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Vol XVII
No. 2

ISSN 0019-5014

CONFERENCE
NUMBER

JANUARY-
MARCH
1962

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

RAPPORTEUR'S REPORT
ON
LAND REFORMS LEGISLATION AND IMPLEMENTATION IN
DIFFERENT STATES

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Earlier discussions on land reforms in India were either confined to describing the legislation or to deductive reasoning about the impact which land reforms may or may not have. In any case many of these discussions arose in the course of the controversy on reforms and did not warrant long-term conclusions. Malaviya, for instance, gave largely the details of actual legislation but at a time when very few States had put on the Statute books any worth-while legislation. Dr. Daniel Thorner's strictures on different aspects of land reforms did not come a day too soon but too soon perhaps in many cases to justify an empirical judgment about the trends which these reforms were to establish. The reports sponsored by the Research Programmes Committee of the Planning Commission dealt either with very few specific regions or with a few issues. The set of 22 papers read at the conference, by contrast, deals with almost all the regions of the country and has the advantage of arriving late enough in the day to justify a reasonable judgment. The dust of the controversy has settled down and a regionwise as well as an all-India evaluation seems possible. While the papers are the result of spontaneous decisions by individual workers to write about the area of their interest, the distribution of papers over the various regions of India is so well balanced that a purposive selection could have already produced much better results. Of the 22 contributions, one is on land reforms in Italy and 3 on India as a whole. The remaining 18 papers cover all the States in India except Assam, Rajasthan and Madhya Pradesh. Bihar, Uttar Pradesh, Orissa, Punjab, Kerala and Madras and Gujarat have two papers each while Andhra, West Bengal, Mysore and Maharashtra (Vidarbha area) are represented by one paper each. We have a moving picture of what has been going on in the field of land reforms over the past decade in almost every part of the country.

Generally a high standard of analysis and evaluation, not to mention description, has been maintained and the publication of these papers after some editing is likely to serve a very useful purpose for research workers and students of India's agrarian structure. Almost every paper contributed has given ample space to describing the salient features of key legislation and this mode of presentation has its own merit in that it provides the necessary background for the evaluation of each case. The present report is not intended to summarize the wealth of detail contained in the papers but is confined to high-lighting only such aspects of each paper as seem to this rapporteur to be worthy of detailed consideration or criticism or have been brought to our notice for the first time.

We might consider first the paper dealing with India as a whole. Shri B. R. Kalra's contribution seems to me to be outstanding. A high degree

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of comprehension of a very intricate phenomenon with wide regional variations and numerous implications, has enabled Shri Kalra to cut across several State legislations and implementation programmes and present quite often what might be termed the root of the matter. Shri Kalra is mildly critical of the 'retrograde step' through which, in areas like Uttar Pradesh, an intermediary tenure instead of being abolished was simply converted into a *raiyyatwari* tenure, leaving the other layers of tenure undisturbed and making the ex-intermediary the highest holder with full occupancy rights. He is also critical of the almost unlimited acreage which was left in the possession of ex-intermediaries, the limits being as high as 500 acres in Rajasthan and 250 acres in former Vindhya Pradesh.

While Shri Kalra's contention is probably justified on distributive grounds, it may be worth-while to discuss the productivity-increasing and the growth-promoting aspects of the creation of large managerial units in farming, although the large number of evictions which went with the creation of large *raiyyatwari* occupants are perhaps a major scar on this aspect of land reform. Shri Kalra's paper sums up well the types of intermediaries, their varying rights, the coverage of legislation for intermediary abolition, the different classes of tenants and the grounds provided under the laws for ejection of tenants. The uncertainty created in the minds of tenants in States which provide for a period-to-period extension of protection has been high-lighted. Shri Kalra's paper is significant also inasmuch as it analyses the different stages at which the spirit of land reform can be nullified. Anaemic nature of the legislation, the contradictions in the legislation, non-implementation owing to administrative and other difficulties and the clash between legislation and basic social and economic forces—any of these factors can operate as stumbling blocks to the fulfilment of the true spirit of the law. Cases under each factor are separately analysed. Shri Kalra rightly emphasizes the insufficiency of the policy of fixing rents without providing adequate security or providing security without duly fixing rents. Indeed, he traces the failure of rent reduction and the non-exercise of the right of purchase to the basic mistake in many cases of not providing security and rent reduction together. Emphasizing the advantage taken by the landowners of the unnecessary distinction between existing tenants and future tenants, Shri Kalra points out in detail how a defective legislation has done more harm to tenants than no legislation at all. On the question of size of holding, he stresses the point (now perhaps commonly understood) that while the number and proportion of uneconomic holdings is extremely large, the area occupied by these is quite small so that the problem of uneconomic holding is essentially a human problem. This point actually requires some discussion in view of the realization that the opportunities for effective absorption of labour in the non-agricultural sector seem to be negligible for a long time to come. Shri Kalra also mentions the important point that ceilings in most areas have been fixed in an arbitrary manner without taking into consideration the really significant economic issues.

