

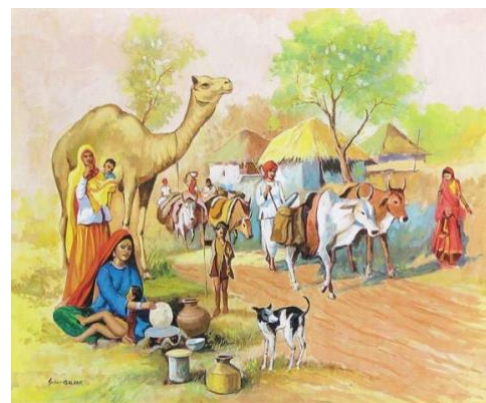
SOCIAL STUDIES (ECONOMICS)
CHAPTER-1: THE STORY OF VILLAGE PALAMPUR
(Notes; Version 3.0; Updated on 27.04.24)

GLOSSARY AND IMPORTANT INFORMATION

Land:	It is a factor of production that is used for cultivation or construction.
Labour:	Labour is another important factor of production. It means human exertion.
Capital:	It is a wealth other than land which is used for production of wealth.
Production process:	Organizing and utilizing the factors of production for the production of goods and services is known as production process.
Production:	Production is the creation of value in a commodity e.g. manufacturing of a car from steel.
Working capital:	It includes the consumable factors of production which are used up in the production process. Raw material and money in hand are called working capital.
Fixed capital:	Tools, machines, buildings can be used in production over many years. These factors of production are called fixed capital.
Factors of production:	The essential elements which cooperate with one another in process of production.
Human capital:	Manpower used in the production to produce an output either to use for self consumption or to sell in a market.
Multiple cropping:	To grow more than one crop on a piece of land during the year in known as multiple cropping.
Yield:	It is measured as crop produced on a given piece of land during a single season.
Non farm activities:	It refers to the activities in a village other than farming. This includes activities like manufacturing, transportation, shop keeping etc.
Green Revolution:	The large increase in agriculture production after 1976 due to adoption of new Agricultural strategy which implied a simultaneous use of better and modern agriculture inputs.

A. INTRODUCTION

- (i) In Palampur, farming is the main activity. Several other activities such as small-scale manufacturing, dairy transport etc. are also carried out. In these production activities various resources combine to produce the desired goods and services.
- (ii) Palampur is well connected with neighboring villages and towns. An all weather road connects



the village to Raiganj and further to the nearest small town through many kinds of transport such as bullock carts, tongas, bogeys, motorcycles, jeeps, tractors and trucks.

- (iii) Palampur has about 450 families belonging to several different castes. 80 families of upper caste own the majority of land. Their houses are quite large and made of brick with cement plastering. The SCs (dalits) comprise one third of the population and live in one corner of the village and in such smaller houses, some of which are of mud and straw.
- (iv) Most of the houses have electric connections. Electricity powers all the tubewells in the fields. Electricity is also used in various types of small business. Palampur has two primary schools and one high school. There is a primary health centre run by the government and one private dispensary.

B. ORGANIZATIONAL PRODUCTION (FACTORS OF PRODUCTION)

Every production is organized by combining land, labour, physical capital and human capital, which are known as factors of production. These are:

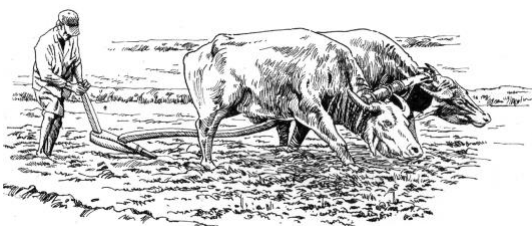
- (i) First requirement is **land and other natural resources** such as water, forests and minerals.
- (ii) Second requirement is **labour**. Some production activities require highly educated workers, other activities required workers who can do manual work.
- (iii) Third requirement is **physical capital**, i.e. the variety of inputs required at every stage during production. Tools, machines, buildings can be used in production over many years, and are called fixed capital. Raw materials and money in hand are called working capital; these are used up in production.
- (iv) The fourth requirement is knowledge and enterprise to be able to put together land, labor and physical capital and produce an output. Today, it is called as **human capital**.



