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RAPPORTEUR'S REPORT

ON

CHANGES IN THE STRUCTURAL DISTRIBUTION OF LAND OWNERSHIP AND USE (SINCE INDEPENDENCE)

Rapporteur: C. H. Hanumantha Rao*

1. *The Papers*

The papers presented on this subject for the Conference bring out the salient features of the changing distribution of land holdings in India since the mid-'fifties.

S. K. Sanyal examines the existing conceptual framework for the land holding surveys undertaken by the National Sample Survey. He makes an important point that the concept of operational holdings adopted requires good deal of comprehension and discretion on the part of an investigator. The criteria of "distinctiveness of the technical unit" and "the identification of the person who manages" are too much for the methodology of retabulation from land records adopted by the Agricultural Census (1970). Sanyal feels that this methodology has probably resulted in over-enumeration of small holdings in the Agricultural Census. He suggests the replacement of the concept of operational holdings by the simple collection of data on land owned (exclusive of leased-out area), land leased out and land leased in by the householder.

There are five papers on the changes in the structural distribution of land ownership and use for the country as a whole and with inter-State comparisons. Harpal Singh shows that the very small and small holdings upto one hectare have recorded the maximum increase in their number while the large holdings of 6 hectares and above have shown a net decline in their absolute number. Further, the share of small holdings in the total area has increased at a rate higher than their proportion in the total number of holdings while the holdings of 15 acres and above have lost in their share in the total area. The value of Gini coefficient of land concentration with respect to ownership declined significantly from .857 in 1953-54 to .758 in 1970-71. A. S. Sirohi, G. S. Ram and C. B. Singh bring out the inter-State disparities in the structural distribution of land holdings in rural India. According to them, inequalities in the distribution of owned area declined significantly since 1960-61 in several States. In Tamil Nadu, however, there was some increase in the Gini ratio between 1960-61 and 1971-72 whereas in Punjab and Uttar Pradesh, the decline in Gini ratio was negligible. The largest increase in the net area leased in was observed in the case of marginal farmers, who leased in an area

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almost equal to half of their owned area. S. B. L. Gupta, M. M. Bhalerao and M. P. Gupta in an inter-State comparison for the wheat belt conclude that the inequality in the distribution of area owned and operated has increased in Bihar and Uttar Pradesh and decreased in Madhya Pradesh, Punjab and Rajasthan. They also observe that large farmers have leased out comparatively higher proportion of their owned holdings than the small farmers.

L. N. Dahiya shows that the distribution of operational holdings is less unequal than that of owned holdings in rural India. He notes that the inequality in the distribution of operational holdings showed a slight tendency towards narrowing down while in the case of ownership holdings it remained virtually unchanged. This conclusion is at variance with the one arrived at by Harpal Singh and many others, and, therefore, needs closer examination and discussion. According to Dahiya's analysis, tenancy is on the decline and, contrary to the general belief, large owners turn out to be the net leasers-in. This he attributes to the resumption of land by the large holders in the wake of technological change and land reform measures. R. P. S. Malik, B. L. Khodpia and A. S. Guleria in their paper conclude that there has been an increase in the number of small holdings as well as an increase in the area owned by them in the rural sector. V. Haridasan deals with the changes in the ownership and distribution of rubber plantations in India. He observes that the largest increase in small holdings took place during the period 1955-56 to 1959-60, due partly to the agrarian reforms which had exempted rubber and other plantation crops from the purview of land ceilings which led to the allocation of otherwise 'surplus' lands to plantation crops. Unlike at the time of Independence when estate sector was predominant, the small holdings occupy the major position in 1974-75 in terms of area. His analysis also shows that the productivity of small holdings has increased over the years, though the increase has not been proportionate to that of estates.