Shri Kalra concludes that while land reforms have largely succeeded in removing functionless intermediaries, they have generally failed to solve the problem of uneconomic holdings or to correct the structural imbalance between land and labour.

In a study of the working of the land reform legislations in the composite States of Bombay and Hyderabad, it was noted that the increase in the area under owner-cultivation was seen to have come about partially through conversion of tenants into owners but largely through resumptions of land by landowners for

what is termed 'personal cultivation'. This no doubt defies the spirit of the law but may conceal within itself the seeds of economic growth—an aspect which could be examined.

The paper dealing with land reforms in Italy by Prof. G. Medici is a welcome contribution to these discussions as it brings a breath of fresh air, so to speak, in an area otherwise stuffed with perplexing, and sometimes irrelevant, detail. The redistribution of private landed property between 1947 and 1955 in Italy has been high-lighted and the change brought about stands in sharp contrast with the pious aspirations of Indian land reformer about better distribution and the talk about ceilings without *actually* improving the distributive position. Of course, the important difference is that Italy is already experiencing a major net shift of population from rural to urban areas, a phenomenon still largely beyond the horizon in India. This exodus in Italy makes the problem far more manageable both in terms of technological progress and in terms of measures like consolidation of holdings. One is impressed by the dovetailing of technological change and investment activity with land reforms in Italy. Strictly speaking what is called land reforms in Prof. Medici's contribution is comparable to our own land reforms plus a significant proportion of the community development and the national extension movement and the intensive agricultural district programme. That in India we have been finding it extremely difficult to tackle the problem of the minimum floor level of holdings is a phenomenon which appears from Prof. Medici's paper to have its counterpart in Italy as well where the civil code "establishing the indivisibility of the minimum cultivable unit has not yet been integrated with rules and regulations by which to enforce it."

Moving on to regional contributions, one of the papers defines the land system as consisting of two aspects: an institutional aspect covering the relation between various interests on land and a structural aspect dealing with the size and structure of the operational units of land. Such a definition is interesting but could be more thoroughly examined in view of the fact that it rules out the application of the term structural change as applied to intermediary abolition and tenancy reform. It could also be argued that structural change ought to be conceived of in much broader terms so that matters like changes in techniques of production and indeed the relations between land, on the one hand, and other inputs, on the other, could also be treated as aspects of structural change. In fact, an important point for discussion is: what, after all, is meant by agricultural structure and structural change, on which there seems to be good deal of difference of opinion?

The contribution of Dr. M. B. Desai and Shri R. S. Mehta on the abolition of tenancy cultivation in Gujarat, is in many ways a refreshing one and contains many a forthright and thought-provoking statement. The difficulties of dealing with a backward or tribal population "wedded essentially to old values of socio-economic structure" are highlighted and a plea is made for introducing rural legislations at a slow pace in order to enable the people to understand it. It could be argued, however, that simplicity rather than slowness would be a more desirable characteristic under these circumstances, for slowness has its own limitations. The authors go on to state: "one would shudder if one were to realize that land reforms by and large involved a great social waste." The staggering size of ejections of tenants is emphasized but a doubt is significantly raised as to "whether this did mean anything more than a mere change in records", the

tenants continuing to cultivate the same land without, of course, the official status. This aspect of evictions is obviously a very important one to be borne in mind since the wrath of many a landlord is known to be directed not so much against the tenant as against his protected status. That tenancy cultivation includes both the small and large farmers is a valid judgment based on data; so perhaps is the statement that in Gujarat the area under tenant cultivation nowhere exceeds 25 per cent while the percentage of cultivators hiring land is sizable (meaning more than 25 per cent). The existence of share-cropping tenancy, the authors rightly emphasize, is complicated by the landowner supplying some of the farm equipment which he would then use as evidence of owner-cultivation in the event of a dispute. It may be suggested however, that the real test of share-cropping tenancy is not whether the *owner* contributes any fixed or working capital but whether the share-cropping *tenant* contributes any. For if the latter were a mere servant there is no reason why he should give anything besides his labour. That he contributes the whole or a part of the capital ought to be taken as ample evidence that he *is* a tenant. Dr. Desai and Shri Mehta lean towards the view that owing to insecurity and high rents the agriculturists today are worse off than under previous tenancy Acts. This may well be true in Gujarat but needs a more critical appraisal elsewhere.