C. FARMING IN PALAMPUR

3.1 Land & Natural Resources

- (i) **Fixed land:** Farming is the main production activity in Palampur. 75% of the working people are dependent on farming for their livelihood. Since 1960 in Palampur, there has been no expansion in land area under cultivation. By then, some of the wastelands in the village had been converted to cultivable land. There exists no further scope to increase farm production by bringing new land under cultivation.



- (ii) **Ways to produce more from the same land:** Entire land is cultivated in

Palampur resulted into no idle land. During the rainy (kharif) season, people grow jowar and bajra, which are used as cattle feed. Between October to December they cultivate potatoes. In the winter (or the Rabi) season they sow wheat, a part of the land

area is also devoted to sugarcane, which is harvested once every year. The main reasons why farmers are able to grow three different crops in a year are:

- a) As a result of the availability of electricity in the Palampur village, people have greatly improved the system of irrigation. They can now irrigate more lands quite effectively.
- b) Tubewells were first installed by the government but soon people were able to set up their own tubewells.
- c) Multiple cropping method allows farmers to grow more than one crop on a piece of land during the same year. All farmers in Palampur grow at least two main crops; many are growing potato as the third crop.

MULTIPLE CROPPING

Multiple crops (more than one) grown on the same piece of land in accordance with the season and usability.



MODERN FARMING METHODS & TECHNIQUES

Modern methods to increase the farm production like HYV seeds, chemical fertilizers, pesticides etc.



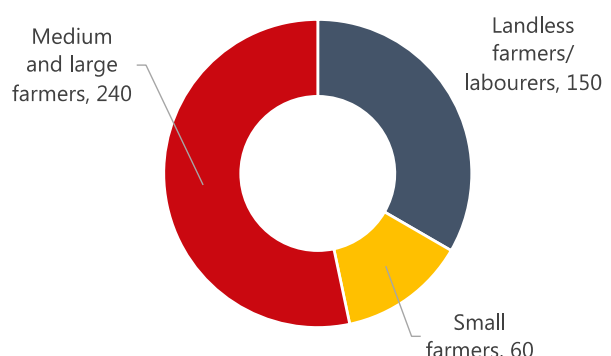
- d) The other way is to use modern farming methods for higher yield. Higher yields are possible from a combination of HYV (High Yield Variety) seeds, irrigation, chemical fertilizers, pesticides etc.

(iii) Sustainable use of land:

- a) Land being a natural resource, it is necessary to be very careful in its use. The modern farming methods have overused the land resource.
- b) Green Revolution is associated with the loss of soil fertility due to increased use of chemical fertilizers.
- c) Continuous use of groundwater for tube well irrigation has reduced the water table below the ground.
- d) Environmental resources like soil fertility and groundwater are built up over many years. Once destroyed, it is very difficult to restore them.

(iv) Distribution of land between the farmers of Palampur:

- a) Not all the people engaged in agriculture have sufficient land for cultivation.
- b) In Palampur, about one third of the 450 families are landless, i.e. 150 families, most of them dalits, have no land for cultivation.
- c) Of the remaining families who own land, 240 families cultivate

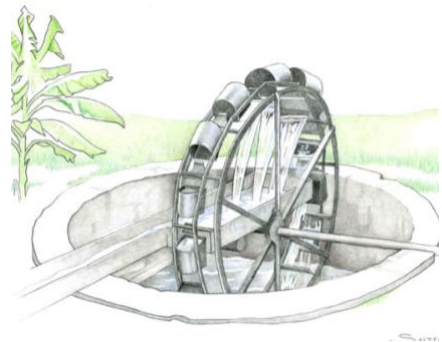


small plots of land less than 2 hectares in size.

- d) In Palampur, there are 60 families of medium and large farmers who cultivate more than 2 hectares of land. A few of the large farmers have land extending over 10 hectares or more.
- (v) **Green Revolution:** Significant increase in the production of foodgrain crops, especially the wheat crop, in India during the 30 years period (1960-1980) is called Green Revolution. Agricultural revolution led to enormous production of food grains and unprecedented greenery of crops everywhere. The period 1960 to 1980 is also called 'golden era' for the record food grains production. It is because of the green revolution that our country has become self sufficient in foodgrains production and even buffer stocks of food grains had been created for use in the times of natural calamities like drought and floods.

