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mation, soil-conservation, reforestation, irrigation and flood control and other public works projects.

### *Sound Organisation to Assist Small-holders*

With large-scale farming under trained managers, the organisational set-up for technical equipment, supplies, and direction will be complete. Problems of soil-conservation, water-supply, supply of seeds, manures and implements, marketing, live-stock rearing, crop and cattle-insurance, rural industries, minimum wage, social security, all will get their due attention under this type of farming. But efficient organisations manned by a trained and devoted service will have to be evolved in rural areas where individual small holdings exist and will need all these services.

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## PROBLEM OF THE LOW INCOME OR SUB-MARGINAL FARMER

by

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### I. INTRODUCTION

The title of the paper I am going to discuss presents a problem which has to be dealt with before any justice can be done to the subject for discussion. In other words, the words used in the title have to be defined before the actual problem is discussed. Thus the word 'Problem' as against the word problems makes all the difference in the discussion aimed at. For, if the title for the subject is taken as Problems, then only the farm management or business enterprise and other aspects of the problems faced by small farmers will have to be described and stated for scientific analysis.\* But when the word problem is used, it means that the socio-cum-politico-economic aspects of an all round agricultural policy will have to be discussed. In other words, it is required to state as to how the existence of the small farmers presents a serious problem to the agricultural economy. It is, however, assumed that the idea behind is to so state the problem that it will show the ways and means of solving the same. The problem, therefore, is defined as essentially that aspect of the confused situations which if modified will correct the difficulty.\*\* In other words, it is purely an attempt to isolate the

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\* For a good example of that type of study, refer W. W. Wilcox "The economy of small farms in Wisconsin" *Journal of Farm Economics*, May, 1946.

\*\* John Dewey "Philosophy" in Wilson Gee, Ed "Research in Social Sciences" p. 256, See also B. Ginzburg "Science" in *Encyclopedia of Social Sciences* Vol. 13.

limiting factor or factors the control over which will help to solve the problem.

The other term "low income" is more difficult for precise definition. For, with this very word is associated the concept of optimum-sized farms. Optimum-sized holdings of an average peasant are those which when operated by the average-sized family of the said peasant, will permit efficient use of the available family labour force and other resources so as to provide the family with the customarily decent standard of living. Evidently, the size of the farm is used as the standard in judging the size of the farming enterprise, in the above definition. It only means that even a tenant with very large holdings may operate economic-sized holdings. But in actual practice, it is assumed that most of the tenants are really low income farmers, though not necessarily all.

Till now there is no scientific data to give any correlation between the size of holdings and the method of ownership of land. But it is safe to assume that a tenant who can operate a farm—a tenant-farm—of a large size with the concomitant capital requirements will not remain a tenant for long. For, if he is able to secure the necessary amount of capital, he must be in a comparatively privileged position. This assumption naturally, leads us to another conclusion that most of the tenants will be low-income farmers. The social hierarchy comprising of the agricultural economy can be fairly described by the following class delineations:

1. The Landlord: who owns the land but does not cultivate it. He does not bear the risks associated with agricultural production. Generally, he is also a money-lender-cum-middleman. Otherwise, he lives in cities and is employed in non-agricultural enterprise.
2. The Capitalist Farmer: He owns the land, cultivates it, but employs mostly hired labour (say, more than 75% of the labour used on the farm is hired labour)
3. The Average Peasant: Most probably he owns economic-sized holdings and is able to make both ends meet.
4. The Small Farmer, Low-income or Sub-marginal Farmer:
  - (a) The small peasant proprietor, owning un-economic sized holdings.
  - (b) The Tenant: He does not own the land, but cultivates the land of the Landlords (mentioned above). Generally, due to capital scarcity he is able to get only small-sized holdings.

agricultural economy as a whole. But a detailed inquiry reveals that the poverty of the rural areas is really the poverty of the small farmers and the agricultural labourers. The alarming fact about the whole situation is that more and more peasant families are suffering from it as seen in the appendices.

The problematic situation naturally demands of the social scientists that something be done to solve this problem by way of reforms and social experiments.

