

Understanding Minimum Support Price: A Policy Mechanism for Agricultural Stability

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ABSTRACT

The Minimum Support Price (MSP) is a critical policy tool used by governments, particularly in agrarian economies, to stabilize agricultural markets, ensure fair income for farmers, and secure food supply chains. This article explores the concept of MSP, its evolution, economic implications, and the debates surrounding its effectiveness. By examining case studies and empirical data, the paper assesses the impact of MSP on agricultural production, market dynamics, and rural livelihoods.

Keywords: Food security, Environmental, Sustainability, Crucial, Cultivation

Introduction:

Agriculture plays a pivotal role in the economies of many developing countries, not only as a source of food but also as a livelihood for millions of people. However, the sector is often plagued by price volatility, leading to uncertainty in farmers' incomes and threatening food security. The Minimum Support Price (MSP) is a policy instrument designed to mitigate these risks by guaranteeing farmers a minimum price for their produce, regardless of market fluctuations.

Definition and Evolution of MSP

MSP is a pre-announced price at which the government purchases crops from farmers, serving as a safety net. This concept has its roots in post-World War II agricultural policies, where governments sought to stabilize markets and protect farmers from the adverse effects of price crashes. Over time, MSP has evolved into a critical component of agricultural policy in countries like India, where it covers a wide range of crops.

The Economic Rationale Behind MSP

The primary economic rationale for MSP is to protect farmers from the vagaries of the market. Agriculture, particularly in developing countries, is characterized by a high degree of risk due to factors such as unpredictable weather, pest infestations, and market price fluctuations. By setting a floor price, MSP ensures that farmers can cover their production costs and earn a reasonable profit.

Moreover, MSP helps in achieving food security by encouraging farmers to grow essential crops. In many countries, MSP is linked to staple crops like wheat and rice, which are crucial for national food supply. This policy also aims to reduce the migration of rural populations to urban areas by ensuring that farming remains a viable occupation.

Implementation and Impact of MSP

The implementation of MSP involves a complex mechanism where the government, through various agencies, procures crops at the announced price. This system requires substantial infrastructure, including storage facilities, procurement centers, and an efficient distribution network. **Impact on Farmers' Income:** Empirical studies suggest that MSP has a positive impact on farmers' income, particularly for those growing crops covered by the scheme. However, the benefits are not uniformly distributed, with large and medium farmers often gaining more than small and marginal farmers.

Impact on Agricultural Production: MSP influences cropping patterns, often leading to the cultivation of crops that are assured of a minimum price. While this can ensure food security, it can also lead to monoculture, reducing biodiversity and depleting soil nutrients.

Market Distortions: While MSP provides a safety net, it can also lead to market distortions. For instance, if the MSP is set too high, it can lead to overproduction of certain crops, causing a surplus that the market cannot absorb. Conversely, if MSP is set below market prices, it can be ineffective, as farmers may opt to sell their produce at higher market prices.

Challenges and Criticisms of MSP

Despite its objectives, MSP has faced several criticisms and challenges:

1. Exclusion of Small Farmers: Many small and marginal farmers, particularly in remote areas, are unable to access the benefits of MSP due to inadequate infrastructure and lack of awareness.

2. Fiscal Burden: The procurement and storage of crops at MSP can impose a significant fiscal burden on the government, especially when there is overproduction.

3. Environmental Concerns:

The incentivization of certain crops through MSP can lead to environmental degradation, as farmers might overexploit natural resources like water and soil nutrients.

4. Market Inefficiencies: MSP can lead to inefficiencies in the agricultural market, as it may distort supply-demand dynamics and discourage private investment in the sector.

Case Studies:

1. India's MSP Policy: India has one of the most extensive MSP systems, covering 23 crops. The policy has significantly impacted the production of wheat and rice, contributing to the country's food security. However, it has also led to the overproduction of these crops, causing environmental concerns and fiscal strain on the government.

2. MSP in Developed Countries: While MSP is more common in developing countries, some developed countries also use similar mechanisms. For instance, the United States has historically employed price support programs for crops like wheat, corn, and cotton, though these have been gradually phased out in favor of direct subsidies and crop insurance.

Policy Recommendations

To improve the effectiveness of MSP, the

following recommendations are proposed:

1. Targeted Implementation: MSP should be more targeted, focusing on crops and regions where farmers are most vulnerable to market fluctuations.

2. Infrastructure Development: Investing in rural infrastructure, such as storage facilities and transportation, is crucial to ensure that all farmers can benefit from MSP.