The paper on Saurashtra by the Yuvaraj of Porbandar brings to notice the multiplicity of types of intermediaries and of tenural arrangements and the different legislations intended to deal with a complicated situation. An idea emerges from this paper of the numbers of tenants and landlords involved in each major category. An attempt has been made to show both in terms of monetary receipts (actual and expected) and intangible factors the benefits accruing or expected to accrue to the Government and to the society. An interesting point underlined by the Yuvaraj is the provision in Saurashtra for granting loans to the tenant cultivators through the establishment of a Central Co-operative Land Mortgage Bank with the express purpose of enabling them to get occupancy rights. That 90 per cent of the tenant cultivators who qualify for occupancy rights were assisted in this manner with an amount of Rs. 2½ crores and that more than Rs. 2 crores have already been realized from this category, is, to say the least a heartening augury. Nevertheless, one would wish to know a little more about the terms and conditions of these grants. What does surprise one is the Yuvaraj's statement that "there was not a single case of eviction" under the Saurashtra Land Reforms Act even though the tenants involved were 55,000 in number and 9,000 *girasdars* got 2½ lakhs of acres from the tenants.

Shri B. K. Chowdhury sums up the occurrences in West Bengal and shows the characteristic features of the West Bengal land reforms programme. The multiple of the net income which the compensation amount constituted in West Bengal ranges from 2 to 20 and the lower of these figures would seem to be too stringent compared to the multiples elsewhere in the country which range generally between 10 and 25. No doubt delay in the fixation of fair revenue, which has not been determined even after seven years of the passing of the relevant Act, leads the *raiyats* to continue to pay the same amount of revenue as they formerly paid as rent. The case in some ways is similar to that of Uttar Pradesh where land reforms have made larger surpluses to accrue to the Government but to that extent leave smaller surpluses than might have been the case in the hands of the tenants. This point occurs in many papers and warrants a discussion. Shri Chowdhury stresses the lack of progress with the programme of land consolidation and blames the much-too-preoccupied Governmental machinery and the much-too-disinterested cultivators for the snail's pace of progress. But it is worth remembering that the

people may never show an interest in any programme of structural change to start with, although it would be essential, on objective grounds, to go ahead with such changes in the hope that if they are beneficent in nature, a change in popular opinion might result in course of time. Shri Chowdhury states the provisions of Land Reform Act 1955 regarding incentives and facilities to be provided to co-operative farming societies but the number of societies given (92) has not been subjected to scrutiny and the genuineness of these societies remains a matter of doubt. He provides interesting details about the nature and the extent of share-cropping tenancies. The new Act did not succeed in increasing the share of the *Bargadars* in the gross produce but in fact resulted in an increase therein. This is quite disturbing as also the statement—which is in line with numerous other observations by other contributors—that the number of evictions after the passing of the land reforms legislation has increased far beyond those in preceding years. While the statement that the West Bengal land reform legislation “has failed miserably either to reduce the rent of the *Bargadars* or to grant them security of tenure” may be true, Shri Chowdhury does not provide a rigorous proof of this assertion. His figures do not inspire confidence. As West Bengal is deemed to be one of the strongholds of share-cropping form of tenancy—which remains perhaps the most exploitative—a more thorough enquiry into this phenomenon is called for.

It is difficult to agree with Shri Chowdhury's assertion that a ceiling on land is really a ceiling on agricultural income and that this would necessarily imply inter-sectoral inequity and inhibit capital formation in agriculture while the other sectors of the economy will go scot-free. This would be further discussed at the Conference. And finally Shri Chowdhury brings up an interesting point that the transfer of land under the impact of ceiling legislation was intended mainly to disinherit the daughters of the family who under the recent Hindu Code Act have become the co-sharers of family property.