V. B. R. S. Somasekhara Rao in his paper relating to the Andhra Region of Andhra Pradesh uses land holding data from the National Sample Survey (8th Round), All-India Debt and Investment Survey 1970-71, and the World Agricultural Census Report, 1970-71. He concludes that variation in the distribution of both the land owned and the land operated is more even in 1970-71 when compared to 1953-54. The distribution of owned land showed a greater reduction in inequality than operated land owing to the reduction in rented land. He also observes that the number of landless households was substantially reduced in 1970-71 as compared to 1953-54, which implies that some of the landless holdings have acquired small parcels of land by 1970-71.

P. D. Saikia, K. Gogoi and A. K. Bora base themselves on the NSS data and observe that the number of marginal and small farmers in Assam has been increasing very rapidly, due to the sub-division of holdings as well as due to the sale of land to the medium and big farmers. Also, a section of small and mar-

ginal farmers leases out a considerable part of their land to the medium and big farmers. They attribute this to the lack of infrastructure facilities like irrigation, which leads to uncertainty of income.

S. K. Sinha in his study on the impact of land reforms on the agrarian structure in Bihar points out that though the marginal and small holders are net leasers-in, the increase in the extent of leasing-out by them indicates their impoverished condition. This is supported by the fact that more than 50 per cent of land leased out by them in rural Bihar was under usufructuary mortgage. Tenancy reforms were quite ineffective in Bihar where most of the leases were on oral contracts and remained unrecorded, as revealed by the Agricultural Census, 1971. According to him, the only encouraging point about the tenancy structure is that the entirely leased-in holdings are on the decline.

More or less the same findings are brought out by another study relating to Bihar by S. Bhattacharjee and M. N. Singh. The concentration ratio in regard to operational holdings has increased in Bihar between the 8th Round (1953-54) and 26th Round (1971-72) of the NSS. They also point out that whereas in the case of West Bengal, the concentration ratio is almost constant since 1960-61 and the proportion of big farms and area held by them has been declining sharply over the years, in the case of Bihar, a tiny proportion of households with land holdings of more than 10 hectares accounted for nearly 10 per cent of the total cultivated area for the whole period. The area under tenancy has increased in Bihar between 1953-54 and 1971-72, the marginal and small farmers leasing-in more land in 1971-72. They conclude that land reform measures have till now failed to reduce inequalities or to protect the share-croppers in Bihar.

M. L. Sharma, Ram Kumar and Chander Bhan examine the changes in the distribution of land holdings in Haryana over 1961-71 when compared to the pre-partition Punjab. They observe that there has been a continuous increase in the area held by big landlords before Independence. There has been an increasing trend of small and marginal farmers and decline in the area held by large farmers during the 'sixties. However, it needs to be examined whether the data relating to Haryana for the decade 1961-71 are comparable with the data pertaining to the pre-partition Punjab.

M. K. Dhar shows that in Jammu & Kashmir, operational holdings have been sub-divided at a much faster rate in 1960's. This sub-division was at a higher rate than the population increase, indicating the impact of land reform measures. He expects that with the passing of the proposed J & K Agrarian Reforms Bill 1976, at least 26 per cent of the total cultivated area shall be surplus with the State which can be allotted to the marginal farmers.

N. Vyramudi Gowda's study for Karnataka shows that in respect of operational holdings, the inequality as per 26th Round of the NSS was less

when compared to 1960-61 and 1961-62. However, the inequality in the distribution of ownership holdings remained unchanged over the corresponding period. This differs with the all-India position as well as with that for many States where the inequality in the distribution of ownership holdings has declined more than that of operational holdings. The factors accounting for this differential position need to be discussed.

M. V. George and P. T. Joseph observe that in Kerala, although there has been a redistribution of land in favour of lower strata of holdings, the movement towards equity and social justice has been very low. The implementation of the Kerala Land Reforms Act in 1970 and the subsequent assignment of ownership rights to hutment dwellers and tenants mainly accounted for the phenomenal increase in the number of small holdings. At the same time, the special privileges granted for plantation crops and the suitability of the region for the same have led to the perpetuation of a few larger holdings at the upper strata. Since all forms of tenancy were *de jure* abolished from 1970, there has been a marked decline in the percentage of rented land to the total area, as revealed by the land holding surveys.

