriculture Insurance in India.

Farming in India is like a gamble because unpredictable monsoons and natural disasters, such as floods and cyclones, often ruin crops. Farmers not only lose money due to failed crops but also suffer when natural disasters strike, making farming a risky business.

To help farmers facing these uncertainties, various efforts have been made to provide support and security. One significant solution has been agriculture insurance, designed to protect farmers from losses caused by unpredictable monsoons and natural disasters.

1. Comprehensive Crop Insurance Scheme, 1985:

- i. Pioneer Scheme: Introduced in 1985, it was the first attempt to provide insurance for selected crops.
- ii. Scope: Covered specific crops to protect farmers against losses.

2. National Agriculture Insurance Scheme (NAIS), 1999-2000:

- i. Enhanced Coverage: Expanded in 1999-2000 to include food crops, oilseeds, and horticultural crops with adequate yield data.

- ii. Government Subsidy: Small and marginal farmers received a 50% subsidy on premiums, shared equally by the State and Centre.
- iii. Positive Impact: Benefited around 4.87 crore farmers with claims amounting to 22,142 crores.

3. Pilot Scheme for Seed Crop Insurance, 1999-2000:

- i. Targeted Protection: Launched to safeguard seed growers and breeders from crop failures.
- ii. Covered Seeds: Included essential seeds like paddy, maize, and groundnut, benefiting several states.

4. Farm Income Insurance Scheme, 2003-04:

- i. Price Fluctuation Protection: Introduced to shield farmers from income loss due to market price fluctuations.
- ii.
- iii. Guaranteed Prices: Covered selected districts for wheat initially, later extended to include Kharif crop paddy.

5. Weather-Based Crop Insurance Scheme, 2007:

- i. Adverse Weather Protection: Aimed at safeguarding farmers from adverse weather effects like temperature fluctuations and excess/deficit rains.
- ii. Affordable Premiums: Premiums aligned with NAIS rates, ensuring affordability for farmers.

6. Modified National Agriculture Insurance Scheme (MNAIS), 2010-11:

- i. Enhanced Version: Improved NAIS introduced in selected districts, later expanded to 50 districts in 17 states for Rabi crops.
- ii. Shared Liability: Premium subsidy shared equally by the Centre and States, making it more accessible to farmers.
- iii. Benefits: Major enhancements made to the scheme to maximize benefits for farmers.

7. Pradhan Mantri Fasal Bima Yojna (PMFBY), 2016:

- i. Landmark Scheme: Launched in 2016 by Prime Minister Shri Narendra Modi to cover natural calamity risks.
- ii. Government Initiative: Administered under the Ministry of Agriculture, ensuring a focused approach towards farmer welfare.
- iii. Uniform Coverage: Applies nationwide, providing equal coverage and benefits to farmers across the country.

Main Objectives of Pradhan Mantri Fasal Bima Yojna-2016:

1. Risk Coverage and Financial Support: The scheme will provide insurance coverage to farmers in the event of failure of the notified crop on account of natural calamities, pests and crop diseases. The scheme will provide financial support to farmers on such events.

2. Stability in Income of Farmers: This scheme will provide stability in income of farmers error on failure of notified crops.
3. Encouragement for Innovation and Modernisation of Agriculture by farmers for development of agriculture.
4. Ensuring more credit flow in agriculture sector. Salient Features of Pradhan Mantri Fasal Bima Yojna(PMFBY) 2016

The salient features of the PMFBY are as follows:

1. Valuable Gift for Farmers: This is a valuable gift of Modi Government of India for farmers, to provide security and compensation against losses caused by crop failures on account of Natural Calamities, pests and crop diseases.
2. Security and Compensation against losses caused by natural calamities, pests and crop diseases: This scheme will provide security and compensation against losses in event of notified crops on account of natural calamities, pests and crop diseases.
3. PMFBY sanctioned by Central Cabinet on 13th January, 2016 on the occasion of great festivals of farmers being Lohri, Pongal and Makar Sakranti, as a valuable gift.
4. A Comprehensive and Integrated Scheme: Pradhan Mantri Fasal Bima Yojna is a very comprehensive and integrated scheme and it will replace the previous prevailing National Agriculture Insurance Scheme (NAIS) and Amended National Agriculture Insurance Scheme (ANAIIS) with effect from 13th January, 2016.
5. Well beginning from Kharif crops of 2016 for speedy implementation of the scheme.
6. Insurance Coverage for all notified Crops: This scheme is applicable to all notified crops of Rabi and Kharif season including horticulture crops. The main crops covered are Wheat, Barley, Rice, Maize, Jawar, Bajra, Sugarcane, Soyabean etc.
7. Uniform Premium Rates of Insurance: The scheme provides uniform premium rates of insurance coverage. The uniform premium rates for all Kharif crops will be 2% only to be paid by farmers while premium rates for all Rabi crops notified will be 1.5%. The uniform annual premium for commercial and horticulture crops will be 5% only to be paid by farmers.
8. Very low rates of insurance premium to be paid by farmers and balance premium will be paid by the Government for full insured amount to the farmers against crop loss on account of natural calamities.
9. Insurance Premium Rates at all levels are not only very low for farmers but also very easy and comfortable.
10. Coverage of notified Kharif crops at very low premium of 2% to be paid by farmers include Rice, Maize, Jawar, Bajra, Sugarcane, Soyabean etc.

11. Coverage of notified Rabi crops at very low rates of premium 1.5% to be paid by farmers include Wheat, Barley, Gram, Mustured lintel etc.

12. No upper limit for Government Subsidy: If balance premium is 90% it will be borne by Government.

13. Target to Cover 50% of the farmers at an allocation of 8,800 crores for coming three years: There is allocation of 8,800 crores for this scheme for 3 years and target to cover 50% of the farmers during the specified period.

14. Coverage of the crops in PMFBY: The coverage of the crops in PMFBY is extended to (i) All food crops namely cereals, pulses and millets, (ii) Oil seeds (iii) Annual commercial and horticulture crops, notified by the Government in notified areas.

15. Coverage of the farmers in PMFBY: All farmers including share-croppers and tenant farmers growing the notified crops in notified are eligible for coverage. Coverage is compulsory for all loanee farmers who are availing Seasonal Agriculture Operations (SAO) loans from financial institution and coverage is optional and voluntary for the non-loanee farmers.

16. Different Stages of Coverage of the Risks under PMFBY: These are four stages of risks coverage from sowing to post harvest losses namely

(i) Prevented sowing / Planting Risk due to deficit rainfall as adverse seasonal conditions in insured areas.

(ii) Comprehensive risk insurance for standing crops from sowing to Harvesting, is provided to cover yield losses due to non-preventive risks such as flood, inundation, pests and diseases, landslides, typhoon, tempest, storm, hailstorm cyclone, Harrican, Tornado, Natural fire and lightning, Drought and Dry spells.

(iii) Post Harvest Losses covered only up to maximum period of two weeks from harvesting for those crops which are allowed to dry in cut and spread conditions in the field after harvesting against specific perils of cyclones, cyclone rains and unseasonal rains.

(iv) Localised calamities resulting from landslide, hailstorm, inundation effecting isolated farmers of identified localised risks in notified areas.

17. Insurance Cover not applicable under PMFBY: There is a provision in the scheme for exclusively man-made risks such as theft, act of enmity, malicious damage, war, risks, kindred perils, nuclear risks, other preventable risks, grazed or destroyed by domestic or wild animals. The insurance cover will not be applicable for losses caused to crops by the a foreside excluded risks.

18. Sharing of Risk cover by the Central and State Governments will be in 50 50 ratio.

19. PMFBY is based on 'One Nation One Yojna' Principle. This scheme has been introduced and implemented in whole India with equal rates of premium and conditions, along with equal sharing of balance premium in equal ratio 50: 50.

20. Superior and more Beneficial Scheme: PMFBY is comparatively superior and more beneficial scheme than old prevailing schemes. The scheme excludes all shortcomings and incorporates all benefits of old schemes.

Q. 17 Explain the agricultural price policy in India.

Price policy plays a pioneer role in the economic development of a country. It is an important instrument for providing incentives to farmers for motivating them to go in for production-oriented investment and technology.

In a developing country like India where majority of the population devotes 2/3 of its expenditure on food alone and where majority of the population is engaged in agricultural sector, prices affect both income and consumption of the cultivators. The Govt. of India announces each year procurement/support prices for major agricultural commodities and organizes purchase operations through public agencies.

Objectives of Agricultural Price Policy:

The objectives of agricultural price policy vary from country to country depending upon the place of agriculture in national economy. Generally, in developed countries, the major objective of price policy is to prevent drastic fall in agricultural income while in developing economies it is to increase the agricultural production.

However, its main objectives are summarized below:

- (i) To Ensure Relation between Prices of Food-grains and Agricultural Goods: The foremost objective of agricultural price policy is to ensure the appropriate relationship between the prices of food grains and non-food grains and between the agricultural commodities so that the terms of trade between these two sectors of the economy do not change sharply against one another.
- (ii) To Watch Interests of Producers and Consumers: To achieve the balance between the interest of producers and consumers, price policy should keep a close eye on the fluctuations within maximum and minimum limits.
- (iii) Relation Between Prices of Crops: The price policy should be such which may sustain the relationship between the prices of competing crops in order to fulfil the production targets in respect of different commodities in accordance of its demand.
- (iv) To Control Seasonal Fluctuations: Another object of price policy is to control cyclical and seasonal fluctuations of price rise to the minimum extent.
- (v) Integrate the Price: The agricultural price policy should also aim at to bring the greater integration of price between the various regions in the country so that regular flow of marketable surplus could be maintained and exports of farm products stimulated regularly.
- (vi) Stabilise the General Price: To stabilize the general price level, it should aim at increasing the public outlay to boost economic development in the country.

(vii) Increase in Production: The agricultural price should aim at to raise the production of various commodities in the country. Therefore, it must keep balance between output and input required by the cultivations.

Major Objectives:

The important objectives of the new agricultural policy are stated below:

1. Facilities for All-Round Development: In order to accelerate the pace of development, the new agricultural policy has set an objective to augment facilities for processing, marketing, storage, irrigation, along with development of horticulture, fisheries, biomass, livestock, sericulture etc. for all round development of agricultural sector.
2. Infrastructural Development: The new policy favoured to make the provision for infrastructural development related to agriculture and thereby to infuse new dynamism through increased volume of public investment.
3. Revising and Strengthening Co-Operatives: The policy also aims at reviving and strengthening Co-operatives and local communities for the development of agriculture.
4. Involvement of NGOs: The policy also aims at involving the non- government organisations on a large scale for the development of agricultural sector.
5. Encouragement: The policy aims at providing necessary support, encouragement and thrust on farming activities so that rural people accept it as a noble and viable occupation.

Features of New Agricultural Policy:

The important measures or features of new agricultural policy are summarized as under:

- (i) Raising Capital Formation: The new policy has undertaken a strategy to raise the rate of capital formation in agricultural sector as the same is maintaining a decreasing trend from 18.7 per cent of total gross capital formation in 1978- 79 to only 9.5 per cent in 1993-94. As the invisible resources are being diverted from agriculture to industry and sectors, the new policy, thus introduces measures to re-channelize available resources for productive investment in the sector. The policy will focus to create a better investment climate for the farmers by introducing a favourable price and trade regime.
- (ii) Enhancing Public Investment: In order to raise the volume of public investment, new agricultural policy will take steps to create public investment for building supportive infrastructure for agriculture. Conservation of water and use of alternative and renewable sources of energy for irrigation and other agricultural works have also been encouraged. Such enhancement of infrastructural investment will reduce the regional imbalances and generates more value-added exportable surpluses.
- (iii) Raising the Flow of Credit: The policy will make an attempt to enhance the flow of credit to the agricultural sector. In this connection, the Co-operative credit societies were engaged for such purpose.

(iv) Improving Agricultural Marketing: An attempt will be made to improve the marketing arrangement of agricultural produce through agro- processing, marketing and storage.

(v) Ensuring Remunerative Prices: The new policy has entrusted the Government to undertake responsibility for ensuring remunerative prices of agricultural produce to the farming community by adopting necessary price support policy.

(vi) Raising Argo-Exports: The new policy has made an attempt for harnessing the comparative natural advantage in agricultural export of the country. The policy has laid special thrust on the exports of fruits, vegetables, flowers, poultry and livestock products so as to raise the share of agricultural exports.

(vii) Land Reforms: The new policy will make efforts to take land reform measures for the interest of small and marginal farmers and raise agricultural output.

(viii) Development of Land: The policy has made an attempt to develop land permanently for cultivation to meet the growing needs of population. In order to develop rainfed areas of the country watershed management scheme has been given much importance so as to bring integrated development of the land.

(ix) Treating Agriculture at Par with Industry: The steps for creating a positive trade and investment climate for agriculture and also to treat agriculture at par with industry for the purpose will be taken.

(x) Crop Insurance Scheme: Considering the problems of crop failure and high risk of instability in production, the policy stressed for redesigning the crop and livestock insurance schemes in a comprehensive manner so that the farmers can recover their losses arising out of natural disasters.

Effects of Agricultural Price Policy:

It is correctly stated that agricultural price has worked remarkably well to streamline the price stability activities. However, its effect is shortly mentioned below:

1. Incentive to Increase Production: Agricultural price policy has been providing necessary incentive to the farmers for raising their agricultural output through modernisation of the sector. The minimum support price is determined effectively by the government which will safeguard the interest of the farmers.

2. Increase in the level of income of Farmers: The agricultural price policy has provided necessary benefit to the farmers by providing necessary encouragement and incentives to raise their output and also by supporting its prices. All these have resulted in an increase in the level of farmers as well as its living standards.

3. Price Stability: The agricultural price policy has stabilized the price of agricultural products to a greater extent. It has successfully checked the undue fluctuation of price of agricultural products. This has created a favourable impact on both the consumers and producers of the country.

4. Change in Cropping Pattern: As a result of agricultural price policy, considerable change in cropping pattern of Indian agriculture is needed. The production of wheat and rice has increased considerably through the adoption of modern techniques by getting necessary support from the Government. But the production of pulses and oilseeds could not achieve any considerable change in the absence of such price support.

5. Benefit to Consumers: The policy has also resulted in considerable benefit to the consumers by supplying the essential agricultural commodities at reasonable price regularly.

6. Benefit to Industrials: The agricultural price policy has also benefited the agro industries, like sugar, cotton textile, vegetable oil etc. By stabilizing the prices of agricultural commodities, the policy has made provision for adequate quantity of raw material for the agro-industries of the country at reasonable price.

Shortcomings of Agricultural Price Policy:

The major shortcomings of the agricultural price are as under:

1. Inadequate Coverage: Inadequate coverage of procurement facility has rendered the price ineffective. The facility of official procurement reaches only a handful of farmers—of the total food grains production, procurement covers hardly 15 per cent.

2. Remunerative Price: The remunerative price and/or subsidized inputs have failed to keep pace with the rate of increase in costs. It has had two consequences. The farmer is discouraged from producing the maximum level of output; he tries to balance his output against the level of costs, and settles for a lower level of output.

3. Ineffective Public Distribution System: The public distribution has not been very effective. A large section of the poor people is outside the purview of the system. Even those who are covered under the system do not necessarily get the benefit of issue prices. The system has absolutely failed to serve the objective. Besides, the burden on the national exchequer is increasing enormously.

4. Difference in Prices: There is an important issue of wide difference between prices received by the producers and prices paid by the consumers. In this context, issues relating to the network of regulations and costs associated with it, incidence of octroi, increase in transportation costs, over fragmentation of the distribution network etc. require careful study.

5. Unaccompanied by Effective Policy: The efficacy of the price policy depends on a number of other factors inherent in the system of agricultural operations like land holding patterns, income distribution, general disparities and cropping pattern. But it is pity to say that the price policy has not been accompanied by any effective policy for a total development of agriculture. A continuous increase in procurement prices may have even an adverse impact on agricultural productivity. Price increases which over-compensate cost increases can discourage measures to raise agricultural productivity since such prices automatically lead to higher profits for the farmers.

Q.18 Write a short note on Minimum Support Price.

In the realm of agriculture, Minimum Support Price (MSP) stands as a crucial pillar. It represents a guaranteed price level established by the government, offering paramount support to farmers. Minimum Support Price (MSP) is promised by the government for any agricultural crop whereas the issue price is the price at which government issues the same agricultural crop.

MSP is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), which considers various factors such as cost of production, demand and supply, market price trends, inter-crop price parity, etc.

Crops Under MSP:

- The CACP recommends MSPs for 22 mandated crops and fair and remunerative price (FRP) for sugarcane.
- The mandated crops include 14 crops of the kharif season, 6 rabi crops and 2 other commercial crops.

Need for MSP:

- The twin droughts of 2014 and 2015 forced the farmers to suffer from declining commodity prices since 2014.
- The twin shocks of Demonetisation and the Rollout of GST, crippled the rural economy, primarily the non-farm sector, but also agriculture.
- The slowdown in the economy after 2016-17 followed by the pandemic further ensured that the situation remains precarious for the majority of the farmers.
- Higher input prices for diesel, electricity and fertilisers have only contributed to the misery.
- It ensures that farmers receive a fair price for their crops, which helps in reducing farm distress and poverty. This is particularly crucial in states where agriculture is a major source of livelihood.

Ensuring Farmers' Security: MSP provides farmers with a safety net, ensuring that their hard work is rewarded fairly. Imagine a promise that, regardless of market fluctuations, farmers will receive a predetermined, just price for their produce. This assurance empowers farmers to plan their agricultural activities with confidence, knowing that their efforts will yield a stable income.

Government's Strategic Intervention: For the government, MSP serves as a strategic tool in managing agricultural affairs. By setting support prices, the government can regulate its procurement from farmers. This control enables a consistent flow of crops in the market. Additionally, excess produce procured at MSP can be stored as a strategic reserve, safeguarding against future shortages and ensuring food security.

Maintaining Price Stability: MSP plays a pivotal role in stabilizing market prices. When farmers receive a fair price for their crops, they are motivated to invest in improved farming techniques, leading to enhanced productivity. This equilibrium in the market ensures that consumers do not face sudden, drastic price fluctuations in essential commodities.

Promoting Agricultural Advancements: Beyond financial benefits, MSP encourages farmers to adopt modern agricultural practices. The knowledge that their hard work will be rewarded fairly motivates them to invest in innovative farming methods. Consequently, this not only enhances their individual prospects but also contributes to the overall advancement of agricultural practices.

Strategic Stockpiling: MSP facilitates strategic stockpiling of essential commodities. Imagine it as a prudent savings plan. When there is surplus production, the government can store the excess, creating a reserve. This reserve acts as a buffer, ready to be utilized during periods of scarcity, ensuring a continuous supply of essential goods.

Conclusion: In essence, MSP acts as a linchpin, upholding the foundation of agriculture. It provides farmers with a sense of security, stabilizes market prices, and fosters agricultural progress. By embracing MSP, society ensures the well-being of its agricultural community and maintains the stability of its food supply chain.