Shri S. K. Bose's paper on Bihar is critical of the non-existence of interim allowance or rehabilitation grants to the intermediaries and of the payment of compensation in non-negotiable bonds. That a compensation of only Rs. 6½ crores has paid out of a total of Rs. 239 crores does no doubt reflect upon the inequity involved. Only *zamindars* with personal cultivation (*zirat* lands) and those who evicted their tenants are shown to be well off. It is not clear from Shri Bose's paper whether the *Bhujarat* operations, *i.e.*, quick surveys of holding and tenural rights, are being used for the enhancement of State revenue. No idea emerges from the paper as to how much additional resources the State has managed to secure as a result of obtaining rents from tenants instead of the revenues received prior to the abolition of intermediaries. Shri Bose highlights the delay in survey and settlement operations leading to inequity and loss of surpluses and sees these as stumbling blocks to a correct record of rights and indeed to the implementation of ceilings. It is stated that a large body of tenants-at-will exists over the large part of the State as crop-sharers and that the 1955 amendment to the Bihar Tenancy Act reduced the kind rent from $\frac{1}{2}$ to $\frac{7}{20}$, *i.e.*, about $\frac{1}{3}$. The magnitude of share-cropping and the conditions thereof are not sought to be specified. It is known that the Bihar law in fact recognizes sub-letting and only theoretically prevents rent increases. The paper emphasizes the importance of defining and interpreting 'personal cultivation' for effective implementation of land reforms, but says little about this definition except that the whole risk of cultivation is to be borne by owner cultivators, with only wage labour employed. The distinguishing feature

of share-cropping tenancy, namely the contribution of the whole or part of capital by the share-cropping tenant, may be emphasized here as well.

That in Bihar Land Ceilings and Management Bill the ceilings suggested for 5 different categories of land are at a level of 20, 30, 40, 50 and 60 acres respectively shows the undue love for symmetry and the much-too-facile treatment given in our land reforms to very fundamental issues. Economic reality is hardly symmetrical and what is required in land policy is a realistic estimation of the most productive ranges of size of holding, given the present and the expected future techniques of cultivation. The declaration of the Revenue Minister of Bihar quoted by Shri Bose to the effect that ceilings legislation would realize about 10 lakhs of acres, which together with another 5 lakh acres of reclaimed and waste land would provide nearly 1 acre each for the 17 lakh landless labourers of Bihar, reminds one of many similar wishful statements in the past. It was stated at the time of the Hyderabad land census that 10 lakhs of acres would be available in the two districts of Warrangal and Khammam while in actual fact, 3 years after the census hardly 1/10 of the expected acreage had remained to be distributed. The Bihar Minister's statement moreover, neglects altogether the existence of dwarf farms the enhancement of whose holdings size might be as important at least as the provision of land to the landless workers.

This might in fact give the Conference an occasion to discuss who the recipients of additional lands should be—the dwarf farmers or the landless labourers or both; and if so, on what basis.

Mrs. L. Krishnamurthy's paper dealing with Andhra Pradesh is based on a field survey of 5 villages in two districts of Andhra Pradesh—West Godavari and Chittoor. It is not clear, however, how the five villages were selected from six taluks. The author brings out the point that legislation in Andhra Pradesh has generally been biased against tenants and in favour of landowners. The absence of evidence generally in matters relating to tenancy is also stated to be favourable to the landlords. Conditions of rent payment are shown to be extremely stringent in that payment has to be made within a month of the stipulated date. This makes evictions easy and frequent. All these assertions might well be true but they seem to negative the judgment passed some years ago by Dr. Daniel Thorner who classified Andhra among areas of greatest change following land reforms. What has to be remembered, however, is that the Telangana area of the present State of Andhra Pradesh which was formerly part of the old Hyderabad State together with Marathwada and Karnataka has been subject to a different set of legislations more akin to the Bombay pattern and, indeed, more radical than the legislation evaluated in Mrs. Krishnamurthy's paper.

