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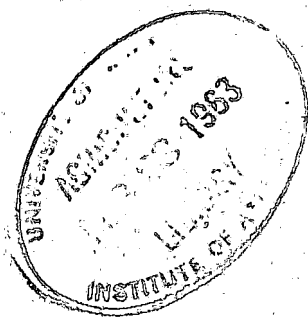
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**The Economics of
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REVIEW ARTICLE

DANIEL and ALICE THORNER. *Land and Labour in India*. Asia Publishing House, 1962. 35s.

'When the British ruled India', complained a high Indian official at an international conference, 'they gave us a highly unbalanced education system, with too many university students, and too little primary and technical education. Since we have been running our own affairs, however, we have made matters worse.'

What has been said of education must also, it appears, be said of the Indian Census. Much information obtained by taking Census results as they stand is shown in this book to be inaccurate. This is particularly unfortunate in a country in which there are so few other sources of economic information. A statement made by the present reviewer in *Conditions of Economic Progress*, regarding an apparent serious decline in Indian manufacture between 1881 and 1931, is shown to be unjustified (though it is possible that there was some such decline before 1881). Much of the great change in land ownership which is supposed to have taken place in India since 1947 is dismissed under the sardonic heading 'Agrarian Revolution by Census Redefinition'. In spite of Census and numerous other inquiries, we still have practically no idea of how many landowners there really are in India, or how the landholdings are distributed between them; there are, however, numerous indications that much of the recent legislation providing for land redistribution has been more paper than real, was often in fact unworkable from the start, and permits new landowners to reappear to replace the old. Carefully examining the dusty chaos of past Census records, the authors find themselves compelled to conclude that the system of classifying the agricultural population was designed by some conscientious but unimaginative official who had been reading Adam Smith and Ricardo, and who imagined that their categories of landowners, farmers and labourers applied to India. It is a more serious accusation, however, that the Census officials of post-independence India apparently have so little knowledge of village life, and so little desire to innovate, that they are content to continue a system which yields such confused and indeed meaningless results.

The American authors, who have now left India, lived there (and spoke an Indian language) from 1952-60, with no ulterior objects beyond the truth, and the welfare of India. This indeed made them a thorn in the flesh not only of self-satisfied Indian officials, but of others also. Some of their most trenchant criticisms are reserved for the 'Ford Team' (Agricultural Production Team sponsored by the Ford Foundation) of April 1959. According to this team, India then was already facing near-famine conditions, which were almost bound to become worse. As the reviewer elicited in a television debate in New York, they had made no serious study of the possibility of fertilizers increasing Indian crop yields. The 'Community Development Programme' also comes in for some acid criticism, for having helped mainly those farmers who were successful already, but having done little to ease the plight of the really poor.

On the other hand, participating in a Congress of Orientalists in Moscow in 1960, the authors refused to make the attempt to force Indian history into the

classic Marxian categories of 'feudalism' and 'capitalism'. 'A feudalism without manors, serfs of the manor, feudal contract, vassals and fiefs based on feudal contract, is simply not feudalism.' Marx, on the strength of railway building, Maine on the strength of the legal changes whereby, in his classic phrase, 'contract replaced status', both, in the mid-nineteenth century, predicted rapid social change in India; both predictions were disappointed.

There are several other criticisms of Indian officialdom. The administrators of the Sarda Canal in the Punjab are never able to supply enough water at the times when it is needed, and the available water seems to go to 'the strong, the powerful, the well-connected'—and also to the local strong-arm men. Indian irrigation officials should 'promise less and deliver more'. Choking of the distribution channels causes a great deal of the water which is available to be wasted. The extensive survey of rural credit undertaken by the Reserve Bank of India was badly designed, excessively complex, and hastily executed; and the results are of little value. The reviewer would be even more critical than are the authors of the Agricultural Labour Survey, carried out by the Indian Ministry of Labour, apparently using completely untrained interviewers. On what is perhaps the most important of all questions for Indian agriculture, namely the extent of under-occupation of rural labour, this survey produced results which are obvious gibberish. But the authors put their finger on the heart of the trouble—namely that Indian high officials (many of whom have been mathematically educated) have 'an obsession with the theoretical virtues of random sampling', which blinds them to the innumerable other things which can go wrong in such surveys, including the obscure and unnecessarily complex formulation of the questions, for which they are responsible, quite apart from the failings of the ill-educated lower officials. The Indian Ministry of Agriculture is criticized for publishing index numbers of agricultural production, the manner of whose construction has not been revealed, and which are in conflict with certain other published official figures of yields and acreages. This may, however, be due to the desire to conceal the fact that the published official figures from the mid 1940's to the mid 1950's (when food was rationed, and farmers had every incentive to understate their crops) were much too low. It is hard to get a government department, in any country, to admit that its own past published figures were erroneous.