Main Agricultural Products under Support Prices

Presently, seven types of cereals, five types of pulses, eight types of oil seeds and seven types of other commercial crops are being covered under support prices/procurement prices, which are as follows:

Agricultural Products Covered by Minimum Support Price

- Cereals -Paddy, wheat, bajra, jowar , maize, barley, ragi
- Oil Seeds- Rape and mustard, Groundnut, Soyabean, Sunflower, Coconut, Toriya, Kusumba, Seasamum
- Pulses- Gram, arhar. moong . Urad , Masoor
- Other commercial crops : 1. Cotton 2. Jute 3. Sugarcane 4. Tobacco 5. Coconut 6. Coir 7. Niser seed

Justification of Demand for Increase in Support Prices or Procurement Prices

Arguments in Favor of Increase:

- i. **Rising Input Costs:** Agricultural inputs like irrigation, power, fertilizers, and machinery have seen substantial price hikes. Farmers contend that adjusting support prices compensates for these increased costs, ensuring their income remains viable.
- ii. **Underestimated Family Labor Costs:** The cost calculations often underestimate the value of family labor. Farmers argue that considering actual wages paid to laborers for similar work validates the need for increased procurement prices.
- iii. **Escalating Transportation Expenses:** Increased transportation costs, influenced by rising fuel prices, directly impact farmers. Adjusting support prices becomes essential to cover these additional expenses incurred during transportation.
- iv. **Unfavourable Trade Terms:** Experts point out that agriculture has faced unfavourable terms of trade for years. Increasing support prices is viewed as a necessary measure to balance these inequities and provide fair returns to farmers.

- v. **Doubling Farmers' Income:** The central government's goal to double farmers' income by 2022 necessitates adjustments in Minimum Support Prices (MSP). The MSP was raised by approximately 150% in 2018-19 to align with this ambitious objective.

Arguments Against Increase:

- i. **Inflation Concerns:** Opponents worry that increasing support prices might trigger inflation, adversely affecting consumers. Higher agricultural product prices could lead to an overall increase in the cost of living, impacting the standard of living for many.
- ii. **Historical Price Trends:** Critics point out that from 1990-91 to 2004-05, agricultural commodity prices increased significantly faster than industrial commodities. This favorable trade trend diminishes the argument for further support price hikes.
- iii. **Questionable Input Costs:** Some experts challenge the logic of increasing procurement prices based on the rising costs of machinery and tools, arguing that the actual use of these inputs might be minimal.

Q.19 Write a detailed note on National agriculture price policy, 2000.

The Government of India announced the National Agricultural Policy on July 28, 2000. It was formulated under the provisions of the World Trade Organisation (WTO). The primary objectives of the NAP, 2000 are:

1. To actualise the vast untapped potential of Indian agriculture
2. Achieve a growth rate in excess of 4 percent per annum in the agricultural sector.
3. Focus on the domestic markets and maximise profits from the export of agricultural products.
4. Achieve growth with Equity and Sustainability; technologically, environmentally, and economically.
5. To provide insurance protection to farmers
6. Increase private sector engagement and development of infrastructure.
7. Contract farming and land leasing to promote private sector participation, accelerated technology transfer, capital inflow, and assured markets for crop production.

The salient features of the new agricultural policy are:

- 1) Over 4 per cent annual growth rate aimed over next two decades.
- 2) Greater private sector participation through contract farming.
- 3) Price protection for farmers.
- 4) National agricultural insurance scheme to be launched.
- 5) Dismantling of restrictions on movement of agricultural commodities throughout the country.
- 6) Rational utilisation of country's water resources for optimum use of irrigation potential.
- 7) High priority to development of animal husbandry, poultry, dairy and aquaculture.
- 8) Capital inflow and assured markets for crop production.
- 9) Exemption from payment of capital gains tax on compulsory acquisition of agricultural land.
- 10) Minimise fluctuations in commodity prices,
- 11) Continuous monitoring of international prices.
- 12) Plant varieties to be protected through legislation.

- 13) Adequate and timely supply of quality inputs to farmers.
 14) High priority, to rural electrification.

UNIT 4

Q.1 Write a short note on Road Development in Rajasthan.

Road Transport

The length of black top roads in the state has gone up to 2,26,854 kms by the end of 2016-17 as compared to just 17,339 kms. in the year 1950-51.

Road Infrastructure development plays an important role in social and economic development. Road network is necessary for agriculture, commerce, safety, education and social welfare to take place. On 31 March 1951, Rajasthan had a road network of 17339 Kms and it grew to 2.64 244 Kms till March 2019.

Road Length in the State as on 31.03.2019 (Km)

S.No.	Classification	TOTAL
1	National Highways	10599.67
2	State Highways	15517.51
3	Major District Roads	8757.75
4	Other District Roads	53431.63
5	Village Roads	175937.49
	Total	264244.05

Important Facts to remember regarding Road Network in Rajasthan

- Maximum length of roads is in Jodhpur district while minimum length is in Dholpur district.
- The longest Highway in state is NH-15 of length 878.3 Km and smallest is 718 of 5 Km length.
- After Maharashtra and Uttar Pradesh, Rajasthan (3rd) has the highest length of National Highways
- As on March 2019 the road density of the state was 77.21 km per 100 sq. km.
- Rajasthan has 12 Regional Transport Offices (RTO) & 39 District Transport Offices (DTD's)

Policy: Rajasthan Road Development Policy

- Rajasthan was the first state in the country to announce a State Road Policy (1994), facilitating the entry of private enterprise in the Roads Sector.
- The policy laid emphasis on connecting places of religious and tourism significance and railway stations.
It also aimed at constructing roads in mining areas on toll-tax basis.

- The policy also laid stress on road-research, maintenance and broadening.

Organisations involved with development of Roads in State:

- Rajasthan State Road Development & Construction Corporation Limited (RSRDCC)
- Established in the year 1979 (as RSBCC) in 2001 name changed to RSRDCC
- 100% Govt. of Rajasthan Enterprise, established under Companies Act 1956.
- Apart from Road, bridges construction the company has executed about 80 Building projects in the Institutional, Industrial, Commercial and Residential sector.

National Highway Authority of India (NHAI)

- Constituted by an act of Parliament, the National Highways Authority of India Act 1988.
- Responsible for the development, maintenance and management of National Highways entrusted to it.

Public Works Department (PWD)

- The department is mainly entrusted with construction and maintenance of Roads, Bridges and Govt buildings.
- Total road length being maintained by the department is more than 201064 KM.

Road Infrastructure Development Company Of Rajasthan (RIDCOR)

- RIDCOR is a public limited company constituted as 50:50 joint initiatives of Government of Rajasthan and Infrastructure Leasing & Finance Services Ltd.
- GoR embarked on a plan in 2005 to create superior road infrastructure and initiated 'Mega Highways Project' RIDCOR is a part of this project.

Qualitative Dimensions of Road Development Programmes

As compared to 1949, the road length is now more than 17 times. Besides quantitative expansion, various qualitative dimensions, as follows are also worth mention:

1. Connectivity of Villages with Roads: According to 2001 census, there were 39,753 inhabited villages in the state. Out of these 35,370 villages have been connected with roads, up to March, 2016. Similarly, 986 panchayat headquarters have been connected by BT roads. up to 31st March, 2015 out of total 9,500 panchayats.

2. Implementation of Pradhan Mantri Gram Sarak Yojna (PMGSY): This scheme, which was launched on 25th December. 2000, aims at connecting villages having population of 500 and above with all-weather roads in the country. By 2007, 8,375 villages had been connected by constructing 27,251 KM BT roads, in state. The state is leading in the country in implementation of this scheme.

3. Upgradation and Improvement of National Highway:

In Rajasthan, there are big roads called National Highways that help people travel quickly between different states. The government and an organization called the National Highway Authority of India (NHAI) work to make these roads better.

- i. Jaipur to Gurgaon Road (NH-8): They expanded a road from Jaipur to Gurgaon, making it six lanes wide. This means more cars can travel at the same time. Most of this work was finished by 2015.
- ii. Kishangarh to Ajmer Road (NH-8): They finished making a six-lane road from Kishangarh to Ajmer.
- iii. Jaipur to Delhi Road (NH-12): They were working on making a four-lane road from Jaipur to Delhi. A lot of this work was done by 2015.
- iv. Jaipur to Sikar Road (NH-11): They completed a four-lane road from Jaipur to Sikar.
- v. Beawar to Pindwara Road (NH-14): They made a four-lane road from Beawar to Pindwara.
- vi. Gomati Chauraha to Udaipur Road (NH-8): They finished a four-lane road from Gomati Chauraha to Udaipur.
- vii. Other Roads: They were working on many other roads, like the ones from Karauli to Dholpur, Fatchnagar to Salasar, and Ladnu to Merta City. These roads were being made wider so that more cars can use them comfortably.

Important Roads in Rajasthan:

- i. National Highway No. 3: This road goes from Agra to Mumbai, and a small part of it is in Rajasthan in Dholpur district.
- ii. National Highway No. 8: This is a very important road that goes from Delhi to Mumbai, passing through Jaipur and Ajmer.
- iii. National Highway No. 11: This road goes from Agra to Bikaner and is important because it touches the border areas near Pakistan. It passes through places like Bharatpur, Jaipur, and Sikar.
- iv. National Highway No. 12: This road goes from Jaipur to Bhopal, passing through places like Tonk and Kota.
- v. National Highway No. 14: This road goes to Kandla in Gujarat, passing through Beawar, Pali, and Abu Road in Rajasthan.

4. **Funding for Roads:** The government approved 147 projects covering 3,613 kilometers of roads. They set aside 255 crores to strengthen and widen state highways and important district roads. By December 2002, work on 1,803 kilometers was completed, costing 128.45 crores.

5. **Public-Private Projects:** Some roads were being worked on through partnerships with private companies. For example, projects like Jaipur-Bhilwara and Choumu-Mahla, costing 416 crores, were in progress. Also, three projects—Singhana-Chirana (45 KM), Laxmangarh-Dhamaui (19.5 KM), and Ganganagar-Padampur-Raisinghnagar-Anoopgarh (36.90 KM)—were completed, costing 76.11 crores. These projects followed a scheme called build, operate, and transfer (BOT).

6. **Private Sector Involvement:** To attract private companies to help build roads, the Rajasthan Road Development Act of 2002 was introduced. This encouraged private businesses to construct roads, bypasses, and tunnels. Under this act, private companies built, operated, and transferred roads. This approach improved road quality.

7. **Rajasthan State Road Transport Corporation:** This corporation was created in 1964 to provide better transport services to people. In 2016-17, 48 transport centers operated around 4,607 vehicles every day. About 9 lakh passengers used these buses daily for their travels.

8. **Increase in Vehicles:** More and more vehicles are being registered in Rajasthan. Up until 1997-98, there were 22.12 lakh registered vehicles in the state. But by December 2017, this number had significantly risen to 159.31 lakhs. This shows how fast the number of vehicles on the roads is growing in the state.

Q.2 Write a short note on Rail Development and its problems & issues in Rajasthan.

Railways provide the cheapest and most convenient mode of passenger transport both for long distance and suburban traffic.

Railways have played a significant role in development and growth of industries. Growth of textile industry in Mumbai, jute industry in areas surrounding Kolkata, coal industry in Jharkhand, etc is largely due to the development of railway network in these areas. Railways help in supplying raw materials and other facilities to the factory sites and finished goods to the market.

Agriculture also owes its growth to railways to a great extent. Now farmers can sell their agricultural produce to distant places and even sell them in the world market at remunerative prices.

Railways are also helpful in removing isolation between cities and countryside and have played a significant role in disseminating innovations and new ideas.

Railways are particularly suited to long distance journey and provide a strong medium of national integration.

Railways play a vital role in mitigating the sufferings of the people in the event of natural calamities like droughts, floods, famines, earthquakes, etc. This is done by carrying relief and rescue teams and essential items to the affected areas and save people from sufferings and starvation.

Railways also help in facing man-made calamities like social, political, religious disturbances, insurgency, etc. It facilitates easy movement of police, troops, defence equipment, etc. The importance of railways to save the country's freedom and integrity from external aggression has been proved at several occasions.

Railways carry the British legacy and connect major ports to their hinterlands, thereby lending a helping hand to the overall prosperity of the coastal areas.

Introduction of superfast trains and container services in major cities of India have ensured quick movement of men and material.

Railways are especially suited to long haulage of bulky materials like coal, petroleum and ores.

The length of railway routes in the Rajasthan in March, 2011 was 5,784.16 km. It increased to 5,870.38 km in March, 2014. Out of it, 4,868 km was covered by broad-gauge, 915.56 by meter gauge and 86.76 km. by narrow gauge.

However, gradual working of gauge conversion in Rajasthan is in progress. The railway traffic, both passengers' traffic and goods traffic is on increase in the state, with introduction of several new trains in the state. But, in view of the requirements, there is need of further increase in railway routes and railway traffic to provide impetus to the growth of the state's economy.

The following new railway routes have been constructed, after independence:

1. Fatehpur-Churu (43 km.)
2. Sri Ganganagar- Hindumalkot (26 km.)
3. Pokaran-Jaisalmer (186 km.)
4. Udaipur-Himmatnagar (209 km.)
5. Sri Ganganagar - Delhi
6. Bikaner-Suratgarh-Hanumangarh.
7. Kota-Chittorgarh (155 km.)
8. Alwar Mathura (120 km.)

In districts, like Jaisalmer, Barmer, Dungarpur, Banswara, Bundi, Tonk, Jhalawar, Jalore. Udaipur, Rajsamand, etc. connectivity by trains is very low. As now various districts of Rajasthan are on the way of economic advancement, railway expansion is also essential to make contribution towards development of the state's economy.

Important Railway Routes of Rajasthan Presently, following important railway routes are functional in the state, to meet the requirements of passenger traffic and goods traffic:

1. Delhi- Ahmedabad broad gauge
2. Phulera-Delhi (via Reengus) broad gauge
3. Jaipur-Sri Ganganagar broad gauge
4. Jaipur-Luharoo (broad gauge)
5. Jodhpur-Delhi (broad gauge)
6. Bikaner-Delhi (broad gauge)
7. Jaipur-Sawai Madhopur (broad gauge)
8. Jodhpur-Jaisalmer (broad gauge)

9. Jodhpur-Delhi (broad gauge)
10. Ajmer-Khandwa (broad gauge)
11. Ajmer-Chittorgarh-Kota (broad gauge)
12. Alwar-Mathura (broad gauge)
13. Jaipur-Agra (broad gauge)
14. Jaipur-Chennai (broad gauge)
15. Jaipur-Jammutavi (broad gauge)
16. Jodhpur-Haridwar (broad gauge)
17. Jodhpur-Guahati (broad gauge)
18. Jodhpur-Hawada (broad gauge)
19. Jaipur-Chandigarh (broad gauge)
20. Jaipur-Mumbai (broad gauge)

Following new railway lines are required in the state to meet the requirements:

1. Ajmer-Kota
2. Ajmer-Pushkar-Jodhpur
3. Deoli-Chittorgarh
4. Kolayat-Phalodi
5. Kota-Bundi-Toda Rai Singh - Malpura-Jaipur
6. Falna-Bali-Sadri-Desuri.
7. Ratlam-Banswara-Dungarpur
8. Kolayat-Phalodi Railmarg

Main Problems of Railway Development in Rajasthan

1. The main problems of railway development in Rajasthan in brief are as follows- large area and low Population density of Rajasthan: - Rajasthan is the largest land area of India in terms of area and the density of Population is low in about 2/3 of the state
2. Rail freezing on rail routes in desert Parts: - The Sandy soil in the desert fly away and block the rail routes, causing problems
3. Lack of flat land- The land of the Rajasthan is not as even as that of Uttar Pradesh and construction of railway route is expensive in hilly areas with rough land
4. Travelling without tickets- The problem of travelling without tickets is also present in Rajasthan like other states.
5. Competition from Motor Transport: -Due to the considerable development of motor transport in the state, the problem of competing Rail transport with motor transport is acute
6. Due to the low representation of the state in the center: Till now no influential leader has remained in the railway ministry, so development of railways has decreased in the state.

Problems of Indian Railways:

Although Indian Railways have progressed a lot, both quantitatively and qualitatively, during the last few years, this system is still plagued by a number of problems which require immediate attention.

A lot has been done, but a lot more is yet to be done. Some of the major problems faced by the Indian Railways are briefly discussed as under:

1. Safety:

Indian Railways have been in the news albeit for wrong reasons. With the rapid increase in passenger and goods traffic, the frequency of train accidents is increasing very fast. This has raised serious doubts in the public mind about safety of Rail travel and the general health of the railway network.

The credibility of an organisation with a long and proud history of nation building seriously eroded. In such a situation it is but natural to ask where the Railways are heading. Table 28.6 gives an overview of the major Railway accidents that occurred during the last one decade from 1995 to 2005. On an average the Railways report 20 major collisions, 350 derailments and around 80 level crossing accidents in a year.

2. Cost and Revenue Problems:

As is the case with most of the government organisations, Indian Railways face chronic financial crisis. The annual rate of increase in cost has overtaken that of revenues during the last few years. A study of Railways finances from 1998 to 2004 reveals that the revenues increased at an average annual rate of 8.7 per cent against the 9.65 per cent average annual growth in costs.

In certain years in between, the revenue growth rate did exceed that of cost. But this position was achieved by providing inadequately for replacements and severely controlling the costs. Such a situation has long term implications as it affects the internal generation of resources. Following are the main causes of costs and revenue problems.

(i) Low level of employee productivity:

Indian Railways face a serious problem of low level of employee productivity. Transport output in terms of passengers and freight tonne kilometres per employee on Indian Railways is only 400 as compared to 500 for Chinese and 570 for French Railways.

An estimated 30 per cent surplus workforce and operation of a number of lines with low traffic and assets not essential for the Railways are contributory factors. The organisation has been reducing its workforce since 1992-93 by a paltry one per cent annually.

(ii) Staff Wages:

With the implementation of the recommendations of the Fifth Pay Commission, staff wages have increased tremendously and have put heavy strain on the financial resources of the Railways. Staff wages and allowances which together with pension, accounted for 41.7 per cent of the Gross Traffic Receipts in 1996-97 rose to 47.8 per cent in 1997-98 and 53.3 per cent in 1998-99. With life expectancy going up and wage escalations taking place periodically, the position will only worsen leaving little scope for development plans.

(iii) Increase in lease charges:

Paucity of funds forces the, Indian Railways to resort to market borrowings which results in increased lease charges. Market borrowings started in 1986 and the trend is increasing. At present payout of lease charges constitute about 8.5 per cent of the revenue.

3. Slowdown in Revenue Growth:

With saturation of trunk routes and low quality of services and reliability, the revenue growth has registered a slowdown. The railways are increasingly becoming a transporter of bulk commodities for public sector (coal, iron ore, food-grains, etc.) and are consistently losing to roadways. Most of the national highways run parallel to railways and are consistently snatching revenues from the railways.

4. Social Burden:

Indian Railways have to play a dual role of revenue earning as well as meeting the social obligations. The Expert Group, constituted in December 1998 to study the railway sector, termed it as the 'split personality'. On one hand, the Railways are seen as a commercial organisation and on the other hand, it is treated as a social organisation which must perform its social obligations.

