Sub-theme 2: Policies Pertaining to Agrarian Structure and Agrarian Institutions

RAPPORTEUR'S REPORT ON LAND REFORMS

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On the theme of Land Reforms, ten papers have been accepted for discussion. The selected papers can be classified into three categories:

1. Papers dealing with the agrarian scene and the question of land reforms at an all-India level and raising general issues of all-India significance.
2. Papers pertaining to the agrarian situation and the issues of land reforms policy and implementation with reference to a particular State.
3. Papers dealing with a particular aspect of the agrarian question and of the land reforms programme at the level of a particular district/area/village or with reference to a particular section of agrarian society.

I. Papers belonging to the first category are as follows:
   1. T. Haque: Towards an Appropriate Land Reform Policy.
   2. R. V. Dadibhavi: Changing Agrarian Structure and Productivity in India.

II. Papers belonging to the second category are:


III. Papers belonging to the third category are:


ISSUES FOR DISCUSSION

The four papers in the first category analyse the recent changes in the Indian agrarian structure. The implications of these change for future direction of land reforms is also indicated or suggested but not analysed in depth or in a comprehensive manner. The main ideas and findings of these papers can be summed up as follows:

(i) A comparison of the pattern of distribution of the owned and operational holdings at three points of time shows that the inequalities in the distribution of land specially as between the top and middle classes and the bottom size classes

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still persist; and that there is also a tendency towards the multiplication of small and marginal holdings; and that despite the decline in the overall average size of holdings, a wide inequality exists between the average size of marginal and small holdings which is very low and of the large farms which is high. Again, the pattern of distribution of leased-in land shows that a very large proportion of small and marginal holders are leasing out land to middle sized and large farmers.

(ii) The major feature of the agrarian situation is the emergence of a ‘dualistic agrarian structure’. Such dualism implies an extensive type of farming in the large farm sector based on under-utilisation of land and labour. If the large farm sector has surplus not intensively utilised because of shortage of family labour and the propensity to economise on labour, the small and marginal farm sector has surplus of labour which is not fully utilised because of land scarcity in family farms. This lack of fit between land and labour under the dualistic agrarian structure results in under-utilisation of the growth potential.

(iii) The authors have not fully thought out the implications of this dualistic existing agrarian structure and agrarian trends for land reforms policy. One of the authors, however, has favoured land redistribution through drastic lowering of land ceilings.

In this view, “even if the ceiling is uniformly fixed at 4 hectares of land and the surplus lands are effectively redistributed among marginal farmers, the average size of marginal holdings would increase to 1.27 hectares in the country as a whole.” Further, “such radical redistribution of land by lowering the existing ceilings in various regions would go a long way in containing rural tensions which are likely to grow out of the barrels of poverty-stricken albeit unequal agrarian structure.” This observation regarding the possibilities of land redistribution as a means of achieving economic viability of marginal holdings needs serious discussion as it is questioned by many distinguished economists.

(iv) The issue of disabilities of small and marginal farmers from the point of their participation in growth through application of new technology has led the author to raise the issue of other types of institutional reforms.

It has been suggested that small/marginal farmers not only suffer from unequal access to input supplies and services including lack of access to benefits from modern innovations. What is required therefore is not only a package of poor farmer-oriented land reforms but also the strengthening of institutional support to poverty-stricken small/marginal farm sector in a big way in terms of supply of inputs and services. It is strongly felt that new technology will further reinforce and accentuate dualism created by the inequitarian agrarian structure if this dualism is not effectively neutralised by land reforms, on the one hand, and other types of institutional changes favouring the small/marginal farm sector, on the other.

The basic issue here is of exploring how far the access of small and marginal farmers to supply of inputs and services can be improved without improving their access to land. The unequal agrarian society has imposed a power balance very much unfavourable to the small and marginal farmers. In this context land reforms is also an instrument of changing the power balance and the organisational/administrative structure in favour of the poor. This issue of the relation between land and power and land reforms and political change is often ignored by economists.
II. Papers in the second category which deal with regional agrarian situation and problems contribute the following points to the debate:

(i) One of the papers deals with the condition of new land allottees under the land ceiling Act in Punjab. The paper shows how land given to the allottees was of a very poor quality; it was too small in size to permit the use of improved technology and also suffered from lack of access to credit and other facilities. No wonder it had no positive impact on either productivity or employment. The implication of the paper is that such an inequitable pattern of land allotment resulting in inefficient land utilisation is the best way to discredit land reforms. The scheme for allotment should have had in-built supporting provisions for providing to the allottees access to supplies and services for efficient land utilisation on a continuing basis. One should not be surprised if these lands revert back to the rich farmers.