3. Environmental Sustainability: MSP policies should be aligned with environmental sustainability goals, encouraging the cultivation of diverse crops and the adoption of sustainable farming practices.

4. Inclusive Policies: Efforts should be made to include small and marginal farmers in the MSP system, ensuring that they are aware of the policy and have access to procurement centers.

Conclusion:

The Minimum Support Price is a vital policy instrument in stabilizing agricultural markets and securing farmers' livelihoods. However, to maximize its benefits and minimize its drawbacks, MSP must be implemented strategically, with a focus on inclusivity, sustainability, and market efficiency. As the global agricultural landscape continues to evolve, so too must the policies that underpin it, ensuring that they remain relevant and effective in addressing the challenges faced by farmers worldwide.

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Factors Affecting Perceived Stress

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ABSTRACT

Stress is our body's response to any kind of demand or threat. It disturbs the equilibrium of our body. This paper aims to highlight the role of perceived Stress in Working Women's well-being. It is a descriptive study based on review articles. Stress may be of two types- Actual stress and perceived stress. Perceived stress means how an individual feels and thinks about the general stressfulness of their life and their ability to handle such stress. It is a person's evaluation of his/her environment as threatening and overwhelming. It may be affected by Person's confidence to deal with the problem, personality, coping resources, and social support. The perception of how self-effective the person is in coping with demands from the external environment and the perception of helplessness and lack of control when facing stress also affects perceived stress. Married working women face more perceived stress than unmarried working women. One explanation may be that In Indian culture after marriage bride leaves her parent's house and lives with her husband in his house. Adjusting to a new family is quite challenging and stress-producing. Another probable explanation may be the responsibilities associated with marriage. Married working women have to look after their children, husbands, elderly in-laws, and other family members and do domestic work. At the same time, they also have to pay attention to their office work. The education level of a person has been found to be associated with perceived stress. It is concluded that perceived stress is a complex concept that affects a person's well-being.

Keywords: Stress, Actual Stress, Perceived Stress, working women and Well-being.

Introduction:

The term Stress originated from the Latin word "stringers", meaning "to bind tight". Stress is our body's response to any kind of demand or threat. It disturbs the equilibrium of our body. It produces physical, behavioural, cognitive, and emotional Symptoms. There are two types of stress: eustress and distress Eustress is good. It improves our performance and motivates us. It arises from enjoyable events, for example- attending a party. While distress is bad. It arises from overwhelming demand, losses or threats, for example- loss in business. It deteriorates performance and produces unpleasant feelings. Stressors are the events that produce stress. Stressors may be real or imaginary. It plays an important role in health and illness (Vibe et al., 2012). Hans Selye (1956) gave the concept of the response model of

stress. The way we deal with the stress is called coping. There are two types of coping: emotion-focused coping and problem-focused coping. (Lazarus & Folkman, 1984). In problem-focused coping person tries to fix the problem itself. While in emotion-focused coping try to fix emotions that arise from stressful situations, like- Anger, anxiety, fear, frustration, depression etc. Stress is linked to various health problems and illnesses, including cancer, diabetes, cardiovascular disease, asthma, and rheumatoid arthritis((Cohen, Janicki-Deverts, & Miller, 2007; Johnson, Perry, & Rozensky, 2002). It releases certain hormones in the body. Hans Selye gave the concept of General Adaptation Syndrome (GAS) in 1978. It is a set of Physiological changes that take place in all the organisms in response to

stress. GAS has three phases. The first phase is the Alarm stage. Here the body prepares itself for immediate action by stimulating the sympathetic nervous system. Arousal of the sympathetic nervous system releases hormones that prepare the body to face stress. If stress continues then the second stage, the resistance stage begins. Here our body uses all the available resources to cope with the stress. Continuous exposure of the same stressor or different stressors leads to the third stage, exhaustion. Here body's ability to resist the stressor weakens and susceptibility to illness increases. In severe cases, prolonged exposure to stress may result in death (Baron)

It may be of two types- Actual stress or perceived stress. Actual stress arises in the present moment. It is the normal reaction of a person to everyday pressures. For example- Money loss, failure, health issues, etc. Perceived stress means how an individual feels and thinks about the general stressfulness of their life and their ability to handle such stress. It is a person's evaluation of his/her environment as threatening and overwhelming. It may also be defined as the feeling or thought that a person is experiencing at a given point of time (Phillips, 2012). It may be affected by Person's confidence to deal with the problem, personality, coping resources, and social support (Phillip, 2013). There may be individual differences in perceived stress because a person may experience high perceived stress in a particular situation while another person may experience low perceived stress in the same situation.