The two functions are diametrically opposite and difficult to reconcile. There are several social obligations on the railways which are always running below cost. Suburban passenger services, concessionary travel to certain section of travellers, concessional freight movement of certain commodities, particularly to remote and inaccessible areas like the North-east region, providing rail services to backward regions are some of the outstanding social obligations on the Indian Railways.

5. Other Problems:

A large number of miscellaneous problems include late running of trains, lack of passenger facilities including cleanliness at the railway stations, lack of security arrangement on the railways resulting in theft and dacoities, etc. Political pressure and interference are a very big problem which the Indian Railways are facing with increasing impact. Several projects which are not economically viable have been initiated for political considerations.

Q.3 Write a short note on Energy Development in Rajasthan

Electricity is really important for our state. It's needed for farms, factories, vehicles, schools, hospitals, and homes. Having enough power all the time is crucial for our state to grow and improve in every area of life.

From the time we started planning our state's growth, we've been working on making sure we have enough electricity. We create our own power, and we also get electricity from other big projects run by the government and other states. We even encourage private companies, both from inside the country and abroad, to invest in making and delivering electricity.

In simple words, electricity has become something we can't live without. It's essential for everything we do and everything that makes our lives better.

Sources of Power

Availability of power is by two sources-traditional and non- traditional. Traditional sources include, hydel power, thermal power (generated by coal, gas and oil) and atomic power. Non-

traditional sources include bio gas, solar energy, smokeless chullah, wind mills. These sources are known as renewable sources of energy, as these may be expanded or regenerated by various methods.

Importance / Utility and Development of Power Resources in Rajasthan

In developmental process, significantly high attention has been paid on increasing the installed capacity and generation of power, in the state. Sources of energy have been augmented in Rajasthan to meet the increasing demand of power. Besides it, electricity is being purchased also, from other states. The generation of electricity is mainly through hydel power projects, thermal projects and atomic projects. Installed, capacity in 'the state is increasing, year after year.

Rajasthan Renewable Energy Corporation (RREC)

In January 1985, REDA started working to find new ways to create energy. Their goal was to make electricity using sources like wind, cow dung gas, and other materials. Later, in August 2002, REDA joined forces with another organization called Rajasthan Renewable Energy Corporation (RREC). Together, they kept working on finding better ways to generate power from different sources.

1. Solar Power:

Rajasthan gets lots of sunlight, making it great for solar energy. The government and companies are working to build solar power plants. They aim to produce a huge amount of solar energy, and several solar parks have been planned. By the end of 2017, Rajasthan had set up solar power plants generating 2258.50 MW.

2. Wind Energy:

Wind blows fast in certain areas. Plans are underway to build ten wind mills in the Indira Gandhi Canal Project area. Rajasthan already had wind energy plants generating 1337 MW by 2010. Investments have increased this to 4292.5 MW by the end of 2017.

3. Bio-Gas:

Bio-gas is made from organic materials. Rajasthan has been developing this energy source since 1980-81. Many biomass and bio-gas plants have been established. These plants save other fuels like kerosene and wood.

Improvements in Energy

In 1999, laws were passed to make the power sector better in Rajasthan. The state's electricity board was split into different companies to improve efficiency. Electricity for farming has become more reliable, available for several hours each day from April to December. Rajasthan's electricity consumption per person was higher than the national average in 2013-14.

Main Power Projects of Rajasthan

Rajasthan has built many power projects to provide electricity. In 1950-51, the state could produce only 13 MW of power. But over the years, this increased a lot. By December 2017, Rajasthan could generate about 17,894.18 MW of power. Here are the main sources of power in the state:

1. Kota Thermal Power Plant: It has different phases, and together they produce 835 MW of power.
2. Rawatbhata Power Project: This is run by the Central Government and has 4 units, generating 820 MW of power.
3. Anta Gas Power Station: This station in Kota District produces 413 MW of power.
4. Chambal Hydro-power Projects: These are located at Rana Pratap Sagar and Jawahar Sagar, providing hydroelectric power.
5. Mahi Hydro-power Project: Located in Banswara, it generates hydroelectric power.
6. Suratgarh Thermal Power Project: This thermal power project adds to the electricity supply in the state.
7. Solar and Wind Power Projects: Rajasthan is also using solar panels and wind turbines to generate electricity from sunlight and wind energy.

Problems of Power and Suggestions for Increasing Production of Power

1. Making electricity from water and traditional methods requires a lot of investment. So, renewable sources like solar energy should also be used to supplement power generation
2. Due to financial constraints, involving private companies and external organizations is essential to develop power facilities in the state.
3. Biomass and wind power can be utilized effectively as energy sources. The state government has initiated efforts in this direction and has announced a separate policy for generating 100 MW of wind power.
4. Electricity is a valuable resource. It's crucial to control wastage and leakages at all levels since saving power is equivalent to producing more of it.

Q.4 Define infrastructure. Write the available infrastructure development for economic development of Rajasthan.

Infrastructure is like the backbone of a strong and healthy body; it supports everything and helps it function smoothly. In Rajasthan, a state known for its rich culture and diverse economy, building good infrastructure is like laying the foundation for a better future. Different aspects of infrastructure development are shaping Rajasthan's growth story.

1. Better Roads and Transportation: Rajasthan is investing a lot in making this a reality. Bigger and better roads mean people can travel faster and goods can be transported more easily, boosting businesses and making life easier for everyone.
2. Improved Connectivity:
Trains and planes are like magic carpets that connect far-off places. Rajasthan is making sure its cities and towns are well-connected by both trains and airplanes. This not only brings in tourists but also helps businesses reach new markets more quickly and easily.
3. Harnessing the Power of the Sun and Wind

Rajasthan is a sunny state, and it's making the most of it by using sunlight to create energy. Huge solar power projects are like giant sun batteries, producing clean and green electricity. Wind farms, powered by the wind's energy, are also becoming common, making sure there's always enough power for homes and industries.

4. **Making Every Drop Count:**

Water is life, and Rajasthan knows it well. Projects to save water, like building small dams and conserving rainwater, are helping farmers grow more crops. Plus, clean drinking water projects ensure that every family has access to safe water, promoting good health.

5. **Connecting Everyone Digitally**

More and more people, even in remote villages, are getting access to the internet. This not only helps in education but also opens doors to online businesses and services.

6. **Education and Health for All**

Having good schools and hospitals is essential. Rajasthan is building more schools and colleges so that every child can go to school and learn. Also, new hospitals and health centers are cropping up, making sure that everyone, no matter where they live, can get medical help when they need it.

Conclusion

By building strong roads, connecting cities, using clean energy, saving water, going digital, and improving education and healthcare, Rajasthan is setting the stage for a brighter future. This focus on simple, everyday things is making life better for everyone, and it's paving the way for Rajasthan to shine even more in the years to come.

Q.5 Write a detailed note on Social Infrastructure in Rajasthan: Education and Health in Rajasthan.

Education stands as the cornerstone of Rajasthan's societal progress, representing not just a curriculum but a promise of a brighter tomorrow. The state's commitment to education has seen remarkable growth, transforming from a feeble system in 1950-51 to a robust, inclusive structure today.

This journey of educational empowerment reflects Rajasthan's determination to uplift every child, ensuring that knowledge becomes a beacon of hope and opportunity.

1. **Roots of Progress:**

In the past seven decades, Rajasthan has made substantial progress in primary and upper primary education. The implementation of the 'Sarva Shiksha Abhiyan' scheme has been pivotal in ensuring that education reaches every child between the ages of 6-14. This initiative bridged social, regional, and gender disparities, making education a universal right.

The enactment of the 'Right to Free and Compulsory Education Act-2009' further solidified Rajasthan's commitment to providing quality education for all, regardless of their socio-economic background.

2. **Fostering Girls' Education:**

Rajasthan prioritized girls' education through initiatives like 'Kasturba Gandhi Balika Vidyalayas' and 'Mewat Balika Avasiya Vidyalayas.' These programs empowered girls, enabling their active participation in the educational landscape and breaking gender barriers.

Sanskrit education found prominence, not only preserving cultural heritage but also nurturing a sense of pride in the state's rich cultural legacy.

3. Strengthening Secondary and Higher Education:

Secondary education acts as a pivotal bridge, guiding students towards entrepreneurial ventures and meaningful employment. Rajasthan boasts a substantial number of Government Secondary/Senior Secondary Schools and Private Secondary/Senior Secondary Schools, collectively nurturing over 40.28 lakh students, including 19.74 lakh girls.

Rashtriya Madhyamik Siksha Abhiyan injected vitality into school infrastructure, addressing critical needs such as classrooms, sanitation facilities, and clean drinking water. Higher education flourished with the establishment of 72 universities and 1850 colleges, offering a diverse array of educational opportunities.

4. Women's Education:

Recognizing the increasing number of girls pursuing higher education, Rajasthan established 27 Government Degree Colleges and 17 Post Graduate Colleges exclusively for women. The absence of tuition fees in Government Colleges ensured that financial constraints did not hinder educational aspirations.

5. Overcoming Challenges:

Challenges persist, such as shortages of teachers and gaps in infrastructure. However, Rajasthan's resilience and determination have paved the way for innovative solutions and ongoing improvements. The state's commitment remains unshakable, ensuring that every child, regardless of their background, has access to quality education.

Conclusion:

Rajasthan's educational journey is a testament to its unwavering dedication to learning. Education in the state is not merely an academic pursuit; it is a promise of empowerment, enabling individuals to break barriers, shatter stereotypes, and contribute meaningfully to society. With inclusive policies, dedicated educators, and proactive governance, Rajasthan is nurturing a generation poised to lead, innovate, and create a brighter future for themselves and the state. Through education, Rajasthan is not just transforming lives; it is transforming its destiny, one student at a time.

Technical Education

Technical education in Rajasthan has undergone a significant transformation, emerging as a vital pillar in the state's developmental journey. Through meticulous planning and dedicated efforts, Rajasthan has created a strong foundation for technical education, fostering

innovation, skill development, and entrepreneurship. Key components shaping the technical education landscape in the state:

1. Polytechnic Colleges:

Rajasthan boasts 182 polytechnic colleges as of 2017-18, with an impressive intake capacity of 46,645 students. Among these, 8 Women Polytechnic Colleges, located in Ajmer, Kota, Bikaner, Jodhpur, Udaipur, Sanganer, Bharatpur, and Jaipur, cater to the educational needs of aspiring female technocrats, accommodating 1270 students.

Additionally, the state houses 172 private polytechnic colleges, opening doors for 50,455 students to pursue technical education.

2. Industrial Training Institutes (I.T.I.):

Rajasthan boasts 219 Government Industrial Training Institutes, offering specialized handiwork training. Nine of these institutes are dedicated Women Industrial Training Institutes, nurturing skills among aspiring female artisans.

Currently, 170 government I.T.I.s are operational, providing 54,534 seats for eager learners. The state further supports technical education through 1597 Private Industrial Training Institutes, accommodating an impressive intake capacity of 2.72 lakh students.

3. Engineering Colleges:

The state prides itself on 112 functional engineering colleges, offering comprehensive education at both graduate and postgraduate levels. Among these, 9 are government-aided institutions, ensuring access to quality education for deserving students.

Rajasthan's engineering colleges, both government and private, collectively welcome 58,633 students annually. Each of these institutions is affiliated with the esteemed Rajasthan Technical University, ensuring a high standard of education and skill development.

4. Indian Institute of Technology (I.I.T.):

Rajasthan is home to a prestigious Indian Institute of Technology (I.I.T.) located in Jodhpur. This institution stands as a beacon of excellence, nurturing the brightest minds in the field of technology and engineering.

5. Management Education (M.B.A. Institutes):

The state has made significant strides in management education, with 60 M.B.A. institutes operating within its borders. These institutes play a vital role in shaping the future leaders of Rajasthan's business landscape.

Among these, 8 institutes receive government support, ensuring quality education for management aspirants. Additionally, 62 private institutes contribute to the education sector, collectively accommodating 4,365 students.

Conclusion:

Rajasthan's investment in technical education not only empowers the youth but also fuels the state's economic growth and technological advancements. By providing accessible, high-quality education, the state is nurturing a skilled workforce ready to tackle the challenges of the future. This commitment to education stands as a testament to Rajasthan's vision of progress, where knowledge and innovation pave the way for a prosperous tomorrow.

Medical Education

Medical education in Rajasthan stands as a testament to the state's commitment to nurturing skilled healthcare professionals. With meticulous planning and unwavering dedication, Rajasthan has created a robust framework for medical education, ensuring the availability of proficient doctors and specialists.

1. Medical Colleges

Presently, Rajasthan boasts 13 functional medical colleges, serving as educational hubs for aspiring doctors. Out of these, 8 are government colleges, ensuring accessible education for students across diverse backgrounds. Additionally, 5 private medical colleges contribute significantly to medical education in the state.

The medical colleges in Rajasthan collectively accommodate 1400 students at the graduation level, fostering a new generation of doctors equipped with essential medical knowledge and skills.

2. Dental Medical Colleges:

Rajasthan takes pride in hosting 15 dental medical colleges. Among these, one is a government dental college, emphasizing the state's focus on public healthcare, while 5 dental colleges operate in the private sector. These institutions play a crucial role in dental education, catering to the oral health needs of the populace.

3. Intake Capacities:

Rajasthan's medical colleges provide diverse opportunities for students' professional growth. At the graduation level, these colleges admit 1400 students annually, nurturing a sizable workforce of general practitioners.

For those aspiring to specialize further, the state offers 825 seats at the postgraduate level. This specialized training ensures a higher level of expertise, addressing specific healthcare challenges.

Additionally, Rajasthan's medical education system focuses on super-specialization, with 93 seats allocated for advanced medical studies. These super-specialty seats contribute significantly to the state's healthcare sector, addressing complex medical conditions with precision and expertise.

4. Expansion Efforts:

Rajasthan's commitment to medical education is evident through its expansion initiatives. The state has recently established five new government medical colleges in Bhilwara, Dungarpur, Churu, and two other strategic locations. These additions signify the government's proactive approach to enhance healthcare facilities in underserved regions.

Infrastructure of Medical and Health

Rajasthan, a state deeply committed to the well-being of its people, has been making remarkable strides in enhancing medical and healthcare services.

1. Comprehensive Medical Facilities:

The Government of Rajasthan has undertaken significant efforts to improve medical infrastructure. There are 115 hospitals, ensuring access to medical care even in remote areas.

Additionally, 193 dispensaries and 586 community health centres are operational, offering primary healthcare services to a wide population base.

The state boasts 2080 rural and 53 urban primary health centres, strategically positioned to provide immediate medical aid to those in need.

2. Maternal and Child Health:

Prioritizing maternal and child welfare, Rajasthan has established 118 dedicated centres. These centres play a crucial role in promoting maternal health and ensuring the well-being of children, contributing significantly to reducing maternal and infant mortality rates.

3. Extensive Health Sub-Centres

Rajasthan's healthcare network extends to approximately 14,406 health sub-centres, creating a comprehensive web of medical assistance at the grassroots level. These sub-centres are instrumental in early diagnosis and basic medical interventions.

4. Mukhya Mantri Nishulk Dava Yojana:

Since October 2, 2011, the state has implemented the Mukhya Mantri Nishulk Dava Yojana, a pioneering scheme. Under this initiative, both indoor and outdoor patients visiting government medical institutions receive medicines free of cost, ensuring that financial constraints do not hinder essential medical treatments.

5. Mukhya Mantri Nishulk Janch Yojana:

Another groundbreaking scheme, the Mukhya Mantri Nishulk Janch Yojana, focuses on diagnostic services. This scheme significantly augments the testing facilities in government hospitals, ensuring timely and accurate diagnoses. Importantly, these testing services are

offered free of cost, guaranteeing that no citizen is deprived of essential medical examinations due to financial constraints.

6. Bed Capacity and In-Patient Services:

Rajasthan's commitment to providing in-patient care is evident through its vast network of beds. A total of 46,767 indoor patient beds are available in government allopathic institutions across the state, excluding beds in Medical College Hospitals. This capacity ensures that individuals requiring hospitalization receive adequate care.

Programmes of Government of India in Rajasthan

Rajasthan, a state of historical grandeur, is witnessing significant transformations in its social infrastructure, courtesy of impactful programs initiated by the Government of India. These programs, designed to address diverse challenges, have been instrumental in shaping the healthcare and education landscape in the state. Initiatives and the challenges they aim to overcome:

1. National Mental Health Programme:

Initiated in 2014-15, this program aimed to tackle mental health issues in six districts. Subsequently expanded to seven districts, it focused on both prevention and treatment.

Training efforts were extensive, with 328 Medical officers, 1540 ANMs, and 3000 Asha workers being imparted crucial skills under this program.

2. National Oral Health Programme:

Launched in Hanumangarh district in 2014-15, this initiative has been extended to Tonk and Jhalawar districts. Currently active in three districts, it concentrates on enhancing oral health awareness and services.

3. Naya Savera Yojna:

This innovative scheme, inaugurated to combat drug addiction, ceased permits for Doda Post addicts beyond March 31, 2016. The "Naya Savera" program facilitated the liberation of 17,093 O.P.D. and 3619 I.P.D. Doda Post addicts through 280 organized camps.

4. National Tobacco Control Programme (N.T.C.P.):

Piloted in Jaipur and Jhunjhunu, this tobacco control initiative expanded to 15 additional districts during 2015-16. It now operates in 17 districts, emphasizing the significance of curbing tobacco-related health issues.

Challenges and Deficiencies in Educational Infrastructure:

1. Shortage of teachers and inadequate school infrastructure pose significant challenges. Insufficient drinking and sanitation facilities affect both student well-being and attendance.

2. In rural areas, teacher negligence and diversion for other activities hinder the quality of education. Addressing these issues is critical to fostering a positive learning environment and curbing student dissatisfaction.

Challenges and Deficiencies in Healthcare Infrastructure:

1. A scarcity of doctors and nursing staff poses a substantial obstacle to providing adequate healthcare services. This shortage compromises timely medical attention and impacts patient outcomes.
2. The availability of medicines in the Nishulk Dava Yojana is inconsistent, affecting patients' ability to access essential medications. Moreover, incidents of misbehaviour and strikes further disrupt healthcare services.

Financial Constraints and their Impacts:

1. The government's financial limitations restrict the comprehensive development and expansion of educational and healthcare facilities. These constraints hinder the state's ability to bridge existing gaps effectively.

Q.6 Discuss the main tourist places in Rajasthan and Socio-Economic impacts in tourism.

Tourism Development in Rajasthan:

Rajasthan, the land of valor and sacrifices, boasts a rich cultural heritage that has captivated the hearts of tourists worldwide. Its allure lies not only in its historical significance but also in its natural beauty, vibrant festivals, and architectural marvels. The prominent tourist destinations that have made Rajasthan a cherished travel hub:

1. **Ajmer-Pushkar:**

- Ajmer, nestled in the Aravali hills, is a pilgrimage site revered by Hindus and Muslims alike. The Dargah of Khwaja Moinuddin Chisti and the Taragarh Fort are must-visit attractions.
- Pushkar, located nearby, hosts the famous Pushkar Fair, a vibrant spectacle that attracts tourists from around the globe.