(vi) **How electricity helped the farmers in Palampur?**

- a) The major impact of the spread of electricity in Palampur was to transform the system of irrigation.
- b) Electricity helped the farmers to shift from the traditional Persian wheels to electricity run tube wells.
- c) The irrigation capacity of electricity run tube wells is much more than that of the Persian wheels.
- d) It helped them transforming all social norms of life by bringing whole society from darkness to light.



3.2 Labour

(vii) **Who will provide the labour?**

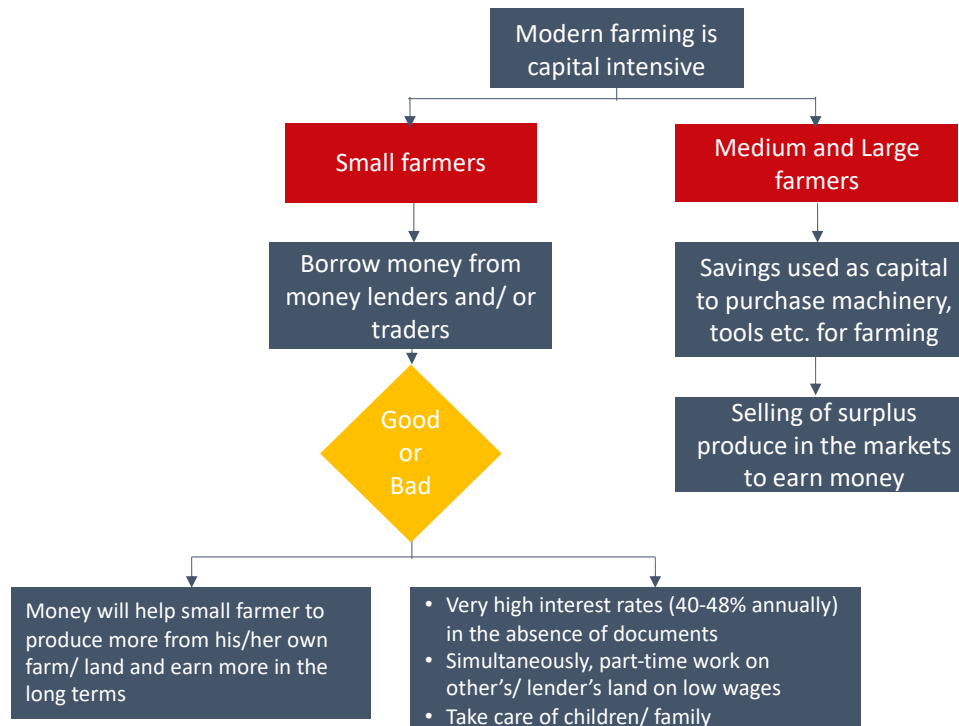
- a) Farming requires a great deal of hard work. Small farmers along with their families, cultivate their own fields. Thus, they provide the labour required for farming themselves. Medium and large farmers hire farm labourers to work on their fields.
- b) Farm labourers come either from landless families cultivating small plots of land. Unlike farmers, farm labourers do not have a right over the crops grown on the land. Instead, they are paid wages by the farmer for whom they work. Wages can be in cash or in kind of crop. Sometimes labourers get meals also. Wages vary widely from region to region, from crop to crop, from one farm activity to another (like sowing and harvesting). There is also a wide variation in the duration of employment. A farm labourer might be employed on a daily basis, or for one particular farm activity like harvesting, or for the whole year.



3.3 Physical Capital

(viii) **The capital needed in farming:**

- a) Most small farmers have to borrow money to arrange for the capital. They borrow from large farmers or the village moneylenders or the traders who supply various inputs for cultivation. The rate of interest on such loans is very high. They are put to great distress to repay the loan.
- b) In contrast to the small farmers, the medium and large farmers have their own savings from farming. They are thus able to arrange for the capital needed.