#### (B) *Formulation of Problem*

The idea here is to use the available data and concepts so as to be able to eliminate the irrelevant elements in the whole situation. The sole function is to isolate the limiting factors and accordingly help to solve the problem.\*

It is in this formulation of the problem that differences arise between different philosophies. This will be clearly seen in the ensuing discussion.

#### 1. *Deterministic Philosophy : (Malthus)*

The problem of small farmers is really the problem of population outgrowing the limited supply of land. Though technology and modern science can help mankind increase the food production it cannot increase the physical supply of land. Naturally, the land per capita is decreasing at the same rate as the population increase. Hence, the size of the holdings is decreasing. The existence of some big farmers does not contradict the theory, for they are only few in number. With the continued existence of the private property as the basic institution, the problem of small farmers is really a result of high rate of population increase.

#### 2. *Dialectical Materialism :*

The problem of small farmers is basically the problem of capitalist societies. The existence of small farmers is only a stage in the gradual proletarianisation of the peasantry. On one side, the number of capitalist peasants is increasing (so also the number of landlords) and on the other the number of small peasants and tenants (together with the number of agricultural labourers) is increasing. It is in the direct interest of the capitalist peasants that the number of small peasants, tenants, and labourers be increased. For, this will cheapen the supply of labour and

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\* L. A. Salter, "A Critical Review of Research in Land Economics" p. 68.

thus increase the surplus value which is expropriated by the capitalist. As a few big farmers get bigger and bigger every day more and more land will go under their ownership, leaving less and less land for the small farmer, who is on the way to become a proletariat.

The capitalist societies, with their inherent defects, are unable to provide for more and more investment. Due to the monopolisation of the means of production and due to the operation of profit motive as the sole guide for more investment, the society is unable to prevent recurring depressions and the consequent obstruction to industrial development. Lack of investment in the industrial sphere slows the growth of further industries and in this way prevents migration of people from rural areas to urban parts. Consequently, agricultural economy gets overpopulated. The rural population, having no other outlet, tries to eke out an existence out of already over-populated agriculture. This means an increase in the number of small farmers and labourers. Hence, the problem of small farmers is associated with the problem of private ownership of means of production and private accumulation of capital.

### 3. *Methodology of Neo-classical (Pre-Keynsian) school :*

Assuming the existing system, the purpose of economics is only to explain the operation of the applicable laws, which govern the market. The market is the central institution on which the present individualistic system is based. Once the right laws are formulated and the interrelation between the phenomena is explained the purpose of the inquiry is satisfied. It is not the aim of the economist to actually formulate the ways and means of action so as to solve the problem.

As in industry, all the actions of the entrepreneur are governed by the sole motive of maximising the profits for his individual firm. Thus every farmer tries to make as much profit as possible. The more efficient farmers make more and more money and thus are able to increase the size of the firm or farm. But in the very process of accumulation of higher profits by the more efficient farmers, the small and inefficient farmers are being driven to the wall and will be slowly driven out of the farming enterprise altogether.

### 4. *Methodology of logical positivists :*

Research in Social Science should be aimed at *problem-solving* rather than at the discovery of brief resume's of uniformities in data. The philosophy of logical positivism believes that search of the scientists for order has long been outmoded. The idea is to remove as far as possible the distinction between a "research problem....intended to dis-

cover the truth" and a "social problem", which has reference to matters of policy".\*

It is not correct to say that the problem of small farmers is solely a result of high rate of population increase in relation to the supply of land. Neither it is wholly true that the existence of small farmers is purely a symptom of the decaying capitalist system. It is, however, granted that both the above mentioned factors are responsible to a certain extent for the problem under discussion. As for the postulate of the Neo-classical economist, it need only be said that the traditional analysis of the economy under a closed existential system has led to conclusions which are easily questionable by the observed facts. The very assumption of rationality of behaviour is questionable, and hence the whole proposition may be held as invalid. When efficient use of resources is taken as the aim of any agricultural policy in preference to the customarily accepted social values, the individual is lost sight of. This means the very failure of the idea behind the formulation of the public policy. Economic analysis, with due emphasis on the efficient use of resources should be directed with a view to making for the greatest public good. In other words, 'valuation' should form the heart of the analysis for public policy. Two major implications being (a) that the valuation processes are part and parcel of the embracing social organisation and (b) that conventional economic analysis (methodology followed by Neo-classical economists) does not really get into the heart of the value problem at all.\*\*

Democracy and freedom are the most important values of the present society, and any analysis should not forget the implications arising out of this standard of valuation.