The paper dealing with Mysore, presented by Dr. N. P. Patil and Shri S. L. Hiregowdar, is a commendable one and its merit consists in raising a limited number of issues and dealing with them well. The paper concentrates on the question of ceilings and shows the differences in ceiling legislation in different parts of Mysore State which previously belonged to Mysore, Bombay, Hyderabad and Madras. Far from getting lost in a maze of legislative provisions, the reader gets a clear idea of the original regional differences, the progress of thinking on the issue of ceilings, the latest position with respect to ceiling legislation and, finally, has the satisfaction of seeing the results of an empirical study of 6 villages brought to bear upon the ceiling argument. The final position in Mysore seems to have been influenced heavily by the Hyderabad legislation. Deviating from

the recommendations of the Planning Commission, Mysore suggests a ceiling at $4\frac{1}{2}$ times the family holding (instead of 3 times), a family holding having been defined as an area fetching Rs. 1,200 as net income. This raises ceiling on present holdings to a current net income level of Rs. 5,400 *per annum* while Rs. 3,600 is being generally recommended elsewhere. Mysore proposes to use the Rs. 3,600 limit only for future acquisitions. Different types of land are to be translated into their family holding and ceiling equivalents. But the Patel-Hiregowdar paper relegates to a footnote the very important fact that a 'standard acre' has been defined as equivalent to an acre of wet or garden land with assured irrigation and two paddy crops, so that a ceiling at 27 standard acres works out to be equivalent to an actual acreage as high as 216 in areas where the rainfall is less than 25" (and this is said to be the case in most parts of the State). This contrasts with ceiling provision in other parts of the country where, say, only 12 acres of perennially irrigated and 48 acres of dry land has been deemed to be the ceiling level. No wonder the Revenue Minister of Mysore stated the above-ceiling surplus in the State to be no more than 2 million acres and it may be interesting to discuss if even this is not wishful thinking in the absence of any immediate freezing arrangement. The results of empirical studies mentioned by the authors indicate no surplus lands in 4 out of the 6 villages studied.

Prof. K. S. Sonachalam's paper on Madras legislation is a particularly interesting one and deals authoritatively with the logic and the provisions of the Abolition of Zamindari Act of 1948, the Fair Rent Act of 1956 and the Ceiling on Land Act of 1960. Several shortcomings of the legislations have been underlined. Prof. Sonachalam shows the additional annual revenue accruing to the State from the conversion of *zamindari* into *raiyatwari* areas to be a mere 2.7 per cent of the compensation amount which the State took upon itself to pay to ex-zamindars, but hastens to point out the other benefits to society from this measure. The paper reveals the rather high proportion of gross produce — ranging generally between 40 and 33 per cent — which the legislation enjoins upon the tenants in Madras to pay as rent, relative to much lower rates, say 25 or 20 per cent or even less, in other States. But Prof. Sonachalam does not reflect upon the economic justification of such high rents. He is critical of the ban imposed by the State on non-agriculturists entering agriculture and sees this as an "obstacle to infusion of fresh blood." However, his estimate of the increase in the number of tenants in Madras (he allows them to grow at the same rate as India's population) and his consequent estimate of decline in the size of tenant-operated holdings seems particularly exposed to objection since many other significant influences during the past decade have not been taken into account. Ceiling provisions are seen to have been "too much publicized rather too early and legislation delayed too long, permitting too many landlords to effectively escape from it."

SUMMARY OF GROUP DISCUSSION

Chairman: DR. A. M. KHUSRO

The group sought to get out of the way a few important but general considerations before taking up detailed discussions.

Land reforms are generally understood to have a bearing on 'structural change'. This term has been very frequently used but its meaning has seldom

been defined. The group took advantage of a definition of 'rural change' attempted in one of the papers. This paper had viewed change in the land system as divided into two components: (a) Institutional Change, which includes such items of land reform as abolition of intermediaries and tenancy reforms; and (b) Structural change which consisted of change in the size of holdings and included such measures as ceilings, co-operative farming, consolidation of holdings, etc. The group found this definition to be rather narrow and an alternative approach was suggested and generally agreed upon. Structural change in agriculture, the group thought, could be studied under several aspects:

- (a) Change in the relation between land and the various interests on land, *i.e.*, the Government, the owners and cultivators and their mutual relationships;
- (b) Emergence of new institutions or change in existing institutions such as Governmental machinery, *panchayats*, service organizations, co-operatives, banks, etc. (Both (a) and (b) above may be deemed to be institutional aspects of structural change).
- (c) Change in land with respect to its size, and its distribution.
- (d) Change in land with respect to its relation with other productive agents such as capital, labour and other inputs and their mutual relationships. This area of structural change can be deemed to be affecting output per acre, labour per acre, capital per acre, capital per unit of output and capital per unit of labour. This, in fact, is a change in intensities of input use and is as important an area of structural change as any.

Land reforms may be deemed to cut across these various aspects of structural change. Some reforms such as abolition of intermediaries and tenancy reforms might effect a change in (a) above. Some others like ceilings, co-operative farming and consolidation might affect (c) above. Technological changes (whether arising from land reforms or independently) will affect (d) above.