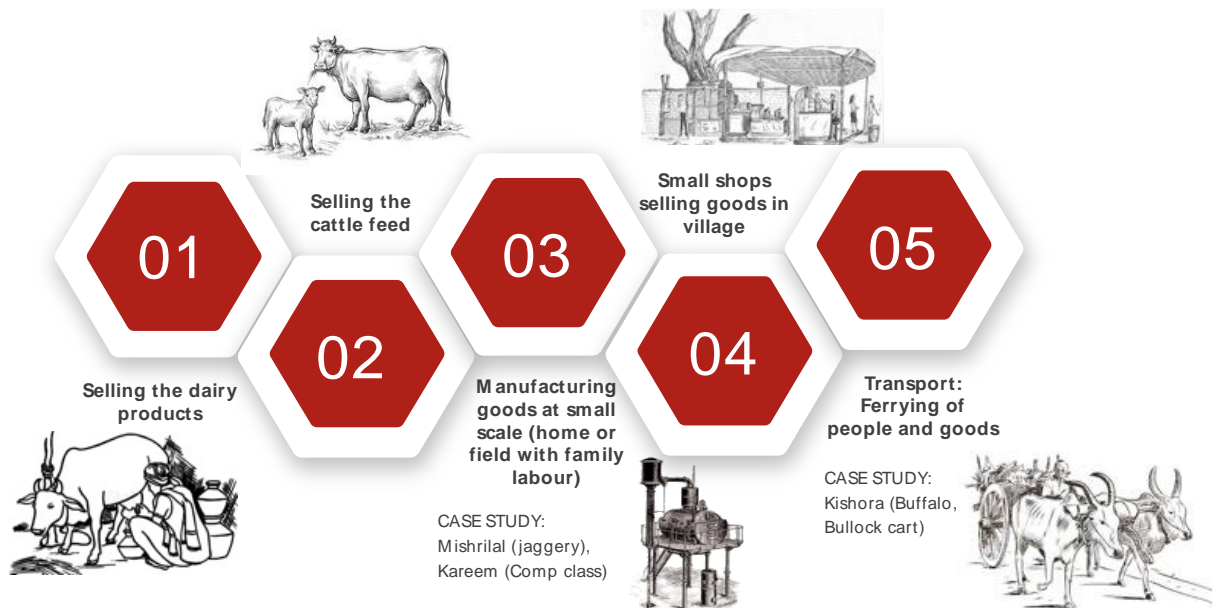
(ix) Sale of Surplus Farm Products:

- a) Small farmers have little surplus because their total production is small and from this a substantial share is kept for their own family needs. So, it is the medium and large farmers who supply wheat to the market.
- b) Large and medium farmers sell the surplus farm products. A part of the earnings is saved and kept for buying capital for the next season. Thus, they are able to arrange for the capital for farming from their own savings. Some farmers might also use the savings to buy cattle, trucks, or to set up shops.

D. NON-FARMING ACTIVITIES IN PALAMPUR

- a) **Dairy:** Dairy is a common activity in many families of Palampur. People feed their buffalos on various kinds of grass and the jowar and bajra that grow during the kharif season. The milk is sold in Raiganj, the nearby large village. Two traders from Shahpur town have set up collection cum chilling centers at Raiganj from where the milk is transported to far away towns and cities.
- b) **Small scale manufacturing in Palampur:** Less than 50 people are engaged in manufacturing in Palampur unlike the manufacturing that takes place in the big factories in the big towns and cities, manufacturing in Palampur involves very simple production methods and are done on a small scale. They are carried out mostly at home or in the fields with the help of family labor.

- c) **The shopkeepers of Palampur:** People involved in trade (exchange of goods) are not many in Palampur. The traders of Palampur are shopkeepers who buy various goods from wholesale markets in the cities and sell them in the village. There are a few small general stores in the village selling a wide range of items like rice, wheat, sugar, tea, oil, biscuits, soap, toothpastes, batteries, candies, notebooks, pen, pencil and even some cloth.



- d) **Transport:** There are a variety of vehicles on the road connecting Palampur to Raiganj. Rickshawallahs, tongawallahs, jeep, tractor, truck drivers and people driving the traditional bullock cart and bogey are people in the transport services. They ferry people and goods from one place to another, and in return get paid for it.