The increasing number of small farmers can be attributed to the following factors :

- (i) Increasing pressure of population on land.
- (ii) Monopolisation of more and more land by capitalist farmers and landlords.
- (iii) Investment in the industrial sphere not keeping up with the increase in the population.
- (iv) Ignorance and absence of education prevents the rural people mostly comprised of small farmers from knowing the alternative ways of improving their own lot.

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\* Ibid p. 53.

\*\* K. H. Parson *op. cit.* p. 29.

- (v) The advent of institutions associated with industrial society were forced on a comparatively backward society. This broke down the old structure without being replaced by a new and better one. Thus it is a problem of readjustment of institutions. If the same institutions continue, the peasant will be morally broken down as he is today.

All these five factors are equally important. No one factor is the cause of the problem under discussion, and hence the mechanistic explanation is totally rejected here.

(C) *Hypothesis :*

It is a tentatively proposed statement as to particular action resulting in postulated consequences. The idea is to direct search for relevant evidence in the total data collected or available.

The main aim behind hypothesising is to establish through analysis of data, statistical methods etc. relationship between actions and the respective consequences. The hypothesis will have to be continuously revised and elaborated during the continuous processing of evidence. That means after the formulation of the hypothesis, the problem formulated is being slowly tested for its validity.

(1) *Deterministic philosophy :*

To solve the problem of small farmers it is necessary to control the population, and even decrease it to some extent. If the population is not controlled the situation will be much worse than what it is, and India will never be able to rid herself of poverty.

(2) *Dialectical Materialism :*

The only way out is to overthrow the whole capitalist system. Palliative measures will not solve the problem at all. Abolition of private property in land and in the ownership of means of production is a necessary precondition to improve the lot of the exploited peasantry. The institution of private accumulation of capital invariably leads to absence of optimum investment and the consequent lag in the development of resources. Socialisation of the means of production and communal ownership and way of living is the only solution. If this is not done, there will be continuous overpressure of population in agriculture thus making the condition of the small peasant much worse than what it is.

(3) *Neo-classical School :*

The existence of small farmers or submarginal farms is nothing new in a dynamic individualistic system. That is the only way inefficient



entrepreneurs will be driven out of the enterprise, thus making way for better persons. Only this process, though cruel, can insure most efficient use of the resources.

#### 4. *Logical Positivism :*

The problem of small farmers can be solved if the following major ways of action are considered in a public policy :

(i) The increase in population should be controlled as far as possible through the spread of knowledge about birth control; also, the people should be made conscious about the alternative sources of employment outside agriculture.

(ii) There is no need for abolition of the institution of private property in land altogether. But the rights of landlords and capitalist farmers should be fixed by law. Monopoly of land should be prevented both by law and by giving financial aid to the farmers who need it.

If the above institutions fail to solve the problem, the institution of landlordism and also private farming should be abolished. It should then be replaced by co-operative farming.

(iii) The State, when notices that enough investment does not come from private sources, should start state-owned industries. Finances for state investment should come from progressive taxation. New industries and more investment will go a long way in providing for employment for the migrating rural people.

(iv) Education is the basis of economic and social progress. It can never be over-emphasised, and, first priority should be given to education in a reconstruction programme.

(v) Further research alone can give a good idea as to the adjustment in institutional framework which is necessary. The loss of bargaining power which is the greatest handicap of the peasant has to disappear and in its place a new individual fully conscious of his rights and duties has to be evolved. Democracy should be the foundation stone of all these measures, and each social change has to be carried out with the will of the majority.

The above hypothesis makes it abundantly clear that both the choice of theory and array of facts is not possible without the help of judgment.

