

CBSE Class 9 Social Science Economics Notes

Chapter 1 - The Story of Village Palampur

Agriculture is the most important sector of Indian Economy. The Indian agriculture sector accounts for 18 per cent of India's gross domestic product (GDP) and employs 50% of the country's workforce. India is the world's largest producer of pulses, rice, wheat, spices and spice products. CBSE Class 9 Social Science Chapter 1 - The Story of Village Palampur discusses topics related to the organisation of production, labour work, capital, crops production, transport, etc. All these topics are covered in our CBSE Class 9 Economics notes of Chapter 1, which are prepared by our subject experts. With these notes, learning Economics can be easy and effective. CBSE Class 9 Social Science Economics notes of Chapter 1 include all crucial concepts that help students to learn the chapter properly.

Overview

Introduction to some basic concepts related to production through a hypothetical village called Palampur where farming is the main activity. The village also has several other activities such as small scale manufacturing, dairy, transport, etc, carried out on a limited scale.

Introduction

Palampur is fairly connected with a well-developed system of roads, transport, electricity, irrigation, schools and health centres. The story of Palampur takes us through the different types of production activities in the village. In India, farming is the main production activity across villages.

Organisation of Production

The main aim of production is to produce goods and services, which require four essential things.

1. Land and other natural resources such as water, forests, minerals.
2. Labour
3. Physical Capital such as tools, machines, buildings, raw materials and money.

A variety of raw materials are required while production, such as the yarn used by the weaver and clay used by the potter. Money is also essential during production and both of them in hand are called working capital. The fourth requirement is knowledge and enterprise to be able to put together land, labour and physical capital and produce an output. Factors of production are combining of land, labour, physical capital and human capital.

Farming in Palampur

1. Land is fixed

For Palampur, village farming is their main production and the wellbeing of these people is related to production on the farms. But, there is a basic constraint in raising farm production. Land area under cultivation is practically fixed.

2. Is there a way one can grow more from the same land?

In the rainy season, Kharif farmers grow jowar and bajra followed by the cultivation of potato between October and December. In winter, farmers grow wheat and a part of the land is devoted to

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sugarcane harvested once every year. Due to well-developed irrigation, farmers can grow three different crops. Electricity transformed the system of irrigation. Multiple cropping means to grow more than one crop on a piece of land. Another way for higher yield is modern farming. In the later 1960s, the Green Revolution introduced the Indian farmer to cultivation of wheat and rice using high yielding varieties (HYVs) of seeds.

3. Will the land sustain?

Modern farming methods have overused the natural resource base. Due to increased use of chemical fertilisers, soil lost its fertility. Natural resources like soil fertility and groundwater are destroyed and it is very difficult to restore them.

4. How is land distributed between the farmers of Palampur?

Land is important for any kind of farming. In Palampur, about one-third of the 450 families are landless. Dalits have no land for cultivation. 240 families cultivate small plots of land less than 2 hectares in size. In Palampur, there are 60 families of medium and large farmers who cultivate more than 2 hectares of land.

5. Who will provide the labour?

Small farmers cultivate their own lands. Medium and large farmers hire labourers to cultivate their fields who come either from landless families or families cultivating small plots of land. Farm labourers will not have any right over the crops grown on the land. They will be paid on wages for their work which can be cash or in-kind e.g. crop. Sometimes labourers get meals also. Wages vary from region to region, crop to crop, one farm activity to another. Farm labourers are employed on a daily basis, or for one particular farm activity like harvesting, or for the whole year.

6. Capital needed in farming

Modern farming methods require a great deal of capital.

1. Most small farmers borrow money 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.

2. The medium and large farmers have their own savings from farming. They are thus able to arrange for the capital needed.

7. Sale of Surplus Farm Products

The wheat the farmers produce from the land is retained in part for their family consumption and they sell the surplus wheat. Only the medium and large farmers supply wheat to the market.

Non-Farm Activities in Palampur

25 per cent of the people working in Palampur are engaged in activities other than agriculture.

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1. Dairy — the other common activity

Other than agriculture, some people are engaged in dairy and the milk is sold in the nearby village.

2. An example of small-scale manufacturing in Palampur

People are engaged in small-scale manufacturing which are carried out at home or in the fields. This manufacturing involves very simple production methods.

3. The shopkeepers of Palampur

Traders of Palampur buy various goods from wholesale markets in the cities and sell them in the village. General stores in the village sell a wide range of items like rice, wheat, sugar, tea, oil, biscuits, soap, toothpaste, batteries, candles, notebooks, pen, pencil, even some cloth.

4. Transport: a fast developing sector

Transport services include rickshaws, tonga, jeep, tractor, truck drivers, traditional bullock cart and bogey. They transport people and goods from one place to another, and in return get paid for it.