

UPSC

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① Discuss the efforts that are required to form collectives and formalization of rural agriculture.

Rural areas forms 70% of manufacturing products, 46% of national income and 2/3rd of total population.

Significance of Rural products

They have high demand in both farm & off-farm based ~~prod~~ commodities.

Issues

1. Decentralised Nature of firms in rural areas
2. Informal supply chains - lack of linking with the markets

Need to revamp

Rural ~~as~~ firms have the potential, but there are certain areas to focus to ~~ret~~ realize & that potential

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Areas of focus:

1. Map the rural firms capable for marketing
infuse skills, technology and improve infrastructure
of logistics to link to the market

2. Capital, bargaining power is not
sufficient among rural firms. They realise only
25-30% of prices. need to link them to
cooperatives for collective bargaining.

3. Most of rural firms are devoid of
~~digital solutions~~ Technology for digital solution.
Government, private sector has to setup
"Technological and quality improvement hubs"

4. Most of rural products are not
value added and lack of storage facilities
Government has to provide incentives to
setup such facilities eg: microfood processing
initiatives

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5. AI based financial mapping of potential areas of ^{formal} financing. Since rural areas don't have bank account, Informal financing - Requirement of finance couldn't be tapped. So need to map them through AI based solutions

6. ^{organized} Business have several forums and hierarchies. Such forums are inactive in rural firms. So need of Self Regulatory organization for upgradation of Rural production ecosystem

7. Rural data base through registering in CSC for e-governance.

8. Skill mapping and National level skilling initiative to infuse skilling in Rural men power.

Addressing these areas through policy making will provide formalisation of collectives and rural agriculture.