#### D. *Processing evidence:*

As the wording suggests, it is only "constructing or finding situations in experience in which postulated actions and consequences form inte-

grated events....”\*. In the hypothesis, we gave four alternative ways of stating the same with relation to the problem under discussion; naturally, we used four different types of theories while stating them. The choice of a theory is purely a matter of judgment—individual values and social background.

While processing evidence there is always a tendency to select the facts which favour once theories and ideas. This tendency is the root-cause of many unscientific “research projects”.

The main idea behind this paper is not to discuss in details and evaluate each of the different approaches. The purpose is to show that in a discussion and research of this sort, there is a tendency to be vague about one’s research methodology, while giving undue emphasis on the techniques or procedures of research. Experimental, historical, case studies, qualitative description, and methods of analogy or of logic, in addition to statistical methods are only different research methodologies, while surveys, accounting method, case history, mail questionnaire are the techniques of research. This clear cut difference between the research *methodology* and the research *techniques* is many times not observed. This tendency, which is not a sign of progressive research, is observable both in U.S.A. and India.

#### E. Terminal Test :

The duty of the social scientists does not end with giving the conclusions of research projects. For the conclusion, arrived at through the processing of evidence, can only be tested by successful results of purposive action. The function of terminal test is to solve the problem. It might again be repeated here that the problem is never clearly formulated until the possible solutions should really guide the formulation of the public policy and make it effective too.

“The problem of small farmers can be solved under the present social and political set up” is the view that will be held by logical positivists. Careful planning and policy making is the crucial factor. If the people are made conscious of the alternatives and of their responsibilities, the problem will be solvable.

India, today, has a more difficult choice to make than the one between Russia and China on one side and Great Britain and United States on the other. It is the choice between the two methodologies. It is the people who will make the choice. Is India really 20 years behind China and will she really follow the way China did? Or will she learn from

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\* L. A. Salter *op. cit.* p. 69.

the Chinese experiment and prevent the repetition of that history? Has not the social scientist a significant role to play? These questions are still to be answered. But can we now?

**APPENDIX 1**  
**Size of Holdings in Bengal**

<i>Details of Holdings</i>					<i>Percentage of peasant families</i>
Less than 2 acres	..	..	..	..	42.7
2 to 3 acres	..	..	..	..	11.2
3 to 4 acres	..	..	..	..	9.4
4 to 5 acres	..	..	..	..	8.0
5 to 10 acres	..	..	..	..	17.0
above 10 acres	..	..	..	..	8.4
					97.7
Families having no occupancy rights in lands	..	..	..	..	3.3
					100.0

(The Indian Society of Ag. Economics "Land Tenures in India" p. 14.)

**APPENDIX 2**  
**Size of Holdings in Punjab**

<i>Size of Holdings</i>					<i>Percentage of cultivators to total Cultivators</i>
1 acre or less	..	..	..	..	22.5
Between 1 and 2½ acres	..	..	..	..	15.4
Between 2½ and 5 acres	..	..	..	..	17.9
Between 5 and 10 acres	..	..	..	..	20.5
Over 10 acres	..	..	..	..	23.7
					100.0

(Nanavati and Anjaria "The Indian Rural Problem" p. 28).

**APPENDIX 3**  
**Costs and Profits of Cultivation of 122 cultivators in 13 typical villages of United Provinces**

Size of holding	No. of cultivators	Per-centage	Expenses of cultivation per acre	Gross income per acre	Net income including wages of family labour per acre	Family labour per holding man-days, (3 women days = 2 men days; 2 child days = 1 man day)
			Rs. a.	Rs. a.	Rs. a.	
Below 3 acres	.. 14	11.5	41 1	40 6	1 1	150
3 to 5 acres	.. 26	16.4	35 15	36 12	0 13	184
5 to 10 acres	.. 47	38.5	33 5	35 12	2 7	267
10 to 20 acres	.. 32	26.5	32 0	37 2	5 2	378
Over 20 acres	.. 9	7.1	32 5	40 5	8 0	390
All groups	122	100.0	34 3	37 2	2 15	274

(R. Mukerjee "Economic Problems of Modern India" Vol. 1 P. 117).