The group agreed with the suggestions in one of the papers that the dilution of the spirit of land reforms might occur at any of the four stages between the original conception of the law and its final effect:—(1) legislation may be lukewarm, even intentionally, to begin with; (2) there may be contradictions within the legislation; (3) legislation may not be fully implemented; (4) there may be a clash between legislation and the basic social and economic forces. The history of land reform in this country, the group thought, provides ample examples of difficulties arising at each of the four stages mentioned above. The group decided to bear in mind, in the course of the discussion, which stage a particular difficulty in land reforms may be attributed to.

The issue was raised as to whether land reforms in this country have emerged largely as distributive measures or have been intended mainly for increases in productivity. Which is the primary objective—growth or distribution—and which had in fact been prominent in reality? It was contended that there has been too much pre-occupation with distributional considerations to the neglect of productivity, and that this might be so inasmuch as in India the idea of social justice emerged earlier than the idea of increasing productivity. This was dis-

puted and the group ultimately accepted the suggestion that the debate in this country in the past, *i.e.*, both in the 19th and 20th centuries, has been concerned as much with the problem of getting more from the land as with social justice and equity. The context of poverty has never been lost sight of and the discussion of the problem of eliminating poverty and promoting output has always remained in the fore of the debate. The *raiyyatwari* system was certainly a concession to the desire for proper utilization of surplus and for increasing investment. Even in the *zamindari* system of old the consideration of proper exploitation of land and efficient production was not left out of sight. One of the main purposes of creation of large ownership holdings during the *zamindari* settlement was in fact the efficiency which large ownerships were thought to carry with them. In some recent legislation transformation of absentees into farmers, farm managers and better cultivators has been a major motivation. It was pointed out that even in the matter of ceilings in more recent times, every State legislation has emphasized the need for a more efficient utilization of land as well as better distribution of landed property and income therefrom. In the view of the Planning Commission, Professor Karve emphasized, productivity increase has been the primary and redistribution a secondary consideration.

The group then took up the discussion of how far the various stages of land reforms have in fact promoted growth as distinct from equity. The abolition of intermediaries was the first measure the group selected for examination from this angle. Intermediaries were abolished but were allowed to resume land under their personal cultivation, *i.e.*, *khudkasht* holdings. It was thought that in some States unlimited resumptions were possible and even a holding of 500 or 250 acres could be retained by the landowners. This was possible owing to a loose definition of "personal cultivation". But the question to which the group addressed itself was whether, consequent upon such resumptions, the *ex-zamindars* did or did not turn cultivators or managers of their farm enterprises and whether or not the resumed areas witnessed better cultivation than before? Light was thrown on this question by contributors from various States and no single picture emerged of any uniform behaviour in this respect. In Bengal, it was suggested, most of the intermediaries lived in villages and already had something to do with land beyond mere rent collection. Intermediary abolition did not bring any significant change in the set-up in that State. Both in West Bengal and Orissa, however, the phenomenon of crop-sharing seems to have received impetus as a result of *zamindari* abolition. On the other hand, small landowners in West Bengal who, owing to caste considerations, did not cultivate their land before have now taken to farming and to that extent there is an increase in genuine personal cultivation.

In Punjab and U.P. large areas were in fact resumed. The Punjab phenomenon was subjected to some detailed examination. Landowning families which had got more or less completely urbanized, resumed lands only to sell these. Educated landowning families, semi-urbanized in nature, resumed land to be able to cultivate personally. Landowning families living in villages, who cultivated lands but had leased out a portion of their holdings, resumed these portions and are cultivating personally without having share-croppers. (The fourth category is that of the so-called share-croppers who give nothing but their labour to the farm and actually receive a wage. But they are called share-croppers because their wage is fixed in terms of a share of gross produce, say, one-fifth). And finally, many landowners, unable to find adequate employment in urban areas, had to come back to land and resume their holdings; but having no experience of capital for farming, had to have share-croppers.

In Punjab and U. P. a substantial fraction of the *ex-zamindars* who became *bhumidars* or resumed their lands, is known to have taken to managerial type of cultivation and a new brand of farming, often termed 'capitalist farming', seems to have been emerging. On the count of productivity per acre this brand has no doubt shown marked improvement over the past though on the count of equitable distribution it is perhaps open to serious doubts.