2. **Alwar:**

- Alwar, surrounded by picturesque hills, boasts architectural wonders like Suraj Mahal, Bhushi Maharani Ki Chhatri, and Vinay Vilas Palace.
- The Sariska Tiger Sanctuary, just 40 km away, offers thrilling wildlife encounters.

3. **Bharatpur-Deeg:**

- Bharatpur serves as the gateway to Rajasthan and is home to the Keoladeo Ghana Bird Sanctuary, a paradise for bird enthusiasts.

- Deeg, with its lush gardens and historical forts, provides a delightful retreat for history aficionados.

4. **Bikaner:**

- Bikaner's grand fort, palaces like Chandra Mahal and Sheesh Mahal, and the unique Lalgarh, all showcase the city's architectural brilliance.
- The Karani Mata Temple and Kolayat Tank are revered religious sites.

5. **Bundi:**

- Bundi's Fort, palaces, and exquisite paintings are a testament to its artistic heritage.
- The Phool Sagar, Nawal Sagar, and Sukh Mahal add to the town's charm.

6. **Jaipur-Amber:**

- Jaipur, the Pink City, is synonymous with historical landmarks such as City Palace, Hawa Mahal, and the observatory.
- Amber Fort and Jaigarh Fort narrate tales of valor and grandeur.

7. **Udaipur:**

- Known as the Venice of the East, Udaipur boasts the magnificent City Palace, Lake Palace, and Sahelion Ki Badi.
- The city's lakes, including Pichhola and Fateh Sagar, add to its mesmerizing beauty.

8. **Chittorgarh:**

- Chittorgarh Fort stands tall, epitomizing Rajput bravery and sacrifice.
- Vijay Satambh, Kirti Satambh, and Jal Mahal are among its awe-inspiring attractions.

9. **Kota:**

- Kota, on the Chambal riverbank, showcases a blend of medieval glory and modernity.
- Raj Mahal, Chambal Garden, and Barolishin Temple are prominent landmarks.

10. **Mount Abu:**

- Mount Abu, Rajasthan's only hill station, offers a cool retreat with attractions like Guru Shikhar and Delwada Jain Temples.
- Nakki Lake and Sunset Point provide mesmerizing views.

11. **Jodhpur:**

- Jodhpur's fort, Jaswant Thada, and Ummaid Bhawan reflect its historical grandeur.
- Osian's Sun Temple and Jain Temple, along with Harihar Temples, enhance its cultural richness.

12. **Jaisalmer:**

- Jaisalmer's 99-towered fort and architectural marvels like Patva Haveli enthrall visitors.
- The city's golden sand dunes and national park add to its allure.

13. **Barmer:**

- Kiradu Temples, Mahabar Village's sand dunes, and Nakoda Ji Jain Temple highlight Barmer's cultural diversity.
- The Thar Festival in March captivates tourists with its folk performances and competitions.

Famous Forts and Palaces of Rajasthan

Forts

1. Chittorgarh Fort
2. Kumbhalgarh Fort
3. Ranthambore
4. Taragarh
5. Taragarh Fort
6. Gagron Fort
7. Nahargarh Fort
8. Jaigarh Fort
9. Amber Fort
10. Sonar Qila (Golden Fort)
11. Lohagarh
12. Mehrangarh
13. Sojat Fort
14. Lal Qila

Palaces

1. Jai Niwas (Lake Palace)
2. Moti Mahal
3. Kumbha Mahal
4. Padmini Mahal
5. Umaid Bhawan Palace
6. Silised and Sariska Palace
7. Junagarh and Lalgarh Palaces
8. Rambagh Palace
9. Chandra Mahal
10. Nagaur Palace
11. Juna Mahal
12. Jag Mandir Palace
13. Chhatar Mahal
14. Sisodia Rani Mahal

Socio-Economic Import or Importance of Tourism on the Economy of Rajasthan

Rajasthan, with its rich cultural heritage and natural splendor, has the potential to transform its economy through tourism. While the industry hasn't reached its full potential yet, its rapid development can significantly enhance employment opportunities and income levels in the state. Furthermore, it can play a vital role in addressing India's foreign exchange challenges, as observed in countries like Austria, Italy, Spain, Singapore, Hong Kong, and Hawaii, where tourism has been a driving force behind their prosperity.

Importance of Tourism:

1. **Foreign Currency Earnings:** Rajasthan attracts a substantial number of foreign tourists, approximately 15 lakh annually. These visitors contribute significantly to foreign currency earnings, essential for the Indian economy. The number has steadily increased from 9.72 lakh in 2004 to 16.10 lakh in 2017. This influx of foreign currency can greatly aid in economic stability.

2. **Employment Opportunities:** The tourism sector generates employment for a wide range of professionals including guides, drivers, travel agents, hotel staff, and artisans. Roughly one person finds employment for every eight foreign tourists or every 32 domestic tourists. The increasing tourist numbers suggest a promising growth in employment opportunities.
3. **Indirect Employment:** Beyond direct employment, tourism promotes indirect jobs through various purchases made by tourists, thereby boosting local economies.
4. **Preservation of Culture:** Tourism encourages the preservation of art and culture, as efforts are made to showcase the region's rich heritage, attracting tourists interested in traditional customs and artistic creations
5. **High Returns on Low Investment:** Tourism is unique in its ability to yield high profits with relatively low investments. This makes it a lucrative avenue for economic growth without causing significant pollution.
6. **Development of Arts and Crafts:** Indirectly, the development of art and crafts industries benefits from tourism, as tourists often purchase local products, promoting indigenous skills and crafts
7. **Transportation and Communication:** The tourism sector necessitates robust transportation and communication networks, leading to the development and modernization of these sectors, further benefiting the overall economy
8. **Income and Employment for Locals:** The influx of tourists provides employment and raises the income of local residents. This occurs as tourists hire guides, use local transportation, stay in hotels, and dine in local restaurants.
9. **Boost for Trade and Industries:** Tourists, often enamored by the unique items Rajasthan offers, make various purchases, leading to flourishing trade and industries in the region. This economic activity, in turn, fuels growth.
10. **International Trade Growth:** Rare and artistic articles reaching other countries through tourists enhance international trade. Additionally, interactions between tourists involved in industries and trade facilitate international trade growth.
11. **Promoting Cordial Relations:** Tourism fosters goodwill between regions and nations. Positive interactions between tourists and locals lead to mutual economic cooperation and cultural exchange.
12. **Economic Advantage:** Rajasthan can leverage its historical glory and natural beauty, capitalizing on the tourism industry to gain substantial monetary benefits, further enhancing the state's economic stature.
13. **Famine and Drought Mitigation:** Tourism development in drought-prone areas of Rajasthan can serve as a lifeline during adverse conditions. The revenue generated can alleviate the impact of famines and droughts, providing a safety net for the region's inhabitants.

Q.7 Explain the Government Measures and the new programmes for Development of Tourism and Their Achievements.

Rajasthan, with its treasure trove of cultural heritage and natural wonders, has embarked on a journey to transform its tourism industry. Recognizing the economic significance of this sector, the state government has implemented various measures to boost tourism. Here's a detailed overview of the initiatives and their accomplishments:

1. **Establishment of Directorate of Tourism:** In 1955, the Directorate of Tourism was set up in Jaipur, serving as the nucleus for tourism development activities in the state.

2. **Tourism Literature:** The Directorate provides colorful and attractive literature to tourists, offering comprehensive information about tourist spots, wildlife, historical monuments, and handicrafts. This literature acts as a guide, showcasing the multi-sectoral development of the state.
3. **Tourism Films:** The department produces colored films of tourist attractions, screened at important places, hotels, and rest houses. These films entice tourists, encouraging them to explore these destinations. Approximately 24 such films have been created.
4. **Development of Tourist Places:** Continuous efforts are made to develop tourist destinations with substantial visitor footfalls. The department focuses on maintenance, infrastructure development, and transportation services. A Rural Tourism Scheme is also in the pipeline to enhance villages of tourist interest.
5. **Organization of Exhibitions:** Exhibitions highlighting historical monuments, wildlife sanctuaries, customs, traditions, folk dances, folk songs, and musical instruments of Rajasthan are organized at key tourist spots. These exhibitions serve as a publicity tool, attracting tourists to the state.
6. **Cultural Programs and Fairs:** Splendid cultural programs, competitions, camel races, horse races, and other events are organized during fairs and festivals. Events like the Pushkar fair, Beneshwar fair in Dungarpur, and Mahavir Ji fair in Sawai Madhopur district are prominent attractions. The number of fairs organized has significantly increased, reaching 50 in 2014-15.
7. **Boarding Facilities:** The tourism department ensures comfortable and affordable accommodation through hostels in the private sector and government rest houses. Support in hotel construction, including land selection, allotment, loans, and no-objection certificates, is provided.
8. **Transport and Communication Development:** Efforts have been made to connect tourist places with roads. Work is underway to extend airports, transforming Jaipur into an international airport. Ajmer is also being considered for airport construction to facilitate visitors to Pushkar and Dargah.
9. **Rajasthan Tourism Development Department:** This corporation operates around 35 hotels, including youth hotels and mid-way stopovers. Prominent hotels like Ajit Bhawan Jodhpur have been categorized as 'Heritage Hotels,' and efforts are made to establish a land bank for various tourism-related facilities.
10. **Tourism as an Industry:** Tourism has been granted the status of an industry in Rajasthan's industrial policy of 1990, ensuring comprehensive facilities and support for its growth.
11. **Palace on Wheels:** The luxurious 'Palace on Wheels' train journey connects prominent tourist destinations, offering a royal experience to attract foreign tourists. It's listed among the top 10 train journeys globally.
12. **Boating and Water Sports:** Boating facilities have been arranged in five water reservoirs, offering tourists a delightful experience. Rajasthan Tourism Development Corporation has introduced boating in lakes and canals, including the Indira Gandhi Canal in the desert area.
13. **Package Tours:** Rajasthan Tourism Development Corporation operates various package tours, including Rajasthan Package Tours, Desert Package Tours, and Wildlife Sanctuaries Tours, ensuring tourists enjoy comfortable and affordable transportation to key destinations.
14. **Tourist Reception Centers:** These centers, established at eight major tourist spots and in Delhi, provide tourists with a one-stop solution for information, reservations, guides, taxis, foreign currency conversion, telex, fax, and STD services.

15. **Heritage Preservation:** Private entrepreneurs are encouraged to construct hotels at heritage sites, ensuring their preservation while offering modern amenities to tourists.
16. **Tourism Regulation Act:** The Rajasthan Tourism Regulation of Travel Trade Act provides legal protection to tourists and promotes tourism business by taking legal action against illegal activities by travel agents, taxi drivers, and hoteliers.
17. **Entertainment and Attractions:** Horse riding events during the Pushkar fair and camel riding in Jaisalmer serve as unique attractions, enticing tourists to experience Rajasthan's cultural offerings.
18. **Canal Boating:** Boating in lakes and canals, as well as promoting boating in the Indira Gandhi Canal, adds an element of adventure and enjoyment for tourists.
19. **Houseboat Initiative:** Plans are underway to introduce houseboat facilities in major water reservoirs of Rajasthan, akin to those in Kashmir.
20. **Paying Guest Scheme:** Rajasthan Tourism Development Corporation initiated the Paying Guest Scheme, offering accommodation and food facilities to tourists. Presently, 2500 beds are available in Paying Guest Houses, and 39 Bear Centers provide additional accommodation options.
21. **Rajasthan Art and Culture Department:** This department organizes folk art and song programs to attract tourists. It explores new tourist destinations, develops schemes for their enhancement, and carries out necessary publicity initiatives.
22. **Increasing Tourist Numbers:** Rajasthan has witnessed a substantial increase in tourist visits. In 1971, 9.22 lakh domestic and foreign tourists visited the state. By 2017, the number had surged to 475.27 lakh

New Programmes of Tourism Development in Rajasthan

All possible efforts are being made to develop tourism in Rajasthan. Efforts are also continuing even to enhance the participation of private sector and private investment for that purpose. Such an integrated policy of tourism development is being prepared in the state, which may incorporate all aspects of tourism development. For that purpose, following programmes deserve mention.

1. **Promotion to Co-operation by Private Sector in Tourism Development:** For that purpose, the government has declared tourism as an industry in March, 1989, so that private investments may get encouragement. In the budget of 1997-98, the Government had made the announcement for functioning of a single facility centre in Rajasthan Tourism Development Corporation to promote private investment in for tourism development, so that the investors may not have to face in convenience in obtaining sanctions from various concerned departments.
2. **Provision of Subsidy on Capital Investment in Tourism Industry:** Since 1993, subsidy of 15 to 20 percent is being provided to private investors on capital investment approved in tourism sector. During 1994-15, budget provision of 1.5 crore was earmarked for it. In budget speech of 1997-98, announcement was made to continue existing capital investment subsidy scheme, 1993 and Diesel Generating Set Purchase Scheme, 1994.
3. **Promotion to Paying Guest Scheme:** This scheme has been started in nine cities of Rajasthan Udaipur, Chittor, Mount Abu, Ajmer, Pushkar, Jaipur, Jodhpur, Bikaner and

Udaipur to private affordable lodging and boarding facilities to the tourists. Under this scheme, facility is available in Rajasthan for staying of more than four thousand tourists.

4. **Light and Sound Show:** Light and Sound shows have been started at tourist places, Moti Magri at Udaipur, Amber Fort at Jaipur and Chittorgarh Fort for entertainment of tourists.

5. **Efforts for Holistic Development of Selected Religious Places:** A comprehensive plan is being implemented for holistic development of Durgah of Khwaja Moinuddin Chisti at Ajmer and of Pushkar. Alongwith it, developmental activities are also being speeded up at Kela Devi, Deshnok, Ramdeora, Salasar Ji, Durgah of Nagaur, Mehandipur Balaji.

6. **Extension of Air Service:** Number of air flights has been substantially increased in Rajasthan in continuation to extension of air service. The use of available air strips will be increased for taxis by creating tourist circuit. International airport has been established at Jaipur. Construction of air strips is under progress at Ajmer and Pushkar.

7. Provision of 2 crore was earmarked for extension of basic facilities at Mount Abu, by looking at the increasing attraction of the tourists for this hill station.

8. **Effective Steps for Pollution Control and Preservation of Tourist Places:** Efforts are continuing for drainage of dirty water for preservation of famous Jaisalmer Fort and also of Sur Sagar of Bikaner.

9. **Organization of International Tourism Fair:** Four days international tourism fair, 'Investor-1995' was organized at Jaipur in Birla Auditorium between 1 December to 4 December, 1995 by Indian Industrial Federation. Several persons from various states of India associated with industries business and tourism had participated in this fair, alongwith participants from the countries, like, America, England, Italy, Switzerland, Israel and Singapore etc. Tourism Development in Rajasthan gained new dimensions due to organization of seminars on various tourism related issues in this fair. Abhaneri festival was organized in December, 2008.

10. **Food** Crafts Institutes are being run now by Tourism Department at Ajmer, Udaipur and Jodhpur: Incoming years, these will be made self-financed. 11. Number of Heritage Hotels is being increased continuously to develop tourism in the state. Presently, their number exceeds 100. 12. Emphasis on Integrated Policy of Tourism Development: Emphasis is on formulation and execution of an integrated tourism policy in the state by including various aspects of tourism development. Government policy in future is committed to increase employment and income in the state through development of tourism in various areas of the state.

13. Need of paying attention on development of villages has been realised for materializing 'Rural Tourism' Scheme.

14. **Train Tourism:** 'Royal Rajasthan on Wheels' has started operating, since 11 January, 2009, on the pattern of Palace on Wheels. 15. Great India Travel Bazar: 800 representatives including 14 states and 166 foreign tourists participated in this four days Bazar organized at Jaipur in April 2008. It was again organized at Jaipur between 19-21 April, 2015.

Q. 8 Elaborate the Challenges/Problems of Tourism Industry and Suggestions for Solution.

Rajasthan's tourism potential is hindered by various challenges. Identifying these obstacles and implementing effective solutions is crucial for the state's tourism sector to thrive. Here's a detailed exploration of the challenges and proposed solutions:

1. Inadequacy of Tourism Literature:

Lack of comprehensive tourist information about Rajasthan is a major hurdle.

Create colorful guidebooks with detailed information, aiding tourists in navigating and understanding the state. These guides should encompass all aspects of tourism to provide a holistic experience.

2. Guides and Public Relations:

Absence of guides and public relations facilities in many tourist spots.

Train local guides and establish public relations offices in neglected areas. These initiatives would enhance the tourist experience and promote lesser-known destinations.

3. Cleanliness and Maintenance:

Many tourist spots suffer from poor maintenance and cleanliness.

Collaborate with local institutions for renovation efforts. The joint venture between tourism departments and local bodies can revitalize these places, ensuring they remain attractive and well-maintained.

4. Accommodation Shortages:

Insufficient safe and comfortable accommodations, especially in interior regions.

Speed up the establishment of tourist rest houses and hotels. Encourage private entrepreneurs to invest in accommodations, providing necessary support and incentives. Ensure accommodations cater to the diverse needs of both domestic and foreign tourists.

5. Transportation and Communication Gaps:

Lack of convenient transportation and communication facilities in interior tourist areas.

Develop proper transportation networks, ensuring connectivity to all tourist spots. Adequate roads and communication facilities are essential for a seamless travel experience.

6. Attracting Tourists:

Difficulty in attracting tourists, despite organizing fairs and festivals.

Promote fairs and festivals extensively through audio and video mediums. Utilize modern technology to create immersive experiences, drawing tourists into the rich cultural tapestry of Rajasthan.

7. Safety Concerns:

Safety issues, fraud, and cheating, both for domestic and foreign tourists.

Enhance police presence, ensuring tourist areas are secure. Provide licensed guides and establish government emporiums at tourist locations to instill confidence among tourists.

8. Cordiality and Sensitivity:

Unfriendly behavior towards tourists can deter them from visiting again.

Promote a culture of cordiality among locals. Sensitize communities about the importance of hospitality. Friendly behavior towards tourists encourages positive word-of-mouth, attracting more visitors.

9. Development of Healthy Tourist Spots:

Neglected healthy tourist spots that lack essential facilities.

Focus on developing lesser-known destinations like Meval, Khamli Ghat, and Pandoo Pole. Construct nearby accommodations and amenities to encourage tourists to explore these hidden gems.

10. Indecent Behavior and Criminal Activities:

Indecent behavior and criminal activities negatively impact the tourism experience. Implement robust safety systems at tourist places. Educate the public about respecting tourists, ensuring a secure and pleasant environment for all visitors.

11. Disputes Between Central and State Governments

Political differences impede tourism development in certain areas. Foster coordination and goodwill between central and state governments. Prioritize tourism development above political affiliations to harness the full potential of tourist spots.

12. Promoting Hotel Construction:

High costs and taxation hindering hotel construction and development. Provide land at concessional rates for hotel construction. Financial institutions should offer loans at reasonable interest rates, with government subsidies and tax rebates to encourage investment in the hospitality sector.

13. Finance at Liberal Rates:

Limited access to finance for tourism projects. Facilitate loans from financial and banking institutions for various tourism initiatives. Streamline the loaning process, making it more accessible for entrepreneurs looking to invest in tourism-related projects.