The authors paint a vivid picture of the strictly traditional, almost non-monetary economy of eighteenth-century India. Perhaps, however, it is too idealized a picture, saying nothing about the miseries of wars, raids, and periodic famines, which kept the population down. The British achievement in establishing peace, order and law throughout India, and in creating a system of transport and communications, should not be underrated. Nor should the authors complain that the growth of transport and trade was designed solely to benefit Britain. The Indian (unlike the inhabitant of French or German Colonial territories) was left quite free to sell his produce anywhere in the world, and to buy anywhere he liked; and often he did. It is true that Indian industry, in its early stages, was in comparatively few hands; but this was not due to any official monopoly, but to the lack of interest in industry on the part of the great majority of Indians. Those who did so interest themselves (often religious minorities,

such as the Parsees) quickly made fortunes. Indian historians have complained that their country did not have the right to impose tariffs to protect their infant industries; but this right was granted (against strong protests from Lancashire) as early as 1921, long before independence. The authors, however, may be right in complaining that the British rulers did not take such active steps to encourage productivity in agriculture and industry as did the Emperor Meiji in Japan (though he too was prevented by treaties from imposing tariffs until 1899).

The book includes an excellent critical review of all the available information on Indian national product from 1868 to the present time. One of the most important features of Indian development during this period has been the growth in the production of commercial cash crops relative to subsistence food crops. The authors cite some figures by George Blyn, of the University of Pennsylvania (although Blyn's paper is unpublished, his conclusions have received wide attention), purporting to show that food-grain supplies per head fell from some 587 lb. per year in the period 1893-6 to 399 lb. in the period 1936-46. No other country has ever been recorded as eating cereals at anything like the rate indicated by the former figure. Nor can it be explained by experts: even if Burmese rice was included, exports were never more than 4 to 5 per cent. of cereal production. It is just possible that in the 1890's very large quantities of cereals were being produced to feed to livestock: but it seems very unlikely. A more careful study by Bhattacharjee¹ (using a somewhat shorter list of cereals) shows that consumption per year (excluding exports, including imports) was 432 lb. in 1901-5, 340 lb. in 1936-45, 356 lb. in 1954-7. Increased consumption of groundnuts, sugar and other non-cereal foods may or may not have offset this decline.

Although we lack anything like precise data for the earlier periods, it appears that rents, or the share of the crop demanded by the landowner, were rising throughout the period of British rule in India. It is probably true that the need to pay rents and taxes, and also interest to money-lenders, played a large part in increasing the output of cash crops. The rise in rents (treating taxes on land as part of the economic rent, as the economist should) is attributed by the authors to three factors; firstly, the great rise in population—in eighteenth-century India, partially depopulated by wars, landowners, as in early medieval Europe, had a real need to attract tenants, and therefore did not make their terms too exacting; secondly, to the introduction of the British legal system, with dispossession for unpaid rents, taxes and debts, in place of the older customary relationships; thirdly, the growth of large numbers of intermediaries between the cultivator and the ultimate owner, particularly in the densely populated areas. While all these three factors were at work, it is probable that the two latter were of much lesser importance. As we can see from some other Asian countries which do not have a Westernized legal system, great population density, with lack of any alternative industrial employment, is bound to lead to high rents. The social consequences of these high rents have been undesirable, particularly in the creation of a large idle class holding the belief that it is socially degrading to do any manual work.

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COLIN CLARK

¹ *Agrarwirtschaft*, October 1959.

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