D. K. Marothia examines the data on land ownership of 70 farmers in two villages of Madhya Pradesh and concludes that share-cropping arrangements are not frequent on the medium and large farms, were more among the semi-medium and by far the highest amongst the small farmers.

A micro level study into the land leasing practices of the farmers in a western Maharashtra village undertaken by D. V. Kasar and T. K. T. Acharya shows that on Tiller's Day, *i.e.*, 1st April, 1957, landowners from the medium and small size-groups together accounted for two-thirds of the total leased-out area and the proportion of the absentee landowners was more among the small holdings. It was also observed that smaller tenants have relatively higher proportion of leased-in land when compared to their owned holdings. After land reforms were introduced, the practice of leasing has almost ended and small absentee landowners began personal cultivation.

V. D. Galgalikar, N. A. Gadre and C. K. Joshi make an interesting attempt to study the impact of different land reform measures undertaken by the Government in a ryotwari village in Akola district. The data were collected from the revenue records for the quinquennial years beginning from 1947-48 to 1972-73. The increase in the number of holdings outpaced the increase in population during this period. This increase in the number of land holders and consequent reduction in the size of holding is attributed partly to the increase in population and partly to the Ceilings on Land Holdings. The average size of holding of the small farmers increased somewhat while that of the large farmers came down sharply, indicating the significant impact of land reforms on structural changes in a ryotwari village.

The findings at the micro level from the above study are in conformity with the analysis of land holdings done at the macro level for Maharashtra based on the 16th and 26th Rounds of the NSS. M. P. Dhongade concludes from such an analysis that the largest size class was the substantial loser both in number and area so that the disparities in the distribution of land ownership among different size classes have been reduced over this period. He concludes further that the impact of land reforms is less on operational holdings compared to the ownership holdings. Also, the proportion of households leasing-out land increased in the smaller size classes while it declined in the larger size classes. However, there has been a decline in the area leased in.

The case study of a developed village of Punjab by Vishwa Mittar and J. R. Gupta reveals that between 1953 and 1976, the share of the bottom 20 per cent of the households in land ownership has declined while that of top 20 per cent of households increased. He concludes from this that development seems to have accentuated the inequalities in the distribution of land ownership. It was found further that the majority of the households moving up the agrarian ladder in terms of land ownership were big farmers. They were also in the forefront in regard to leasing-in.

The impact of technological change and development on farm size tenurial relations and land rents in Punjab is brought out by Amarjit Singh and A. S. Kahlon. The farm management data for Ferozepur show that the size of holdings increased between 1954-55 and 1967-68. However, there is no sharp increase in farm size between 1967-68 and 1973-74 because of land reform measures during this period. It was also found that the smallest and the largest category of owners were net sellers of land while the middle-sized ones were purchasers. The practice of owner cultivation has increased. Within a short period of six years since the introduction of new technology in 1967-68, land rents doubled and the proportion of cash rented land to the total leased land increased significantly. In the case of share-cropping, the practice of sharing costs became popular in the wake of Green Revolution.

B. L. Kumbhar shows, on the basis of NSS data, that between 1960-61 and 1971-72, the inequality in the distribution of land has been reduced somewhat in Rajasthan. The reduction in inequality has been higher in owned area as compared to the operated area and, during this process of change, the medium farmers have benefited much.

B. N. Asthana and P. C. Shukla deal with an interesting aspect of land management, namely, the incidence of individual and joint holdings. The incidence of joint holdings is greater among large holdings. This has declined over time and individual holdings have increased. That large farms should be jointly operated and small farms individually appears paradoxical. The authors do not give any explanation for this phenomenon. The economies of scale may not be as important in labour-intensive agriculture as incentives for work associated with the reward for work. Large

farms being wage-based, the division of product among the members of the joint holdings would essentially be according to the land contributed whereas among small farms, both land and labour inputs become important, which may explain the greater importance of individual holdings among the small farm sector.