Consequent upon the resumption of land for actual or so-called 'personal cultivation,' the phenomenon that has become common is the emergence of share-cropping tenancy. The definition of a share-cropping tenant is obviously important in any estimation of the number of families and the area under share-cropping. A clear definition of share-cropping becomes difficult owing to the fact noticed in most States that the landlord is not a mere rent collector but also supplies a part of farm capital. This rapporteur stated his view that the distinguishing feature of share-cropping tenancy is not that the tenant contributes his labour to the farm but that he contributes a part or whole of the capital and consequently takes upon himself the risk of loss of capital. The point of distinction, therefore, is not whether the landlord contributes any capital to the farm but whether the tenant contributes any. For, if the latter were only a wage labourer he should be contributing nothing but labour. If, however, he contributes some capital as well as labour the presumption is that he is a risk-bearer in the strict sense of the term and can, therefore, be deemed to be a tenant cultivator. It was suggested, therefore, that the definition of share-cropping must be in terms of whether or not a farm operator contributes some capital to the farm.

This approach, however, did not go without some opposition. It was suggested that even a person who merely supplies his labour but has his wage paid as a proportion of produce should be classified as a share-cropper and given the rights of a tenant inasmuch as he has a stake in output and is in that sense a risk-bearer. To this it was objected that in that event any wage-earner who succeeds in getting his wages fixed in proportion rather than in absolute terms would be deemed to be a tenant. This would hardly be equitable as between wage-earners. Moreover, such a definition could be easily evaded: landlords, still in a good bargaining position owing to a high demand for land, would switch over from proportionate to absolute wage payment and this would not only frustrate the desire to have wage-earners classified as tenants but would in fact cause hardship to wage earning class.

Other criteria for the definition of share-cropping were suggested; these are: (1) risk-bearing; (2) supervision; (3) contribution of personal labour; (4) decision-making; (5) liability to provide one's own income rather than be provided for, etc. But all these were subjected to criticism.

The extent of share-cropping in different States was discussed but in the absence of empirical investigations it was not possible to determine this extent. The feeling, however, was that the phenomenon of share-cropping (or underground tenancy) is today the most widespread and that the area under share-cropping tenancy might even be larger in many States than the area under open tenancy as given in the Census of Land Holdings or in the N.S.S.

Perhaps in Bihar and Orissa the position of share-croppers is today the worst and the absence of proper settlement has led to a disturbingly large number of evictions. Lately, however, owing to numerous complaints, the restoration of share-croppers has to some extent been in evidence.

Discussion then moved on from concealed tenancy or share-cropping to open tenancy. It was noticed that the acreage under open tenancy is nowhere more than 25 per cent. It was suggested that the proportion of tenant-cultivating families to total cultivating families may be much higher than 25 per cent in Gujarat. It was, however, pointed out that at the all-India level, judging both by the N.S.S. data of rural holdings and the land census data of agricultural holdings (in States with complete enumeration of holdings), neither the proportion of area nor of families under tenancy arrangements is more than 25 per cent. Moreover, even within each size-group the proportion does not vary beyond 10 to 25 per cent either for area or for families, although in specific States such as Punjab the variation might be larger. In the larger size-groups of holdings, however, there is a tendency for the proportion of acreage under (open) tenancy to be somewhat larger than that in smaller size-groups, but not generally more than 25 per cent.

The phenomenon of large evictions of tenants was noted by the group. Evictions were quite numerous in the early stages of legislation but phenomenon now seems to have more or less run out its course. There are, however, cases significantly differing from this assertion. In Gujarat, for example, while a few cases of tenants establishing their claims had been filed on the 1st of April, 1957, later many more tenants came forward with their claims. The larger registration of tenants, however, may have been due to recalculation by the Government as to who the actual claimants were.