14. Law and Order:

Inadequate law and order deter tourists from visiting certain places. Strengthen law enforcement in tourist areas, ensuring the safety and security of tourists. A peaceful environment is fundamental for attracting visitors and encouraging them to explore the state.

Q.9 Explain the Role of Tourism in the Economy of Rajasthan.

Although tourism industry has not developed in Rajasthan upto the desired extent, but if it is developed rapidly to the best possible extent, it can be substantially helpful in increasing the employment and income in the economy of the state and in solving the problem of foreign exchange in Indian economy, by earning of foreign currency countries, like-Austria, Italy, Spain, Singapore, Hongkong, Hawaii Land etc. are so prosperous, only due to development of tourism in those countries.

Tourism is such an industry, which may strengthen and prosper the state economy, as is done by the agriculture and industries. Tourism is the only such industry, which can bring prosperity in the state economy without causing any pollution, with low volume of investment.

In this perspective, the importance and role of tourism industry may be understood from following description:

1. **Growth of International Trade:** When artistic or historical rare articles reach other countries through tourists, even other article and hence international trade gets promotion. Apart from it when the tourists concerned with industries and trade come into contact with each other, it paves the path of growth of foreign trade

2. **Increase in Level of employment and income of local people:-** Due to tourism level of employment and income of local people increase goes up, since visits of tourists at tourists places provide employment to the guides, transporters, 1. 2. hoteliers and restaurant people.
3. **Growth in Employment:** Tourism industry provides employment to the guides, drivers, trend agents, hoteliers and handicraft artisans, who are engaged in this industries. It is estimated that generally one person gets employment, on every eight foreign tourists or on every 32 domestic tourists. From this view, increasing number of tourists in Rajasthan is indicative of future growth of employment in the state.
4. **Higher Profit on Less Investment:** The Government can Learn substantially, even by investing less capital and earning 4 of good profit is possible by development of tourism.
5. **Helpful in Earning of Foreign Currency:** Every year, about 35 to 40 lakh foreign tourists visit India. Out of them, nearly 5 15 lakh tourists visit Rajasthan also. Foreign currency is earned from them. During 2014 and 2017, 15.26 lakh and 16. 10 lakh tourists, respectively visited Rajasthan, whereas this number was 9.72 lakh only during 2004. During 2009 number of foreign tourist visiting Rajasthan reduced to 10.73 lakh only, due to global depression, swine flu, terrorist activities, famine and drought etc. Rajasthan Tourism Development Corporation had earned approximately 750 lakh during 1983- 84 to 1990-91. Foreign currency earning during 2015 was estimated to be 12 crores.
6. **Development Transportation and Communication Sectors:** Development of transportation and communication sectors also develop due to tourism, since tourism is non possible without transportation and communication.
7. **Development of Trade and Industries:** The visitors visiting Rajasthan purchase several types of artistic goods, decorative items and other goods. They even place orders for future purchases. As a result, both the trade and industries tend to flourish.
8. Tourism is an industry providing **substantial employment** and income. Rajasthan can gain good monetary advantage of its historical glory and natural beauty, by developing tourism in the state.
9. **Development of Art and Culture:** Tourism is helpful in development of art and culture also, since efforts are made to keep alive the old cultural heritage to attract the tourists.
10. Tourism adds to cordiality and **goodwill** and the path of mutual economic operation is paved.
11. **Increase in Indirect Employment:** - Indirect employment is also promoted, since the tourists visiting Rajasthan, promote indirect employment by making various types of purchasing
12. **Development of tourism in drought prone areas of Rajasthan** - Development of tourism in drought prone areas of Rajasthan can save them from the adverse effects of famine and drought. Tourism industry can promote, both the employment and the industries.

Q.10 Write a short note on -Rajasthan Tourism Development Corporation Ltd.

RTDC The government had established this corporation as a public limited company in 1978. Following are the major functions of this corporation.

Functions of Rajasthan Tourism Development Corporation

- (i) Formulation and implementation of plans of tourism development,

- (ii) To arrange development and maintenance of tourist places,
- (iii) Publication, distribution and sale of publicity material on tourism,
- (iv) To make assignments for package tourism, to arrange means of transportation, to provide facilities for entertainment of tourists and purchase of articles of tourist interests by the tourists.
- (v) Arrangements for construction of hotels, youth hostels, tourist bungalows etc. to provide lodging and boarding facilities to the tourists and their proper functioning.

Progress of Rajasthan Tourism Development Corporation

1. Rajasthan Tourism Development Corporation (RTDC), since its inception, faced financial challenges but exhibited remarkable resilience and determination.
2. RTDC endured significant losses in its initial years. The corporation managed to reduce its losses to 20 lakhs in 1987-88, showcasing early signs of financial stability.
3. RTDC's capital resources in 1991-92 amounted to 19.83 crores, including state government funding, term loans, and reserves. Despite financial challenges, efficient management led to a profit of 55 lakh in 1990-91, increasing to 119.5 lakh in 1991-92.
4. RTDC focuses on developing tourism facilities in every district. This approach ensures that tourism opportunities are widespread, benefiting local economies.
5. RTDC set up 42 mid-way hotels, strategically located for travellers' convenience.
6. These hotels enhance accessibility, encouraging tourists to explore diverse destinations within Rajasthan.
7. Around 100 heritage hotels operate in Rajasthan under RTDC's guidance.
8. These hotels preserve Rajasthan's cultural heritage, offering tourists a unique experience while contributing to heritage conservation.
9. RTDC focuses on improving profitability through efficient operations and business expansion.
10. Continuous innovation in services and offerings attracts more tourists, boosting revenue streams.
11. Providing training programs to staff enhances service quality, ensuring a positive experience for tourists.
12. Implementation of modern management practices fosters efficiency, elevating RTDC's reputation.
13. Collaborative efforts with local businesses promote economic growth in Rajasthan's remote areas.
14. Empowering local entrepreneurs by encouraging their participation in the tourism sector fosters economic development.

UNIT 5

Q.1 Describe the importance and the favourable factors of Industrial Development in Rajasthan.

During pre-independence period, industrial development was at very low level. Although, small rural and cottage industries existed in the state, but large and medium industries were

almost not in existence. This situation was mainly due to the apathy both by the British rulers and princely rulers in the state.

attention was not paid towards creation and development of basic infrastructure facilities, which blocked the industrial development also. After independence of the country and formation of Rajasthan, in its present form, the State Government as also the private entrepreneurs have shown keen Interest in industrial development of the state, which has started showing encouraging results.

Importance of Industrial Development and Its Need

In Rajasthan, industrialisation is very essential, taking the following points, into consideration:

1. Economic Diversification:

Reduced Dependency: Industrial development reduces dependency on traditional sectors like agriculture. In Rajasthan, where agriculture is largely rain-fed and susceptible to climatic variations, industries provide a stable economic base.

Diversified Revenue: Industrial growth diversifies the state's revenue sources, making the economy more resilient against fluctuations in other sectors.

2. Employment Generation:

Job Opportunities: Industries create numerous job opportunities. In a state with a large population like Rajasthan, industrialization provides employment to both skilled and unskilled labor, thereby reducing unemployment rates.

Skill Development: Industries often require specialized skills. Thus, industrialization promotes skill development programs, enhancing the overall employability of the state's workforce.

3. Infrastructural Development:

Transportation: Industries necessitate a well-developed transportation network. Investments in roads, railways, and ports, which are vital for industrial growth, lead to improved connectivity within the state and with other regions.

Energy Infrastructure: Industrial sectors drive the demand for energy. Consequently, there is an increased focus on building and strengthening the state's energy infrastructure, ensuring a stable power supply.

4. Economic Growth and Revenue:

Boost to GDP: Industrial growth significantly contributes to the state's Gross Domestic Product (GDP), fostering overall economic development.

Government Revenue: Industries generate substantial tax revenues for the state government, enabling investments in education, healthcare, and other public services.

5. Technology and Innovation:

Technological Advancements: Industries drive innovation and technological advancements. Research and development in industrial sectors lead to the adoption of new technologies, making the state more competitive on a national and global scale.

Entrepreneurship: Industrial development encourages entrepreneurship, fostering a culture of innovation and creativity among the youth.

6. Rural Development:

Balanced Growth: Industrialization can be strategically spread across rural areas, ensuring balanced regional development. This decentralization reduces the burden on urban centers and promotes rural prosperity.

7. Foreign Direct Investment (FDI) and Trade:

Global Integration: A robust industrial sector attracts foreign investments and enhances international trade. Rajasthan, with a vibrant industrial base, can participate more actively in the global economy.

Favourable Factors for Industrial Development in Rajasthan

1. **Abundant Mineral Resources:** Rajasthan boasts rich reserves of minerals like lime, zinc, copper, tungsten ore, and more. Industries utilizing these resources, such as cement and steel production, have thrived in the state. Expanding these industries will further boost industrial growth
2. **Improved Irrigation Facilities:** Rajasthan has been enhancing its irrigation capabilities, leading to increased agricultural surplus. Encouraging the establishment of rice mills, oil mills, and food processing units can efficiently utilize this surplus.
3. **Increasing Power Availability:** The state has been steadily improving its power supply. Encouraging industrialization across various regions by providing reliable power facilities to existing and new industrial units is a priority.
4. **Government Support:** The state government is deeply committed to fostering rapid industrial growth. Various facilities and concessions are offered to entrepreneurs for establishing and expanding industrial units. Institutions like the Rajasthan State Industrial Development and Investment Corporation (RIICO), Rajasthan Small Industries Corporation (RAJSICO), and others actively promote industrialization in Rajasthan.
5. **Enhanced Infrastructure:** Rajasthan has made significant progress in basic infrastructure development, providing a strong foundation for industrial growth.

6. **Attracting Foreign Investment:** The State Government is actively pursuing foreign investment opportunities, aiming to attract international businesses to Rajasthan.
7. **Potential for Oil Refinery:** There are promising prospects for establishing an oil refinery in the state, presenting a significant opportunity for further industrial development.

Q.2 Describe the Growth of Industrial Development in Rajasthan.

In the pre-independence era, significant industrial establishments like Krishna Mills Beawar, Cement Factory in Lakheri, and Mahalaxmi Mills in Beawar laid the foundation for industrial growth in Rajasthan. During planned state development, specific dimensions of industrial progress are noteworthy:

1. **Increase in Registered Factories:** In 1951, there were only 240 registered factories in the state, but by 2008, this number surged to 13,300, providing employment to thousands. In 2015-16 alone, 315 new factories and 123 boilers were registered, employing nearly 18,000 workers.
2. **Industrial Production Index:** The industrial production index consistently reflected Rajasthan's increasing industrial growth. For instance, the general index of industrial production rose from 115.89 in 2013-14 to 128.24 in 2017-18.
3. **Focus on Backward Areas:** Sixteen out of 34 districts in Rajasthan were deemed industrially backward. Subsidies were provided to boost investments in these regions. Since June 1983, subsidies were extended to all districts by the Central Government.
4. **Small and Cottage Industries:** The state government emphasized the development of small and cottage industries. The number of registered small industrial units grew from 8,216 in 1969-70 to 4.54 lakhs in 2007-08, employing over 21 lakh individuals. In 2016-17, over 60,960 micro, small, and medium industrial units were registered, generating employment for 3,82,366 persons.
5. **Development of Large and Medium Industries:** Notable establishments included Wagon Factory in Bharatpur, Chemical Fertilizers Factory in Kota, and Cement Factory in Chittorgarh during different plan periods. Significant growth was observed in granite, marble, and textile industries, further bolstering Rajasthan's industrial landscape.
6. **Investment in Industrial Development:** The government's commitment to industrial development is evident in the expenditure incurred during various plan periods on industry and minerals.
7. **Expansion of Industrial Areas:** The number of industrial areas in the state increased from 12 in 1977-78 to 294 in 2008, showcasing the rapid pace of industrial growth.

8. **Rajasthan State Industrial Development and Investment Corporation (RIICO)** played a pivotal role, acquiring thousands of acres of land for industrial development and investing substantially in infrastructure.
9. **Industrial Sector's Contribution to the State Economy:** The industrial sector, encompassing mining, manufacturing, electricity, gas, water supply, utility services, and construction, made a significant contribution to Rajasthan's economy until recent years, where a slight decline was noted.

Q.3 Describe the Role and Efforts of Government in Industrial Development in Rajasthan.

The Government of Rajasthan has been proactive in promoting industrial growth in the state through various strategic measures:

1. **Supportive Department:** The Industries Department of the Government of Rajasthan plays a crucial role by offering guidance and necessary facilities for industrial development. It operates through 36 District Industries Centers and 8 sub-centers, ensuring widespread support.
2. **Robust Institutional Setup:** Rajasthan has established key institutions like RIICO, RFC, RAJSICO, and the Bureau of Investment Promotion, which actively contribute to industrial progress. These bodies focus on financing, essential infrastructure development, and investment promotion.
3. **Power Generation:** Recognizing the importance of power for industries, the government significantly increased power generation capacity from 8 MW in 1950-51 to an impressive 17,894 MW by December 2016. Adequate power supply is fundamental for industrial operations.
4. **Infrastructure Development:** The government has prioritized road infrastructure, expanding the total road length to 2.17 lakh kms by December 2016. This network includes National Highways, State Highways, and other roads, facilitating industrial connectivity.
5. **Government Undertakings:** To inspire private entrepreneurs, the Rajasthan government initiated its industrial undertakings such as Shri Ganganagar Sugar Mills and Hi-Tech Precision Glass Factory. These endeavours serve as examples for private industrial ventures.
6. **RIICO's Role in Infrastructure:** RIICO has been pivotal in infrastructure development, establishing 328 Industrial Estates with around 35,206 industrial units. Financial aid is also extended to large and medium industries, further boosting the industrial landscape.
7. **Financial Support:** Rajasthan Finance Corporation (RFC) provides financial assistance, while national-level institutions like IDBI, IFCI, and ICICI offer substantial financial aid. This support ensures stable funding for industrial ventures.

8. **Marketing Assistance:** Rajasthan Small Industries Corporation (RAJSICO) facilitates small-scale industries and artisans by providing raw materials, marketing assistance, and new technology. RAJSICO plays a vital role in empowering small-scale entrepreneurs.
9. **Growth Centers:** Under central schemes, growth centers have been established in various regions, promoting both large and small industries. These centers serve as focal points for industrial growth.
10. **Partnership Summit MOUs:** The Resurgent Rajasthan Partnership Summit in 2015 facilitated the signing of 470 MOUs, attracting investments totaling 3,38,488 crores. This significant investment is expected to create substantial employment opportunities in the state.
11. **Fiscal Incentives:** The state government has consistently offered fiscal and financial incentives to encourage industrial development, ensuring a conducive environment for businesses.
12. **Specialized Industrial Parks:** The establishment of specialized parks like Agro Food Parks, Electronics Hardware Park, Bio-Technology Park, Ceramics Park, and Wool Complex demonstrates the state's focus on diverse industrial sectors.
13. **Export Promotion:** Rajasthan has actively promoted exports, leading to a substantial increase from 688.9 crores in 1991-92 to 4,534.5 crores in 2000-01. The state government continues to support export-oriented industries.

Q.4 Describe the Causes of Industrial Backwardness in Rajasthan

The slow industrial growth in Rajasthan can be attributed to several key factors, despite the government's dedication to industrial development:

1. **Power Shortage:** Rajasthan lacks reliable power resources due to insufficient coal, water, and oil reserves. This scarcity leads to frequent power cuts, negatively impacting industrial growth.
2. **Financial Constraints:** Limited capital has hindered industrial progress. Despite efforts by the government and financial institutions, there's a lack of substantial investment in industries. Even established industrialists from Rajasthan have not invested significantly in the state.
3. **Water Scarcity:** Rajasthan has shortage of water resources, with only one percent of the country's total. This scarcity hampers industrial development significantly.
4. **Transportation Challenges:** The state lacks adequate transportation infrastructure, including roads, railways, and air services. Although improvements are underway, the deficiency in transportation facilities affects industrial growth.
5. **Frequent Droughts:** Recurring droughts and famines divert state resources towards meeting basic needs, leaving limited funds for essential infrastructure required for

industrial growth. Low agricultural incomes during these periods reduce demand for industrial goods, further hampering production.

6. **Raw Material Shortage**: Rajasthan faces challenges in timely and adequate supply of raw materials, apart from minerals. This shortage disrupts the functioning of industrial units.
7. **Insufficient Government Support**: Despite government commitments to industrialization, entrepreneurs often face obstacles due to procedural delays, bureaucratic hurdles, and excessive formalities, discouraging their initiatives.
8. **Global Competition**: Liberalization and globalization have exposed domestic industries to fierce foreign competition in terms of pricing and quality. Small industrial units struggle to compete with established brands, leading to closures and setbacks.
9. **Lack of Education and Training**: Rajasthan lacks an adequate number of educational and training institutions, resulting in a shortage of skilled labour for industries. Additionally, labour in the state tends to be costly, affecting industrial development.

Q.5 Describe the Problems of Industrial Development, Suggestions for Solving Problems and Future Prospects.

The Government of India and the State Government have taken steps to create a favourable environment for industrial development in Rajasthan by enhancing infrastructure facilities. However, certain challenges persist, and solutions to these issues are crucial:

1. **Delays in Approvals**: Despite the state government's provisions for prompt processing of proposals for new industrial units, delays in approvals and financing deter entrepreneurs, especially newcomers. Streamlining official procedures and ensuring quick issue of sanctions are vital. Effective coordination among departments is necessary.
2. **Electricity Shortage**: Rajasthan faces power shortages, leading to frequent cuts and low availability for industries. High electricity charges add to the problem. Increasing electricity generation and setting reasonable rates are essential for sustained industrial growth.
3. **Raw Material Shortage**: Industrial units often face difficulties in obtaining raw materials. State government departments must collaborate to ensure convenient and timely availability of raw materials for industries.
4. **Regional Disparities**: There are significant variations in industrial development among Rajasthan's districts. Efforts should focus on promoting industries in economically weaker districts to boost their economies, assessing each district's potential.
5. **Labor Issues**: Strikes and lockouts due to lack of coordination between workers and entrepreneurs hamper industrial progress. Ensuring effective communication and coordination between both parties is necessary.

Recent Initiatives to Boost Industrial Development:

1. **Resurgent Rajasthan Partnership Summit 2015:** This event, held on November 19th and 20th, 2015, in Jaipur, resulted in 311 Memorandums of Understanding (MOUs) worth 3.14 lakh crores and employment opportunities for 2.39 lakh individuals. These agreements pave the way for accelerated industrial growth.
2. **Rajasthan Start-up Fest 2015:** Organized by RIICO on October 9th and 10th, 2015, in Jaipur, this event provided a platform for students, youths, investors, and start-ups. The event marked the declaration of the Rajasthan Start-up Policy 2015, aiming to promote entrepreneurship and support start-ups in the state. This initiative is crucial for the successful establishment of new businesses in Rajasthan.

Q.6 Describe the role of Small and Cottage Industries in Rajasthan.