Ratan Ghosh makes an attempt to examine the changes in the land distribution in West Bengal in terms of 'surplus land' distributed by the Government, after its acquisition from the large land holders. He shows that changes in the distribution of land holdings during 1960's is explained suitably by the distribution of surplus land. However, in the 1970's, the distribution of surplus land has not been reflected in the observed distribution of land. He concludes that the progress so far made in regard to the distribution of surplus land has hardly affected the concentration in the ownership of land. However, two qualifications have to be kept in view while interpreting his results. Firstly, the concentration ratio may increase sometimes as a result of redistribution of land if it creates a large number of tiny holdings. Secondly, the data used from the Government sources for 1975-76 may not be comparable with the earlier data.

Another study for West Bengal by K. Sain based on the NSS data shows that the inequality in the ownership of land holdings declined during the 1960's. The inequality in the distribution of operational holdings has increased during this period. The latter is explained by the eviction of small tenants and *bargadars* for resumption of land by large landowners, for whom self-cultivation has become profitable owing to Green Revolution.

2. *Summary*

The overall picture emerging from the above papers is as follows:

The inequality in the distribution of land owned in rural India has shown some decline, particularly in the 'sixties. The inequality in the distribution of area operated has also declined, but the decline is less marked than in the case of owned land. At any point of time, the distribution of operated area happens to be less unequal than owned area, owing to the fact that small and medium holdings lease in area, the bulk of which is leased out by the large landowners. However, there is a tendency towards convergence of the distributions of owned and operated area because the area under tenancy has declined owing largely to the resumption of land by the landowners from the small and medium size operational holdings. Sub-division of land holdings and sale and purchase of land seem to have been more important in bringing about these changes in the structural distribution than the redistribution of land through tenancy reforms and legal ceilings on land holdings. As a result of these changes, the number of marginal and small farmers as well as the area held by them has increased, whereas the importance of large farms has declined both in terms of their number as well as the area held.

Thus there has been some reduction in inequality in the distribution of land holdings in rural India. However, the changes have not been significant and landlessness as well as the number of marginal farms has increased significantly. Whereas legislation on ceiling on land holdings seems to have contributed both directly and indirectly to some reduction in inequality in ownership, the tenancy legislation and tenancy reforms *as such* seem to have contributed to the increase in the inequality in the distribution of operated area through the resumption of land by the large landowners. This tendency has been reinforced by technological changes in regions like Punjab. In regions like Assam and Bihar, on the other hand, the increasing non-viability of marginal holdings has forced them to lease out land to the medium and large farms. Population pressure, land reforms, technological change and the meagre employment opportunities in the non-agricultural sector have combined to bring to the forefront the problem of the marginal farm sector.

3. *Issues for Discussion*

(i) The conceptual framework underlying the National Sample Surveys and the Agricultural Census, 1971. Their implications for the comparability of data between different rounds of the NSS and between NSS and Agricultural Census, particularly in regard to the changes in the structural distribution of land ownership and use. Instances of the erroneous use of the data from the NSS and the Agricultural Census by the economists arising from the inadequate comprehension of the underlying conceptual framework.

(ii) Changes in the structural distribution of land ownership in India since Independence. Regional variations in the changing pattern. The changing position of small and large landowners in terms of number of holdings as well as area held. The relative importance of different factors, *viz.*, land reforms, population growth, technological changes, etc., in accounting for the changes in the distribution of land owned in different regions.

(iii) Changes in the structural distribution of land use. Changes in the area under tenancy. To what extent the changes in the area under tenancy are 'spurious' and 'real.' The identification of classes who are net leasers-out and net leasers-in. The relative impact of tenancy reforms and technological change on the distribution of operated area through the resumption of land. Changes in the forms of tenancy *e.g.*, share-cropping and fixed rent systems. The impact of technological change on rents and cost-sharing practices.

(iv) The problems of small and marginal farmers. The likely trend in the number of small and marginal farmers and the area held by them. Changes in their leasing patterns. The question of economies of scale and co-operative farming. The physical and institutional infrastructure, *e.g.*, irrigation and credit institutions for supporting the small and marginal farmers. Basic elements of public policy for small and marginal farms.