Perceived stress is a psychological state that exerts influence on a person's cognitive ability (Potter et al., 2009). It has been found that there is an association between perceived stress and increased stroke and depression (Booth et al., 2015, Maiden et al., 2014). The Severity of perceived stress depend on the individual's coping skill (Walton). It affects a person's well-being (Rai et al., 2021). Married working women have more perceived stress as compared to unmarried working women (Rai et al., 2021). Perceived stress is related to the self-efficacy and workload of an individual (Al-Sowygh, 2013). It also affects Physical, Psychological and Social health (Tung et al., 2014).

Perceived Stress and Women

Women experience more perceived stress as compared to men. Studies have found that married working women experience more perceived stress than unmarried working women (Rai et al., 2021). No significant difference was found in relation to the job sector. Women working in both public and private sectors experienced perceived stress. While unmarried women experience low levels of perceived stress. One explanation may be that In Indian culture after marriage bride leaves her parent's house and lives with her husband in his house. Adjusting in a new family is quite challenging and stress-producing. Another probable explanation may be the responsibilities associated with marriage. Married working women have to look after their children, husbands, elderly in-laws, and other family members and do domestic work. At the same time, they also have to pay attention to their office work. Women whose husbands were employed reported low levels of perceived stress as compared to women whose husbands were unemployed (Eseigbe et al., 2023).

Perceived Stress and Mental Health

Perceived stress also affects the mental functioning of a person and also causes psychiatric problems. It is an important risk factor for poor mental health (Bovier et al., 2002) It adversely affects concentration orientation and memory. Perceived stress was found to have a negative correlation with positive affect. It means those individuals who experience high perceived stress experience low levels of positive affect (Pieh et al., 2020; Salari et al., 2020; Huang and Zhao, 2021; Acoba, 2024). Reduction in perceived stress levels results in less negative feelings of anxiety, and depression (Whoqol Group, 1995). Perceived stress might be predictor of depression (Wang et al., 2019)

Perceived Stress and Physical Health

Several studies have found that perceived stress affects the physical health of a person. People who experience perceived stress are more susceptible to the common cold, asthma, diabetes, cardiovascular disease and rheumatoid arthritis (McEwen, 2006). A high level of perceived stress is linked to metabolic disorders (Eisenmann, 2003). High perceived stress negatively affects the physical fitness of a person.

Increased perceived stress results in decreased strength and endurance (Kaur & Agarwal, 2022).

Factors Affecting Perceived Stress

Social Support

Social support may be defined as the perception or experience that one is loved and cared for by another person (Wills, 1991). It may involve receiving advice, instrumental support, and emotional support from others (Linley and Joseph, 2004). The stress and coping theory (Lazarus and Folkman, 1984) emphasizes the important role played by social support in perceiving and handling stress. Social support acts as a resource which is likely to reduce perceived stress.

Gender

Several studies have found gender differences in the stress perceived. Females have high perceived stress levels as compared to males (Vangara et al., 2022; Graves et al., 2021 and Deatherage et al., 2014).

Education level

The education level of a person also affects his/her perceived stress level. A higher educational level was found to be associated with high perceived stress. This is because due to high job demand and increased job responsibilities (Esieigbe et al., 2023).

Personality

Personality may be explained as one's way to, perceive and think about the environment and oneself. There are certain personality traits which are linked to perceived stress. Studies have found that neuroticism is associated with perceived stress (Vangara et al., 2022; Ormel et al., 2013 & Lahey, 2009). Perceived stress has a negative correlation with extraversion (Vangara et al., 2022). Agreeableness and Conscientiousness have a negative correlation with perceived stress.

Family

Perceived stress is also affected by the nature of the family that one belongs to – Nuclear or Joint family. A study reported that living separated from children and other family members in old age increases the perceived stress level (Prakash and Kumar, 2019).

Management of Perceived stress

There are several Psychological techniques

which can help reduce Perceived stress like Activity Scheduling (maintaining daily routine activities and keeping oneself busy), Distraction techniques, Relaxation techniques, Deep breathing exercises, Replacing negative thoughts with positive thoughts and by developing hobbies.

Conclusion:

Perceived stress is a complex concept that affects a person's well-being. Perceived stress makes a person more sensitive to negative events. A person with high perceived stress is less adaptive. Such people have less mature reactions and have poor decision-making capacity. Perceived stress decreases emotional stability of the individual that affects his or her psychological well-being.

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