(ii) Again, another paper in Punjab deals with new trends in the leasing pattern following the introduction of new technology. It adduces evidence quite contrary to the prevalent notion that new technology being size neutral, it will motivate small and marginal owners for efficient and gainful cultivation. It is, however, noted that new technology is size neutral but not resource neutral; and that in the absence of institutional and resource support to these small owners it had the opposite effect of ‘motivating’ them to lease out their lands to the large sized farmers. The latter were keen on leasing-in land to supplement their own holdings for more profitable farming as a sequel to economic prospects created by new technology.

The paper suggests that in view of these changes in the leasing pattern the old tenancy reform law ultimately seeking to abolish tenancy should be revised in favour of permitting flexible tenancy arrangements. The old law assumes the tenant to be a weaker party and the owner to be a strong party and this relationship is now altered with the small owners being a weaker party and the large tenants being a stronger party. In the opinion of the author, allowing the old ceiling laws to continue is neither conducive to efficiency nor justice. This issue of regional variations in tenancy and its implications for region-specific approach to land reform laws deserves discussion by participants in the Conference.

There are two alternative policy prescriptions which open up in the emerging situation. The first prescription is to make tenancy arrangements so flexible that the transfer of land from small subsistence owner cultivators to large operators is facilitated, thus legitimising the transition to the commercial lease arrangements or the ‘business lease’ contracts. The alternative prescription is to strengthen institutional and resource support to small owner cultivators so that they can make a transition from the subsistence stage to a higher stage of agricultural enterprise based on exploitation of new technological possibilities. These alternative prescriptions need to be seriously explored in the Conference discussion with reference to actual conditions and concrete constraints or prospects in each region.

(iii) The paper on West Bengal has questioned S. R. Sen Committee’s recommendation for a ‘floor’ on land size and also its recommendation for complete freedom to small and marginal farmers to lease out land so that farms based on optimum size can be created. The harmful implications of this recommendation in a
labour surplus situation when men are still competing for land for livelihood and not land competing for men needs very careful thinking and discussion.

III. Lastly, the papers in the third category raise the extremely important issue of involving the weaker sections, the Scheduled Castes and Tribes in the growth process by reorienting and reinforcing land reforms programmes to their needs and problems and through establishment of co-operative/collective farming societies restricted only to them.

One of the papers dealing with a deltaic village in Andhra Pradesh shows how social disabilities, ignorance of the law and inadequate access to credit, etc., have not allowed the full benefit of the distribution of surplus land to reach the Scheduled Castes.

The study of co-operative joint farming in Nellore district of Andhra Pradesh shows the beneficial impact of this experiment but does not fully explore what factors have led to these results and how these could be replicated.

The case study of tribal areas of Bastar shows how the effective control of land is passing from the tribals to the non-tribals and it emphasises how collective farming by the tribals alone can prevent such land alienation. It also suggests that collective farming will have to subsume activities other than crop production.

Papers of the third category raise a very fundamental issue of giving a new direction to the agrarian policy. In recent years the issue of tapping land reforms as a means of poverty eradication has been raised. But it has been interpreted in terms of protecting the poor—tenants-at-will or share-cropper exposed to insecurity of tenure and high rents by effective enforcement of the provisions for security of tenure (including streamlining of land records) and of reduction of rents. They have also been interpreted in terms of stricter enforcement of land ceilings and redistribution of lands declared surplus to marginal farmers and landless classes on an individual basis either for crop production or for house-sites.

Past experience has shown that, by and large, multiplying the numbers of tiny holders on an individual basis seems to contribute neither to growth nor to equity and poverty alleviation. The individual beneficiary of a tiny plot through land redistribution is too weak and too helpless to stand up on his own and turn into a viable and self-reliant cultivator. The idea of persuading potential beneficiaries to have individual land rights but actual control of land on the basis of a commitment for group or collective farming enterprise with resource and institutional support from the State agencies is a new one in the present phase. It is being experimented with the support of dedicated individuals, voluntary agencies and even government functionaries in selected parts of the country. In the Eastern region this idea has enormous relevance as pointed out by D. Bandyopadhyay, who played a leading role in Operation Barga in West Bengal and also by Nripen Bandyopadhyay in a recent evaluation of land reforms in West Bengal. The Seventh Plan document also strongly recommends group and collective mobilisation and action by marginal and tiny farmers for participation in development. Here is a field very new and ripe for action-research programmes. The Conference discussion can pool available information on the subject and evaluate case studies of success as well as failure in this field and also the lessons both from successes and failures.