A small industry refers to a business setup that does not invest more than one crore rupees in its equipment and machinery. However, this limit can go up to five crores for industries producing high-tech goods or items with significant export potential, such as hosiery, hand tools, pharmaceuticals, stationery, and sports articles.

Additionally, businesses with investments up to 25 lakhs are generally considered tiny industries. For service or trade-related businesses, those with investments up to 10 lakhs in equipment (excluding land and buildings) are categorized as small industries and trading enterprises.

Cottage industries are businesses run entirely or partially by family members, with minimal or no involvement of hired workers or machinery. In simple terms, a cottage industry is a small business where family members work together either full-time or part-time to produce goods or services.

New Classification of MSMEs on basis of Total Annual Turnover

Micro Enterprises: These are manufacturing businesses with an annual turnover of less than 50 crores.

Small Enterprises: Small enterprises are manufacturing businesses with an annual turnover of more than 50 crores but less than 75 crores.

Medium Enterprises: Medium enterprises are manufacturing businesses with an annual turnover of more than 75 crores but up to 250 crores.

Role or Importance of Small and Cottage Industries in Rajasthan

1. Addressing Unemployment: Small and cottage industries serve as crucial sources of employment, especially in rural areas where large industries are scarce. By creating job opportunities for local residents, these industries contribute significantly to reducing unemployment rates in the state.

2. Economic Diversification: Small businesses add diversity to the economy by engaging in various sectors such as handicrafts, textiles, and agro-processing. This diversification

strengthens the economic foundation of Rajasthan, making it more resilient to market fluctuations.

3. Utilization of Local Resources: Rajasthan is rich in traditional skills, raw materials, and artistic heritage. Small and cottage industries harness these local resources, preserving traditional crafts and promoting indigenous talent. This not only sustains cultural heritage but also generates income for local artisans.

4. Empowering Rural Communities: Small industries operate extensively in rural areas, empowering local communities economically. By encouraging entrepreneurship and self-employment, these industries enhance the financial stability of rural households, leading to overall economic growth in these regions.

5. Promoting Financial Inclusion: Small businesses often involve local entrepreneurs who might not have access to formal banking services. Through micro-financing and community support, these industries promote financial inclusion, allowing individuals to invest in their businesses and improve their living standards.

6. Export Promotion: Rajasthan's small and cottage industries produce unique handicrafts, textiles, and other products that have significant export potential. By participating in international trade, these industries contribute to foreign exchange earnings for the state and the country, bolstering the economy.

7. Sustainable Development: Many small and cottage industries in Rajasthan focus on eco-friendly practices. By emphasizing sustainability, these businesses contribute to environmental conservation and promote responsible production methods, aligning with global efforts for a greener future.

8. Cultural Preservation: Rajasthan is renowned for its rich cultural heritage. Small and cottage industries, especially those involved in traditional crafts and arts, play a vital role in preserving and promoting the state's cultural identity. These industries ensure that age-old traditions are passed down through generations, maintaining the cultural fabric of the society.

9. Reducing Urban Migration: The availability of employment opportunities in small and cottage industries within rural areas reduces the need for rural residents to migrate to urban centers in search of work. This not only eases the burden on overcrowded cities but also maintains the demographic balance in both rural and urban areas.

10. Community Development: Small businesses often engage in community development initiatives, such as building local infrastructure, providing educational support, and healthcare facilities. These initiatives enhance the overall quality of life for residents, creating a positive impact on society.

11. Skill Development: Small and cottage industries provide opportunities for skill development, especially among the youth and women. Training programs and hands-on experience in these industries enhance the employability of individuals, contributing to human resource development in the state.

12. Entrepreneurship Promotion: These industries nurture entrepreneurship by allowing individuals to start their own ventures with relatively low capital. Aspiring entrepreneurs can explore various sectors, fostering innovation and creativity in business ideas.

13. Social Empowerment: Small and cottage industries often engage marginalized communities, including women, tribal groups, and the economically disadvantaged. By providing them with avenues for employment and income generation, these industries promote social empowerment and gender equality.

14. Tourism Enhancement: Rajasthan's rich cultural heritage is a major tourist attraction. Small and cottage industries, especially those involved in crafts, artistry, and traditional textiles, contribute to the vibrant cultural landscape, enhancing the overall tourist experience and promoting tourism-based economic activities.

15. Disaster Resilience: Small-scale industries are generally decentralized and spread across various regions. In the event of natural disasters, these industries can recover more swiftly compared to large-scale centralized industries, contributing to the overall economic resilience of the state.

16. Research and Innovation: Despite their size, many small and cottage industries engage in research and innovation to improve their products and processes. This culture of innovation contributes to the overall technological advancement of the state and the country.

17. Poverty Alleviation: By providing sustainable employment opportunities, especially in rural areas, small and cottage industries play a significant role in poverty alleviation. Stable income sources improve living standards and reduce the incidence of poverty in the state.

18. Cultural Exchange: Handicrafts and traditional products from Rajasthan's small and cottage industries find markets not only within India but also internationally. This cultural exchange fosters understanding and appreciation of Rajasthan's rich heritage on a global scale.

19. Resource Conservation: Many cottage industries focus on recycling and upcycling materials, contributing to resource conservation and waste reduction. This eco-friendly approach aligns with global efforts toward sustainability and environmental preservation.

20. Government Revenue: Small and cottage industries contribute to the state's revenue through taxes and duties. This revenue can then be reinvested in public infrastructure, education, healthcare, and other essential services, further benefiting the local population.

Small and Cottage Industries in Rajasthan

Q.7 Describe in detail how small and cottage industries are categorized.

Small and cottage industries are in large number in Rajasthan. These may be categorised, on following basis:

1. **Khadi Industries:** Rajasthan boasts a vibrant textile industry, especially in Khadi, where cotton, wool, and silk fabrics are produced. Managed by the Khadi and Village Industries Board, these industries provide employment opportunities for both full-time and part-time

workers, including women. Skilled artisans operate handlooms, crafting various products like coarse cloth, sarees, and towels. Notable regions such as Jaisalmer, Bikaner, and Churu are renowned for their high-quality cotton Khadi products. Additionally, Bikaner is famous for its woollen blankets made from the wool of marine sheep.

2. **Fiber Industry**: Women in rural and semi-urban areas play a vital role in rope-making using fibers sourced from agricultural crops, contributing significantly to the local economy.
3. **Honey Bee Breeding**: Rajasthan has a rich tradition of honey bee breeding. Apart from providing honey, beeswax obtained from this industry is widely used in the preparation of various medicinal products, adding value to the region's agriculture.
4. **Grinding Industry**: Flour mills are a common sight in cities and villages across Rajasthan. These mills produce fine flour and semolina, contributing significantly to the region's food processing industry. Prominent cities like Ganganagar, Jaipur, Ajmer, and Udaipur host these essential grinding units.
5. **Guar-Gum Industry**: Rajasthan is a hub for guar production. To harness this valuable resource, numerous factories have been established in cities like Jaipur and Ajmer. The local availability of raw materials ensures a sustainable supply chain for this industry.
6. **Pulse Making Industries**: Traditional pulse-making, once a manual task for women, now incorporates modern machines, enhancing efficiency. Pulse-making industries are prevalent in key districts such as Jaipur, Ajmer, Ganganagar, and Kota, utilizing locally sourced raw materials.
7. **Oil-Crushing Industries**: Rajasthan houses a multitude of small and medium-scale oil-crushing industries. These units produce sesame oil, mustard oil, groundnut oil, and coconut oil, contributing significantly to the region's edible oil sector. Major production centers include Jaipur, Bharatpur, Kota, Dholpur, and Ganganagar.
8. **Preservation of Fruits and Vegetables**: Rajasthan's diverse agricultural landscape yields a variety of fruits and vegetables. Preservation efforts, especially in regions like Kota, Jaipur, and Ganganagar, ensure the availability of processed fruits, catering to both local and regional markets.
9. **Gur-Khandsari Industry**: Sugarcane cultivation in districts like Chittorgarh, Ganganagar, Jaipur, and Dungarpur supports the Gur and Khandsari (unrefined sugar) industry. These regions host cottage industries focused on sugar production, sustaining the local economy.
10. **Rice Industry**: Rice mills are prevalent in rice-producing districts such as Banswara, Dungarpur, and Ganganagar. These mills contribute significantly to the rice processing sector, ensuring the availability of rice-based products for consumers. Additionally, Ganganagar has specialized units that extract oil from rice husks, diversifying the industry's offerings.

11. **Handloom Industry:** Rajasthan's handloom industry is a source of pride, producing a wide array of products, including bedsheets, khadi fabrics, sarees, towels, dhoties, and tie-and-dye goods. Skilled artisans in cities like Jaipur, Jodhpur, and Udaipur contribute to the preservation of traditional crafts while providing employment opportunities.
12. **Soap Industry:** Rajasthan's soap manufacturing sector utilizes non-edible oils to produce soap products. The industry has witnessed growth, aligning with the rising awareness about health and hygiene. Small-scale factories across the state contribute to the availability of essential hygiene products for consumers.
13. **Other Industries:** Apart from the aforementioned sectors, Rajasthan hosts other agriculture-based industries, including rice mills and gold or silver lace industries. These industries are primarily located in districts such as Banswara, Kota, Jaipur, and Ajmer, showcasing the state's diverse economic landscape.

II. Small and Cottage Industries on the basis of Forests

1. **Silk Industry:** Rajasthan's silk industry is a cottage enterprise involving mulberry cultivation, silkworm breeding, thread production, and silk weaving. With a relatively low investment requirement, the Government of Rajasthan has initiated a silk production scheme in Kota and Udaipur divisions. Collaborative efforts between the Industries Department, Tribal Area Development Department, and the Central Silk Board aim to boost silk thread production within the state.
2. **Cane and Bamboo Industry:** Operating in Jaipur, Jodhpur, and Ajmer districts, this industry crafts baskets, chairs, tables, and artistic items using bamboo. Cane and bamboo products have gained popularity, leading to increased prices. People now prefer cane furniture and artistic bamboo products.
3. **Bidi Industry:** Bidi production relies on tendu leaves as raw material. Bidi rolling units are located in places like Nasirabad, Ajmer, Beawar, Chittorgarh, Bhilwara, and Kota. Mostly done by women, this activity also involves some men.
4. **Toddy Gur Industry:** Gur, a sugary substance, is produced from toddy trees abundant in Rajasthan. This industry has created employment opportunities for many in the state.
5. **Matchbox and Incense Stick Industry:** Rapidly growing, this industry is centered in areas like Alwar, Jaipur, and Falna. Rajasthan also exports incense sticks, contributing to foreign exchange earnings.
6. **Handmade Paper:** Sanganer town near Jaipur specializes in handmade paper production, providing employment to numerous individuals.
7. **Iron and Wood Work:** Blacksmiths create various iron products such as scissors, razors, frying pans, spades, and hammers. Woodworking activities, including crafting wood products, are carried out in places like Udaipur, Sawai Madhopur, Jodhpur, and Jaipur.
8. **Catechu, Gum, and Sealing Wax Industry:** Catechu, derived from 'Kher' trees in hill areas like Kota, Bundi, Jhalawar, Alwar, and Dholpur districts, forms the basis of this

industry. Gum production relies on trees like Dhonk, Babool, and Kher. Sealing wax is manufactured in substantial quantities in districts such as Jaipur, Udaipur, Dholpur, and Ajmer.

III. Small and Cottage Industries on the basis of Animals

1. Leather Industry: Rajasthan's abundant livestock population ensures a steady supply of leather. Well-established leather industries in cities like Jaipur, Jodhpur, Bikaner, Tonk, and Ajmer produce various items, including shoes, slippers, bags, suitcases, water bags, and toys. Among these, shoes are particularly popular and in demand not only within the state but also in other regions. The thriving demand suggests promising growth prospects for this industry in the future.

2. Bone Grinding: Rajasthan benefits from a large livestock population, providing ample bones for various purposes. Bone grinding factories operate in Jodhpur, Jaipur, Kota, and Falna, where bones are ground and utilized in diverse applications.

3. Ivory Industry: Certain districts such as Jaipur, Ajmer, Pali, Jodhpur, and Udaipur are known for their ivory craftsmanship. Artisans create intricate decorative articles, and in recent years, ivory painting has also become a notable craft in the state. Rajasthan's exquisite ivory products are not only sought after within the country but also exported to foreign nations.

4. Woollen Textile Industry: Rajasthan's arid and semi-arid regions, with their substantial sheep population, provide a reliable source of wool. Key centers like Bikaner, Jodhpur, Jaisalmer, and Jaipur house woollen textile industries. These industries manufacture a range of products, including woollen blankets, saddles, seats, and coarse woollen clothes, catering to both local and regional markets.

IV. Small and Cottage Industries on the basis of Minerals

1. Lime Industry: Lime, a vital construction material, is extensively used in Rajasthan, surpassing the usage of comparatively expensive cement. The abundance of local lime sources further supports its widespread use. Cities like Jaipur, Ajmer, Beawar, and Udaipur host thriving lime industries catering to the region's construction needs.

2. Pottery Industry: Pottery has gained popularity in both rural and urban areas across Rajasthan. Small-scale pottery units have emerged, benefiting from the availability of raw materials within the state. The demand for pottery continues to rise, encouraging the growth of this industry.

3. Aluminium Industry: Aluminium finds applications in utensils, sculptures, toys, and more within Rajasthan. Rapid development in cities like Jaipur, Udaipur, and Jodhpur has propelled the aluminium industry forward. Increasing demand has led to higher prices for aluminium products.

4. Marble Industry: The marble industry has experienced rapid growth in areas like Makrana, Sirohi, Rajnagar, Chittorgarh, Udaipur, Kishangarh, and Jaipur. Rajasthan boasts numerous small industrial units specializing in marble cutting, polishing, and granite finishing, contributing significantly to the state's economy

5. Other Industries: Rajasthan is home to thriving building stone industries, particularly in Kota, Ramganjmati, Chittorgarh, and Udaipur. Additionally, granite industries flourish in Jalore, Chittorgarh, Udaipur, and Jodhpur, showcasing the state's rich potential in the stone and mineral sectors.

Q. 8 Write a short note on Handicrafts Industries.

Handicrafts industry is such industry, in which artistic goods or artistic works are prepared by hand. These are prepared by artisans and artists.

These mainly include artistic gold or silver ornaments, artistic ivory goods, wooden articles, beautiful and artistic marble sculptures and idols, brass utensils with enamelling and carvings, artistic dresses of Sanganeri and Bagru prints, tie and dye chunries of Jaipur and Jodhpur, light weight Jaipur quilts, slippers decorated with shining embroidery, and blue pottery goods, etc. Handicrafts Industries in Rajasthan:

From Handicrafts point of view, Rajasthan is a rich state. Handmade artistic goods of the state are of world fame. Artisans and artists of the state make several types of goods, which are exported even, by which earning of foreign capital becomes possible. Handicrafts of the state reflect our culture and civilisation, also. Many of the artistic works are centuries old.

Rajasthan is renowned for its vibrant handicraft industries, each reflecting the state's rich cultural heritage and artistic brilliance:

1. **Textile Dyeing and Printing Industry:** Rajasthan's ancient artistry shines in its textiles. Cities like Jaipur, Jodhpur, and Bharatpur excel in printing, while Pal Balotra, Bagru, and Jaipur are dyeing hubs. Sanganeri Print, famed for intricate designs, graces curtains and bedsheets. Nathdwara and Barmer are esteemed for their unique dyeing and printing techniques. Despite the rise of mill-made cloth, Rajasthan's dyeing and printing industry thrives.

2. **Carpet Industry:** Small industrial units craft a variety of carpets, woollen blankets, and woollen wear. Jaipur, Barmer, and Bikaner produce exquisite woollen carpets. Bikaner and Malpura are renowned for their woollen blankets, while Jaipur, Jodhpur, and Raigarh create artistic blankets.

3. **Embroidery:** Rajasthan's embroidery showcases intricate patterns using rubies, stars, and glass particles. Sarees and dresses adorned with these designs are popular fashion choices.

4. **Toys and Puppets:** Rajasthan's wood-made puppets, depicting male and female warriors, captivate with vibrant artistry. Wooden and clay toys are also significant products, carved with traditional tools in Jaipur, Udaipur, Dungarpur, and Sawai Madhopur.

5. **Leather Work:** Rajasthan's abundant livestock population contributes to a thriving leather industry. Jaipur, Jaisalmer, Tonk, and Bharatpur are renowned for their leather goods, including decorative shoes and slippers. Camel skin finds use in various common articles, such as purses, belts, and bags.

6. **Ivory Work:** Artisans skillfully cut and carve ivory into toys, combs, sculptures, rings, earrings, tumblers, fans, and more. This craft, prominent in Udaipur, Jaipur, and Bharatpur, showcases Rajasthan's artistic finesse.

7. **Marble Sculptures:** Rajasthan's marble sculptures, mainly made of marble, adorn the state and the country. Skilled artisans create decorative sculptures, buildings, and fountains, exporting marble statues worldwide. Metal and wooden sculptures are also crafted in various locations.

Other Handicraft Industries: Rajasthan is home to diverse handicraft sectors, including the brass industry in Jaipur and Alwar, small industrial units for glass, gum, and clay utensils in Jaipur and Bikaner, and gold and silver ornaments made in Jaipur, Jodhpur, Alwar, and Udaipur. The state's Rajasthani sarees and glasswork hold significant cultural value.

Q.9 Describe the initiatives by the Government of Rajasthan to promote small and cottage industries in the state over the course of five years.

1. **Increase in Development Expenditure:** The state government significantly raised its development expenditure during the five-year plans. The funds allocated for development increased from 0.32 crores in the first plan to 170.97 crores in the ninth plan.

2. **Rise in Number of Industries:** The number of small and cottage industries has steadily increased. In 2015-16, 5,064 industrial units were registered, generating employment for 25,465 people with a total investment of 1,189.74 crores.

3. **Rapid Growth in Capital Investment:** Investment in small-scale industries experienced substantial growth. The investment, which was 4,069.41 crores in 2004-05, surged to 29,405.27 crores in 2015-16.

4. **Increase in Employment Opportunities:** Employment opportunities in these industries saw a remarkable rise. The total employment, which was 10.07 lakh in 2004-05, increased to 21 lakh in 2015-16.

5. **Increase in Production:** The production volume of small and cottage industries in Rajasthan witnessed significant growth. The value of goods produced increased from 59.2 crores in 1983-84 to about 12,000 crores.

6. **Fast Development of Khadi and Village Industries:** The Khadi and Village Industries Board played a pivotal role in the sector's development. The value of cotton and woollen khadi produced in Rajasthan increased from 27.14 crores in 2000-01 to 99 crores in 2014-15. The Board initiated schemes like the Prime Minister Employment Generation Programme (PMEGP), Khadi Vikas Fund Yojana, and Work Shed Yojana to provide financial support and employment opportunities.

7. **Establishment of Organizations:** Various organizations such as Small Industries Service Institution, Rajasthan Handloom Development Corporation, Rajasthan State Corporation, and Directorate of Industries were established to facilitate the growth of small and cottage industries in the state.