The group took note of the three broad patterns of implementation of tenancy rights. First, there are areas like Bihar and, perhaps, Orissa where many a right of the tenant has yet to be recognized. Survey and settlement operations have yet to be completed. Tenants have yet to be identified, the Record of Rights has to be improved and tenancy reforms enforced. These are areas of distress from the view-point of tenants. Secondly, there are large areas where tenants have acquired full protection and hereditary rights of many kinds though the question of acquisition of ownership has been left to their own free will. They have, however, in by far the large majority of cases not taken advantage of this provision despite the fact that conditions of purchase have been easy and the price to be paid by the tenants has been fixed as a small multiple of annual rent payment. And thirdly, there are areas such as Saurashtra, parts of Kerala, Kashmir and parts of Andhra Pradesh where, on a stipulated date, known as "tillers' day", the tenants were deemed to have become owners provided they pay within a given period certain amount to the owners or to the Government. One distinguishing feature of such an arrangement in Saurashtra was brought to the notice of the group and closely examined. Here easy facilities were provided to the tenants to purchase occupancy rights (which worked out to be almost equal to full ownership rights) through the grant of special credits from a newly established Central Co-operative Land Mortgage Bank. It is pointed out that no tenants exist in Saurashtra today; there may, however, be some subtle crop-sharing arrangements. Even so, it was noteworthy that out of Rs. 2½ crores of loans granted, Rs. 2 crores have already been recovered from the new owners. Again, despite resumption of some 2½ lakh acres of land by 9,000 *girasdars* (landowners), no evictions have been reported.

The group spent sometime on the reasons why in the second of the three afore-mentioned arrangements the tenant did not exercise the right of purchasing ownership. Explanations which the group accepted were: (1) That the new meaning of ownership is so hedged with qualifications such as a ban on leasing,

on additions to landed property and in some cases on mortgage, etc., that the attraction of 'ownership' is substantially reduced; (2) while ownership might still have some psychological advantage, the immediate gain consequent upon ownership is not attractive. In U.P., for example revenue payment is halved after the purchase of ownership. But the difference between the whole and half of fixed revenue is too small a fraction of gross produce (which in turn is increasing in terms of value and perhaps volume), to warrant the payment of a multiple of rent. (3) More importantly, now that the benefits of security and reduced rents have already been provided either by design or by fortuitous circumstances, the need for acquiring ownership, especially when this involves collecting substantial capital, has been obviated. In effect, therefore, it can be said that where the tenancy laws have been effectively implemented, tenancy has become, all things considered, as good as ownership. Ownership thus has come to have only a small psychological advantage, but no more.

The effectiveness of the regulations dealing with rent reduction was also discussed elaborately. The group took note of the fact that in the context of increasing population and a much-too-slow emergence of job opportunities in the non-agricultural sector the demand for land has been rapidly on the increase; but this is meeting a rather slowly increasing supply of land, increasing by no more than 17 per cent or so in ten years. Thus the basic economic factors have been tending to push up rents in absolute terms. However, the most important phenomenon of recent times having a bearing on rent burden has been inflation; simultaneously there has come about some increase in yields per acre. As a result of these two factors, in cases where rent was fixed in absolute terms, say rupees per acre, or *maunds* per acre, the enhancement in the value and volume of gross produce has made the absolute rents a smaller fraction of gross produce. The effective burden has thus diminished. Only in cases where rent was fixed as a proportion of the produce has there been no reduction in the burden. It follows then that the burden of rent in share-cropping tenancies, where rents are normally fixed in proportionate terms, has certainly not diminished but might, on many other grounds, even have increased. High rents, it was shown, are only a by-product of underground tenancy arrangements. In the case of open tenancy there have been significant factors leading to a reduction in the burden of rent.

And finally discussion turned on what seemed a fundamental aspect of rural change. The paper dealing with land reforms in Italy had shown that the agricultural sector in Italy has lately been experiencing an exodus of population owing to increasing job opportunities in the non-agricultural sector. This has not only permitted a significant degree of mechanization in agriculture but has also made the consolidation of holdings a relatively more feasible process. By contrast the group noted the Indian situation. It was pointed out that while more jobs are no doubt being annually created, the rate of capital formation and hence of employment generation is so slow in non-agriculture that the supply of labour from *within* non-agriculture is, and will be, more than sufficient for some years to come to man nearly all the jobs so that the possibilities of a net shift of agricultural population into non-agriculture is still a remote one. The agricultural population thus tends to stick to agriculture and this phenomenon exerts at the same time a downward pressure on agricultural wages by increasing the supply of labour and an upward pressure on rents by increasing the demand for land. Neither technological change receives impetus nor consolidation of holdings becomes easy under continuous population pressure. Such are the fundamental difficulties with which land reform has to contend in India.

The group did not have time to come to grips with the problem of land ceilings. But it felt that the ultimate picture which the history of land reform legislation and implementation reveals during the 1950's, is neither black nor rosy but one which provides mixed satisfaction—half-hearted legislative measures and unenthusiastic implementation, qualified of course with some remarkable pieces of clear thinking and effective action and some unforeseen and fortuitous gains.