Q. 10 Write the Government Efforts/Steps for the Development of Small, Cottage and Handicrafts Industries in Rajasthan.

In Rajasthan, there are many small, cottage, and handicraft industries, but they haven't grown well due to various problems. The government has set up different organizations to help these industries.

1. **Small, Cottage, and Village Industries Department:** This department helps in developing policies and programs for small industries. They provide information, training, and support for these businesses.
2. **Small Industries Development Board:** This board was created to oversee the progress of small industries. They organize training programs and collect useful data to help these businesses grow.
3. **Small Industries Development Organisation:** This organization helps small industries by offering financial and technical assistance. They also provide advice and help with marketing their products.
4. **National Small Industries Corporation:** This corporation helps small industries by providing machinery and materials. They also assist in selling products abroad and increasing exports.
5. **Small Industries Development Bank of India:** This bank was created to support small and rural industries. They coordinate activities and help these industries get assistance from various banks.
6. **Directorate of Industries:** This department's goal is to boost industrial development in the state. They provide assistance to handicrafts and tribal areas, help with surveys, and encourage industrial growth.
7. **District Industries Centres:** These centers provide facilities for starting industries. They are established in various districts and receive financial aid from the central government.
8. **Small Industries Service Institution:** This institution helps entrepreneurs by providing information about different industries. They organize training programs and provide details about raw materials and markets.
9. **Rajasthan State Handloom Development Corporation:** This corporation supports the handloom industry. They offer technical help, marketing assistance, and training programs for weavers, especially for tribal communities.
10. **Rajasthan State Small Industries Corporation:** Established in 1961, this corporation helps small and handicraft industries by arranging training, marketing, and providing reports.
11. **Rajasthan State Khadi and Village Industries Board:** This board helps in the development of khadi (handspun cloth) and village industries. They work on various activities to promote these industries.

12. **Handicrafts Board:** This board focuses on the development of handicrafts. It was established in 1991 to support handicraft artisans.

13. **National Institution for Handmade Paper in Sanganer:** This institution assists in the production of handmade paper. They provide training, technical guidance, and conduct research and development activities.

14. **Rajasthan Small Industries Corporation and Handicrafts:** Established in 1961, this corporation supports and promotes handicraft artisans through various activities. These organizations are working to help small industries in Rajasthan grow and succeed.

Q. 11 What are the Problems of Small, Cottage and Handicraft Industries in Rajasthan and Suggestions for Solving Them?

Small, cottage, and handicraft industries in Rajasthan face numerous challenges that hinder their growth and development. Addressing these issues promptly is crucial to prevent them from becoming long-term problems. Here are the main problems and suggested solutions:

1. Lack of Raw Materials: Insufficient and costly raw materials limit production capacity, leading to decreased productivity and employment. Ensuring a steady supply of raw materials at reasonable prices is essential for industry growth.

2. Inadequate Power Supply: Irregular power supply negatively impacts production and employment levels. Entrepreneurs suffer losses due to power shortages. Ensuring a consistent and regular power supply is vital for industry operations.

3. Technical Challenges: Limited access to new and advanced technologies results in high production costs, making products less competitive. Encouraging financial institutions to provide funding for modern machinery can enhance efficiency and reduce costs.

4. Shortage of Skilled Workers: Although there is a workforce, a lack of skilled labor affects timely and quality production. Implementing skill development programs can bridge the gap and ensure a skilled workforce.

5. Lack of Funds: Financial institutions often cannot meet the financial needs of small industries. Accessible and affordable financing options should be made available to support industry operations and growth.

6. Marketing Difficulties: Inadequate marketing facilities and publicity efforts hinder product sales. Government support in providing marketing infrastructure can help these industries reach a wider audience.

7. Competition with Large Industries: Small industries face fierce competition from larger counterparts, making it challenging to sell their products. Providing protection against intense competition can level the playing field for smaller businesses.

8. Industrial Sickness: Some small units face closure due to mismanagement and lack of demand. Timely intervention and support mechanisms can prevent industrial sickness. Creating demand through marketing initiatives is essential.

9. Lack of Efficient Management: Many small industries lack professional managers due to financial constraints. Providing training and skill development opportunities in management can enhance resource utilization and minimize losses.

10. Production of Certified and Standard Quality Goods: Outdated techniques and a shortage of quality raw materials hinder the production of high-quality goods. Implementing quality control measures and providing access to modern technologies can improve the quality of products, increasing sales and market acceptance.

Q.12 Describe in brief the Industrial Policies of Rajasthan.

Industrial Development Policies in Rajasthan: A Comprehensive Analysis (1998-2016)

Industrial policies play a pivotal role in shaping the economic landscape of any state, fostering growth, generating employment, and attracting investments.

In Rajasthan, both Congress and BJP governments have introduced policies to boost industry.

I. Evolution of Industrial Policies in Rajasthan

1. **Shekhawat Government's Initiatives (1978-1998)**

- **First Industrial Policy (1978):** Emphasized Khadi, village industries, and handicrafts.
- Amendments in 1980: Increased capital subsidies for NRIs, focused on employment generation, and regional development.
- **New Industrial Policy (1990):** Led to substantial investments, growth in sectors like cement, textiles, and engineering.

2. **Industrial Policy of 1998**

- Objectives: Aims included annual industrial growth rate of 12%, promoting investments, improving productivity, and developing small and cottage industries.
- Strategies: Infrastructure development, public-private partnerships, simplification of rules, and skill development initiatives.

I Salient Features of Industrial Policy, 1998

1. **Infrastructure Development**

- Power: Targeted increasing electricity generation capacity to 10,000 MW by 2013-14.
- Transportation: Focus on roads, railways, and air routes, including Delhi-Mumbai Industrial Corridor.
- Industrial Parks: Emphasis on Integrated Industrial Parks and Special Economic Zones (SEZs).

2. **Promotion of Thrust Areas**

- Focus Sectors: Gems, jewelry, textiles, IT, electronics, cement, and agro-processing industries.
- Incentives: Special facilities and subsidies for industries in thrust areas.

3. Public-Private Partnership (PPP)

- Encouraging Collaboration: Promotion of PPP models for infrastructure development.
- Industrial Advisory Council: Inclusion of industrial organizations for policy formulation.

II. New Rajasthan Industrial and Investment Promotion Policy-2010:

1. Government and Objectives: The Congress-led Gahlot Government introduced the policy to boost industrial development and increase investment.

2. Main Objectives and Strategies: Objectives included boosting private investment, balanced regional development, creating a favourable industrial structure, encouraging rapid development in strategic industries, maximizing human capital and knowledge-driven growth, and generating employment for the youth.

3. Strategy: Emphasis was on improving the business environment, developing high-quality infrastructure, skill enhancement, ensuring industrial land availability, and supporting micro, small, and medium industries.

4. Monitoring Committee: A high-level committee, chaired by the chief secretary, was formed to monitor the policy's implementation.

5. Main Features/Provisions:

- Efforts to make land available for industries, utilizing wasteland and implementing effective laws.
- Emphasis on qualitative infrastructure development, including electric power, industrial areas, SEZs, and logistics parks.
- Conservation of the environment, pollution control, and water supply considerations.
- Promotion of public-private partnerships for industrial development.
- Focus on specific industries like mining, tourism, gems, textiles, IT, and green industries.
- Support for the development of Micro, Small, and Medium Enterprises (MSMEs) and financial assistance for women entrepreneurs.
- Priority to upskilling the labor force for employability.
- Special concessional packages for industrial development decided by the council of ministers.
- Strengthening the single-window system for project approvals.
- Introduction of an electronic clearance system for transparent and quick approval of industrial projects.
- Formation of an Industrial Advisor Council for collaboration with industrial organizations.
- Development of industrial townships and urban infrastructure.

6. Results and Conclusion:

The policy aimed to accelerate economic growth through industrial development, infrastructure enhancement, and strategic support for various sectors. The implementation progress and outcomes were monitored by the established committee and Industrial Advisor Council.

III. Rajasthan Investment Promotion Scheme, 2014

1. Released by the BJP government led by Vasundhara Raje to encourage investment in the industrial sector in Rajasthan, titled "New Dimensions and New Horizons."

2. Main Objectives:

Aims to establish new industrial units, expand existing ones, and support increased investment for the revival of struggling enterprises to boost industrial development.

3. Promotion in Backward Areas:

- Benefits for manufacturing units with an investment of 250 crores or more in specific areas (excluding certain industries):
- 50% rebate on electric charges for seven years (25% for tourism).
- 50% rebate in mandi tax and land tax for seven years.
- 50% concession in stamp duty for land-related transactions.
- 50% concession in conversion charges for land use.
- 20% employment generation subsidy in State VAT and CST.
- Investment subsidy of 30% from the previous seven years' VAT and CST deposits.

4. Beneficiary Industries: Main industries benefiting from the scheme include medicines, tourism, ceramic and glass, dairy, and industrial gas.

5. Special Provisions: Special considerations for women entrepreneurs, as well as scheduled castes, scheduled tribes, and disabled entrepreneurs.

6. Revival of Sick Units: Provisions for the revival of struggling industrial units.

7. Guidelines and Methods: Explanations provided in the scheme's annexure regarding methods to obtain incentives, error corrections, and subsidy distribution.

8. Service Sector Development: Special provisions in the scheme to encourage the development of the service sector.

IV. Rajasthan Industrial Development Policy, 2019

Vision- To make Rajasthan as the most preferred investment destination in India with the most conducive eco-system for inclusive, balanced and sustainable industrial development.

Mission-

- To develop and maintain industrial infrastructure
- To offer competitive fiscal Incentives
- Maximize potential of human capital of the State
- Most efficient utilization of natural resources
- Special focus on Backward' and 'Most Backward areas
- To foster entrepreneurship & innovation
- To promote industrial symbiosis and environmentally sustainable industrial development

- To support technological up gradation of Industry
- To usher in the new era of Industry 4.0
- To rationalize regulations and inspections
- To instil pro-industry outlook
- To strengthen the following thrust sectors of the State
 - Textile & Apparel
 - Agro Food Processing
 - Electronic System Design manufacturing (ESDM)
 - Auto & Auto-Components
 - Leather & Footwear Mines & Minerals
 - Gems & Jewellery
 - Handicraft/Handloom/Khadi Industries
 - Chemicals including Petrochemicals
 - Pharmaceuticals & Medical Devices
 - Service Sector

Salient Features:

1. Nodal Department:

- (i) The Department of Industries shall be the administrative Department for the implementation of policy.
- (ii) It shall oversee functioning of all important sections/agencies involved in policy implementation.
- (iii) It shall formulate detailed guidelines regarding policy provisions in consultation with concerned State Government departments.

2. Industry 4.0

- Incentives for technology acquisition, skill development and R&D.
- R&D centres for bringing together researchers, industry and academia.
- Promote "smart factory" concept special fiscal and infrastructure support to units using automation and data exchange in manufacturing technologies.
- Support to State incubators for upgrading facilities with new age technologies such as Internet of Things (IoT), FinTech, Clean Energy, Climate Engineering, Clean Transportation, social media, Mobility, Analytics, Cloud Computing, Robotics, Artificial Intelligence as well as in Pharmaceutical and Healthcare sectors.

Rajasthan Industrial Policy Monitoring Committee

Rajasthan Industrial Policy Monitoring Committee shall be constituted under the Chairmanship of Hon'ble Minister of Industries, Government of Rajasthan to periodically review (at least once in every quarter) implementation and assess impact of the industrial policy. The Committee will be empowered to take all necessary decisions for the smooth implementation of policy such as

- To monitor progress of all institutions involved in the process
- To assign roles and targets to institutions involved and monitoring of work being performed

- To interpret and/or relax any provision of the Policy
- To frame and/or amend any guidelines or schemes under the Policy.
- To review various measures for favourable business environment in the State for Industry

V. Challenges and Suggestions for Rapid Industrial Development

1. Infrastructure Strengthening

- Electric Power: Address power shortage through consistent supply and investment in generation capacity.
- Transportation: Develop efficient roadways, railways, and air connectivity to industrial areas.

2. Fiscal Policies

- Affordable Incentives: Ensure reasonable electricity charges and affordable land allotment prices.
- Simplified Procedures: Simplify rules and procedures for land acquisition and industrial clearances.

3. Skill Development and Entrepreneurship

- Training Programs: Enhance skill development programs and establish specialized skill schools.
- Encouraging Entrepreneurship: Promote entrepreneurship among youth through financial support and training.

4. Promoting Investments

- Attracting Capital: Actively seek domestic and foreign investments by creating investor-friendly policies.
- Partnerships: Encourage public-private partnerships to maximize resources and expertise.

Conclusion

Rajasthan's industrial policies, spanning from 1998 to 2016, have laid the groundwork for substantial growth in various sectors. By focusing on infrastructure development, incentivizing investments, promoting entrepreneurship, and encouraging public-private collaborations, the state has created a conducive environment for industrial progress. To sustain this momentum, addressing challenges such as power supply, transportation connectivity, and skill development remains crucial. By continually refining its policies and addressing these challenges, Rajasthan can further bolster its position as a leading industrial hub in India.

Q. 13 What are the sources of Industrial Finance?

Industrial finance is required right from the establishment of the industry to its operation and development. Financial requirement of industries is generally of following three types:

1. Finance for Sponsoring: Finance is required for exploring the establishment of the industry and for fulfilling financial requirements relating to establishment of the industry.

2. Finance for Fixed Assets : Modern industries require several machineries, land, implements and building etc. Hence, finance is essential for procuring these assets.
3. Working Capital: Payments for raw materials, wages, salary. rent etc. also requires financial resources.
4. Much more financial resources are required for expansion and development also.

From the view of nature, industrial finance may be called as short-term finance, medium term finance and long-term finance. Long term finance is required for meeting the requirements of land, building and fixed assets, whereas short term and medium-term capital is required for working capital.

Sources of Industrial Finance

Industrial finance is the backbone of any large-scale business. It's like the fuel that keeps the engine of industry running smoothly. For smaller businesses, personal savings or contributions from a few individuals might be enough, but for big industries, more substantial financial support is needed. The various sources of industrial finance:

1. Public Investment through Shares:

Initially, people invested a small amount in shares, but over the years, this investment grew significantly. There were ups and downs due to market trends, but efforts by the government helped stabilize the situation.

There are two types of shares: Ordinary Shares give the most rights but come with the highest risks, while Preferential Shares give priority in dividends and capital repayment, though with limited management rights.

2. Loans through Debentures:

Besides shares, companies can raise funds by issuing bonds or debentures. People who buy these become creditors of the company, and the company pays them interest for the funds they provide.

3. Public Deposits:

Some people prefer safer investments. They put their savings into public deposits of industrial units. However, this method can be uncertain, as it depends on public trust in the company. Public deposits have decreased in recent years due to a decline in public faith, caused by some companies failing to repay deposits.

4. Reinvestment of Profits:

When a business makes good profits, it doesn't distribute all of it among shareholders. Some of it is kept for future development. This is called internal financing and is essential for a company's growth.

5. Role of Managing Agents:

Managing agents played a crucial role in providing initial capital and supporting industrial expansion. However, over time, their actions were regulated, and the managing agent system in industries was phased out.

6. Commercial Banks:

Banks are vital for providing short-term loans to industries. They also discount bills and accept deposits. Nationalized banks increased lending to neglected areas, ensuring that different industries receive about 50% of bank credit.

7. Insurance Companies:

Insurance companies, especially after nationalization, started investing significantly in industries. They make long-term investments, providing financial stability to businesses.

8. Mutual Funds:

Mutual funds, like the Unit Trust of India, gather money from individuals through small shares and invest the pooled money in various industries. These funds play a vital role in channelling investments.

9. Indigenous Bankers: Small industries often rely on local moneylenders for financing. These lenders fulfil about 90% of the financial needs of small industries, with banks and the government contributing only 10%.

10. Industrial Co-operative Societies:

Co-operative societies also provide loans to small industries, although their resources are limited. They collect funds through share capital and loans from their members.

11. Government Assistance:

Both the central and state governments offer financial aid to industries. This assistance can be direct grants, loan guarantees, or indirect support through investments in finance corporations.

12. Private Investment:

Private individuals and organizations are increasingly investing in industries. This influx of private funds strengthens the industrial sector.

13. Financial Institutions:

After independence, India established specialized financial institutions like the Industrial Finance Corporation, State Finance Corporations, and Industrial Development Bank of India. These institutions play a significant role in industrial financing, providing essential financial support.

Q.14 Describe the main Financial Institutions for Industrial Finance.

1. Industrial Finance Corporation of India (IFCI): Empowering Indian Industries

The Industrial Finance Corporation of India, or IFCI, plays a vital role in supporting the growth of India's industries. Established in 1948 and restructured in 1993, IFCI's primary goal is to provide financial assistance to large-scale industries, helping them flourish and contribute to the country's economic development.

Financial Support and Structure:

IFCI started with an initial capital of 20 crores and saw substantial growth, reaching 250 crores in 1982 and eventually expanding to 2000 crores in later phases. The capital is divided

into ordinary shares and preference shares. As of March 2001, IFCI had a paid-up capital of 790.48 crores, along with reserves and surplus of 936.14 crores. The corporation managed loan funds of 24,668 crores by March 1999.

Key Functions of IFCI:

(i) Loan Guarantee:

IFCI guarantees loans for industrial units involved in importing goods from other countries. This support encourages industrialization and economic growth.

(ii) Underwriting Shares and Debentures:

IFCI underwrites shares and debentures, facilitating the flow of capital in the market. This activity boosts businesses and industries by ensuring financial stability.

(iii) Providing Loans:

IFCI provides loans to industrial units, focusing on factors like economic viability, project schemes, profit potential, and management efficiency. These loans help businesses acquire machinery, land, and fund expansion projects.

Challenges and Growth:

While IFCI experienced significant growth in loan sanctions during 1997-98, challenges emerged post-1999-2000, leading to a decline in lending activities. Despite these challenges, IFCI remains committed to supporting India's industrial sector.

In summary, IFCI continues to be a crucial pillar supporting India's industries. Through its financial initiatives, it empowers businesses, encourages innovation, and contributes significantly to the nation's economic advancement. As India moves forward, IFCI remains a guiding light, steering the industrial sector towards a prosperous future.

2. Industrial Credit and Investment Corporation of India (ICICI): Nurturing Private Sector Industries

The Industrial Credit and Investment Corporation of India, or ICICI, was established in 1959 under the Indian Companies Act with a specific focus on providing medium-term and long-term financial support to private sector industries. Its mission encompassed several key objectives:

(i) Industrial Development:

ICICI aimed to aid the construction, development, expansion, and modernization of private sector industries. By providing financial assistance, it played a vital role in nurturing industrial growth and innovation.

(ii) Underwriting and Financial Advisory:

ICICI engaged in underwriting new shares and securities, ensuring a stable flow of capital for industries. Additionally, the corporation provided valuable advice to industries, guiding them on technological advancements and financing strategies.

(iii) Loan Guarantees:

ICICI offered loan guarantees to industries, encouraging collaborations between indigenous and foreign capital. By instilling confidence in lenders, ICICI facilitated crucial financial partnerships.

Capital Structure and Financial Resources:

With an authorized capital of 200 crores and a paid-up capital of 186.3 crores, ICICI garnered support from Indian banks, insurance companies, British and American capitalists, and the Indian public. Beyond its capital, ICICI could secure loans from the Central Government, issue debentures, accept public deposits, and reinvest profits, enhancing its financial capabilities. As of 2000-01, its outstanding financial assistance reached 57,506 crores.

Growth and Impact:

ICICI's commitment to industrial development led to a rapid increase in financial assistance. By March 2001, the corporation sanctioned loans and financial support totaling 2,47,263 crores since its inception in 1955. Notably, disbursements amounted to 1,45,877 crores, indicating the substantial impact ICICI had on supporting private sector industries.

Merger and Transformation:

In a significant development, ICICI merged with ICICI Bank in 2002-03. Following this merger, ICICI ceased to function solely as an all-India industrial finance institution. Instead, it transitioned into a commercial bank, reshaping its role in the financial landscape.

In summary, ICICI's legacy lies in its unwavering support for private sector industries, fostering their growth, and contributing significantly to India's industrial landscape. Despite its transformation, ICICI's rich history and impactful contributions continue to influence the country's economic development.

(3) The Industrial Development Bank of India

The Industrial Development Bank of India (IDBI) was founded in 1964 to support industrial financing in India.

IDBI's main goal is to provide financial aid to public and private industries for their development, expansion, and modernization. It also offers technological and managerial guidance.

Capital and Financing: The bank's authorized capital is 1,000 crore, extendable up to 2,000 crore with special permission from the Central Government. As of March 31, 1998, its paid-up capital was 659 crore. IDBI can raise funds by taking loans from the Government of India, selling debentures, accepting public deposits, receiving grants, and borrowing from the Reserve Bank. It had reserves and surplus of 5,479 crores by March 31, 1998.

Management: Initially, the Reserve Bank managed IDBI until 1976. After 1976, the government took control. Currently, the bank is managed by its own board.

Functions: IDBI assists both public and private sector industries in several ways:

1. Refinancing: It refinances loans provided by State Finance Corporations and Industrial Finance Corporation to industries, with terms ranging from 3 to 25 years.
2. Financing Industrial Units: IDBI purchases shares and debentures of industrial units, underwrites shares and debentures, guarantees loans, provides direct loans, discounts industrial bills, and conducts investment-related research.
3. Technological Assistance: It offers technology-related advice and creates plans for new industry setups and expansions.
4. Special Assistance: IDBI also arranges government loans and establishes a development assistance fund for industries requiring substantial capital.

(4) Life Insurance Corporation (LIC) and Industrial Finance

LIC, or Life Insurance Corporation of India, plays a crucial role in industrial financing. Established in 1956 through the nationalization of 245 private sector life insurance companies, LIC operates as a monopolistic life insurance company. Its significance in industrial finance is multifaceted.

Direct Financial Support:

LIC provides medium and long-term loans to industries. It assists industrial companies by purchasing their shares and debentures, offering them essential financial backing.

Indirect Support through Investments:

In addition to direct support, LIC indirectly aids the industrial sector. It shares capital with institutions like the Industrial Finance Corporation of India and State Finance Corporations, enhancing overall industrial financing in the country. LIC also contributes to the development of cooperative industrial units by extending financial assistance to them.

Historical Growth:

Over the years, LIC's role in industrial finance has expanded significantly. In the financial year 1964-65, LIC sanctioned 15 crores and disbursed 11.5 crores. By 1980-81, these figures had risen to 70 crores and 65.6 crores, respectively. The assistance provided continued to grow, reaching 70,855 crores sanctioned and 61,812 crores disbursed in 2008-09. Despite fluctuations due to industrial challenges, LIC's financial aid remained substantial, with 43,014 crores sanctioned and 44,886 crores disbursed during 2012-13.

Continuous Growth:

LIC's financial assistance has experienced significant growth since 1990-91. This steady increase in resources has allowed LIC to continue expanding its financing activities, making it a vital player in the industrial financing landscape.

It's important to note that while LIC provides substantial financial support to industrial units, it typically operates as a silent partner, refraining from direct involvement in their management.

(5) Industrial Reconstruction Bank of India (IRBI) (Now Industrial Investment Bank of India (IIBI Ltd.)

The Industrial Reconstruction Bank of India, established on 1 April 1971, was created with an initial authorized capital of 25 crores, issued capital of 10 crores, and a paid-up capital of 5

crores. The ownership was shared among institutions like IDBI, LIC, ICICI, SBI, and various nationalized scheduled banks. To facilitate its operations, the Government of India provided an interest-free loan of 10 crores. This bank had the authority to raise loans and financial resources as needed from the Reserve Bank, Industrial Development Bank, and the capital market.

In August 1984, this institution merged with the newly constituted Industrial Reconstruction Bank of India, a move formalized by a special act. All its assets and liabilities were transferred to this restructured entity, which was later renamed the Industrial Investment Bank of India on 27 March 1997. Since its transformation, the bank has been instrumental in arranging financial resources for the reconstruction and revival of struggling industrial units in the country. Notably, its lending activities have gained momentum since 1997.

Key Achievements:

1. Share Capital: The bank's initial share capital was 200 crores, with a paid-up capital of 65 crores. Over time, both the authorized and paid-up capital have been increased to support its financial activities.

2. Financial Assistance: In addition to providing direct financial aid to ailing industrial units, the bank also engages in purchasing shares and underwriting shares and debentures of such entities. By 1992-93, the bank had already provided substantial financial assistance, totaling 1,429 crores, including support from the erstwhile Industrial Reconstruction Bank of India. Notably, the bank has experienced a remarkable surge in sanctioned and disbursed assistance over the past decade. During 1980-81, sanctioned and paid assistance stood at 18 crores and 17 crores, respectively. By 1992-93, these figures had risen to 294 crores and 184 crores. Further growth was evident in 2000-01, with sanctioned and disbursed assistance reaching 2,102 crores and 1,210 crores, respectively. The outstanding loan amount reached 2,733 crores, and in 2003-04, the bank sanctioned approximately 2,412 crores and disbursed 2,252 crores in assistance.

Evaluation: While the bank has disbursed a significant amount, totaling 2,544 crores, for the revival of industries, it is recognized that this sum has been insufficient, and the pace of revival has been slow. Nevertheless, it is acknowledged that the bank has played a crucial role in rescuing industries on the brink of closure. Since its reconstitution as the Industrial Investment Bank of India in 1997, the institution's financial assistance has been on a rapid upward trajectory.

(6) Small Industries Development Bank of India - SIDBI

1. Established in 1989 as an associate financial institution.
2. Began operations on April 2, 1990.
3. Refinancing of loans and advances.
4. Payment and repayment of bills.
5. Providing liberal loans and direct assistance.
6. Refinancing of loans through intermediaries.
7. Supporting the establishment of marketing channels.
8. Initiating technological improvements and modernization in existing industrial units.
9. Approved total financial assistance of 66,227 crores up to 2000-01.

10. Disbursed approximately 46,400 crores to support small businesses.
11. Introduced flexible assistance schemes in 1990-91.
12. Increased maximum limit for term loans under the auto-refinancing scheme from 7.5 lakh to 10 lakh.
13. Assisted in setting up marketing channels for efficient product sales.
14. Invested in technological improvements and modernization of existing industrial units.
15. Outstanding loans amounted to 14,108 crores as of 2000-01.
16. Approved financial assistance of about 11,942 crores in 2005-06.
17. Disbursements totaled around 9,050 crores during this period.
18. In 2011-12, sanctioned financial assistance amounted to 43,340 crores.
19. Disbursements reached 41,812 crores during this fiscal year.
20. Played a significant role in providing both financial and non-financial support for the development of small industries in India.

(7) State Finance Corporations - SFCS

1. The State Finance Corporation Act, passed by the Central Government in 1981, aimed at providing vital financial support to small and medium industries.
2. The initiative led to the establishment of State Finance Corporations (SFCs) across various states, with Punjab hosting the first SFC in 1953.
3. SFCs were set up to cater specifically to the financial needs of small and medium-sized industries.
4. Currently, 18 active State Finance Corporations operate throughout India.
5. Initially, SFCs could have a share capital between 50 lakh to 5 crore; later, this range was increased to 1 crore to 10 crore and eventually to 50 crore.
6. SFCs raise their share capital from entities like Reserve Bank, Industrial Development Bank, LIC, State Governments, and other financial institutions.
7. These corporations also utilize debentures, accept public deposits, and secure loans from Reserve Bank, State Government, and Industrial Development Bank to augment their financial resources.
8. Additionally, SFCs accumulate funds from their reserve funds, enhancing their financial capabilities.
9. SFCs play a crucial role in boosting the industrial sector, especially small and medium-sized enterprises, by providing them with the necessary financial backing.
10. Through their various financial instruments and resources, SFCs empower local industries, driving economic growth and employment opportunities within the regions they serve.

Conclusion:

State Finance Corporations, established under the State Finance Corporation Act of 1981, have significantly contributed to the growth of small and medium-sized industries in India. Their ability to raise capital from diverse sources and provide tailored financial solutions has made them

Q.15 Describe the Causes of Inadequacy of Industrial Finance in India and Suggestions for Improvement.

India's industrial finance sector faces significant challenges hindering its growth despite efforts to strengthen institutional financial systems post-independence.

Limited resources and various socioeconomic factors contribute to the inadequacy of industrial finance.

Challenges:

1. Low Levels of Income and Savings: Poverty leads to low savings rates, with India's savings at 22-23% of national income compared to 40% in Japan. Promoting savings through education, incentives, and government policies is essential.
2. Lack of Venture Capital: Investors often prefer safe options like land, avoiding riskier ventures. Encouraging investment in industries through education, incentives, and restrictions on unproductive investments is crucial.
3. Underdeveloped Capital and Money Markets: India lacks organized capital and money markets, limiting financial resources. The Reserve Bank needs to enhance and energize these markets considering the country's vast size and financial needs.
4. Limited Industrial Banks: Existing industrial banks have limited resources and narrow approaches. Expansion and specialization of industrial banks can provide more effective financial support.
5. Absence of Underwriting Houses: India lacks a robust underwriting system for shares and debentures. Establishing dedicated underwriting houses can facilitate better underwriting activities.
6. Slow Development of Commercial Banks: The slow progress of commercial banks limits available resources. Efforts to further expand banking facilities are necessary even after nationalization.
7. Faulty Taxation Policy: Heavy taxation hampers capital accumulation and investment in industries. Government policies should encourage investments by formulating favorable taxation policies.
8. Fear of Nationalization: Fear of nationalization deters investors and industrialists. The government must assure investors of fair compensation and create a trustworthy environment.
9. Lack of Public Trust: Past industry failures and fraudulent activities erode public trust. Honest management practices and efforts to regain public confidence are vital.

Conclusion:

By addressing these challenges, India's industrial finance system can become stronger, fostering industrial development and contributing significantly to the nation's economic growth.

Additionally, in rural areas, farmers, artisans, and small entrepreneurs need accessible finance to support their activities, necessitating effective financial solutions.

Q.16 Write a short note on Concept of Rural Finance and its important.

Rural finance means providing money to people living in rural areas for different needs like buying seeds, fertilizers, and tools for farming, building wells, drains, or houses. This financial help comes in three types:

(i) Short Term Finance: It's for a few months up to a year and helps farmers buy things like seeds and tools. Small business owners also use it for their everyday needs.

(ii) Medium Term Finance: This type of finance lasts from a year to a few years. It's used for things like improving land, buying small tools, or vehicles for transportation.

(iii) Long Term Finance: This finance lasts for many years, up to two decades. People use it for big things like buying land, building wells, or getting expensive farming tools.

Rural Finance is Important:

People in rural areas often don't have enough money to meet their needs. They need financial help to buy essential things for farming and daily life. Short-term money is needed for immediate needs like seeds and tools. Medium-term funds help with bigger purchases, and long-term money is essential for significant things like land and permanent improvements. Rural finance is crucial for the development and well-being of people in rural communities.

Main Sources of Rural Finance in Rajasthan

In rural Rajasthan, people get money from different places to meet their financial needs:

(A) Private Finance: Some individuals in rural areas lend money, including local money lenders, business agents, and relatives.

(B) Institutional Finance: There are organized institutions that provide money, like co-operative societies, banks, and organizations such as NABARD. These institutions offer financial assistance to farmers and locals.

(C) Government Finance: In the past, the government used to directly provide loans to farmers, but this practice has reduced. However, the government still indirectly helps by making sure there are organizations and banks that can provide financial support to people in rural areas.

In Rajasthan, rural credit comes from different sources:

(A) Private Persons:

1. Rural Moneylenders: People in rural areas borrow money from local lenders.
2. Zamindars: Landowners also provide financial assistance.
3. Relations: Borrowing from relatives is a common practice.
4. Saraf: Local financiers who offer financial help.

(B) Institutional Finance:

1. Co-operative Societies: Organizations where members pool their resources to provide loans to each other.
2. Land Development Banks: Institutions that focus on funding agricultural and land development projects.
3. Commercial Banks: Mainstream banks that offer financial services to rural communities.
4. Regional Rural Banks: Banks specifically established to cater to rural areas.
5. NABARD (National Bank for Agriculture and Rural Development) for Refinance: NABARD provides funds to other financial institutions, ensuring a steady flow of credit to rural regions.

(C) Taccavi Loans and Government Assistance:

The government provides loans and financial support directly to farmers and locals through taccavi loans and various assistance programs.

In Rajasthan, rural finance is sourced from different avenues, each with its own characteristics:

1. Private Finance:

Costly: Loans from private individuals are expensive, with high-interest rates and penalties for delayed repayment.

Uncertain and Short-Term: Availability is uncertain, and these loans are often inadequate and short-term.

2. Institutional Credit/Finance:

Co-operative Societies: Operating at the village, district, and state levels, co-operative societies offer short-term and medium-term finance.

Land Development Banks: Central and state-level Land Development Banks provide long-term loans for agricultural purposes.

3. Regional Rural Banks: Sponsored by commercial banks, these banks provide short-term and medium-term loans in rural areas of Rajasthan and other states.
4. Commercial Banks: Through their rural branches, commercial banks offer short-term and medium-term loans.
5. NABARD (National Bank for Agriculture and Rural Development): Apex Institution: NABARD acts as the apex institution for rural finance.
Refinancing: Instead of providing direct loans, NABARD refinances the loans given by co-operative banks, commercial banks, and regional rural banks.

Challenges in Rural Finance and Potential Solutions

1. **Exploitative Private Financing:** Rural areas often rely on costly private moneylenders, leading to exploitation and financial distress for borrowers. Implementing regulations and creating awareness can curb exploitative practices.

2. **Inadequate Funding:** Rural communities face a significant gap between the available funds and their actual needs. Increased government allocation and financial literacy programs can bridge this gap.
3. **High Interest Rates:** Exorbitant interest rates burden rural borrowers, making repayment challenging. Implementing interest rate caps and promoting microfinance initiatives with reasonable rates can alleviate this problem.
4. **Delayed Loan Processing:** Obtaining loans from cooperatives and financial institutions in rural areas is marred by complicated procedures and delays. Streamlining processes, digitalizing applications, and offering training to local staff can expedite loan disbursements.
5. **Corruption and Bias:** Corruption seeps into rural finance systems, leading to unfair practices. Transparency, regular audits, and stringent penalties for corrupt practices can curb corruption and promote fairness.
6. **Limited Institutional Support:** Rural banking institutions are underdeveloped, resulting in insufficient financial resources. Expanding the reach of banking services through mobile banking and establishing more bank branches can enhance accessibility.
7. **Lack of Financial Literacy:** Many rural residents lack awareness about formal financial services. Educational initiatives and workshops on financial management can empower them to make informed financial decisions.
8. **Inadequate Insurance Coverage:** Rural communities often lack insurance coverage, leaving them vulnerable to economic shocks. Promoting crop insurance and livestock coverage can safeguard their livelihoods.
9. **Insufficient Government Initiatives:** Government schemes sometimes fall short of addressing the diverse financial needs of rural populations. Regular assessments and tailored initiatives for different sectors can enhance the effectiveness of government programs.
10. **Limited Technology Integration:** Rural areas often lack access to digital banking and online financial services. Promoting digital literacy and introducing user-friendly mobile banking apps can enhance their financial inclusion.
11. **Encouraging Entrepreneurship:** Supporting local entrepreneurship can create economic opportunities, reducing dependency on loans. Providing training, access to markets, and micro-enterprise loans can foster entrepreneurship in rural areas.
12. **Promoting Self-Help Groups:** Encouraging the formation of self-help groups can empower rural communities. These groups can pool resources, provide mutual support, and access microloans collectively, fostering financial independence.

Previous Year Papers

B.Com. (Part-II), Examination, 2023

UNIT-1

Explain clearly Basic features of Indian Economy

OR

Discuss the important factors effecting Economic Environment

UNIT-II

Discuss briefly problems of Rajasthan Economy.

OR

Discuss the objectives of Economic planning in Rajasthan

UNIT-III

Discuss Agriculture policy of Rajasthan.

OR

Discuss major schemes for Agriculture sector in Rajasthan,

UNIT-IV

4. Write the available infrastructure development for the Economic Development in Rajasthan

OR

Discuss main Tourist Places in Rajasthan.

UNIT-V

Explain problems and prospects of Rural Finance in Rajasthan.

OR

Explain role of cottage and small industries in Rajasthan.

B.Com. (Part-II), Examination, 2022

UNIT-I

Define Economic Environment. Discuss the important factors effecting Economic Environment.

OR

Write a detail note on "New Agriculture Strategy".

UNIT-II

Discuss the need and objectives of Economic Planning in Rajasthan.

OR

What are the main Constraints in the Economic Development of Rajasthan? How it can be removed?

UNIT-III

Discuss the major schemes of Agriculture development operated in Rajasthan.

OR

Write a detail note on "National Agriculture Price Policy-2000".

UNIT-IV

Define Infrastructure. Write the available infrastructure development for the Economic Development of Rajasthan.

OR

Write a detail note on Social Infrastructure Education, Health in Rajasthan.

UNIT-V

Write main problems of small scale industries in Rajasthan. Give suggestions to solve these problems.

OR

Explain main sources of Rural Finance in Rajasthan.

B. Com. (Hons.) (Part-II) Examination, 2021

UNIT-I

What do you understand by economic environment? Discuss the factors affecting economic environment.

Or

Describe the basic features of Indian Economy.

UNIT-II

Discuss the causes of increasing unemployment in Rajasthan and describe the efforts made by the Government to remove unemployment.

Or

Write short notes on:

- (1) Human Development Index.
- (2) Rural Development Programmes.

UNIT-III

Critically examine the "New Agriculture Strategy" in Rajasthan.

Or

Write short notes on:

- Sources of agriculture finance in Rajasthan.
- Minimum Support Price

UNIT-IV

What do you mean by infrastructure? Write a note on road development in Rajasthan.

Or

Discuss the problems and prospects of tourism development in Rajasthan.

UNIT-V

Write an essay on the Industrial Policy of Rajasthan.

Or

Write short notes on:

- (i) Importance of small and cottage industries in Rajasthan.
- (ii) Main sources of rural finance.