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

(a) Land Reforms

SUMMARIES

TOWARDS AN APPROPRIATE LAND REFORM POLICY

T. Haque*

The main objectives of this paper are (i) to examine the nature and extent of changes in agrarian structure in India under the impact of various measures of land reform undertaken since Independence and (ii) to indicate the need, if any, for an appropriate land reform policy from the point of view of providing an institutional framework for rapid agricultural growth with social equity. The study reveals that despite various measures of land reform undertaken since Independence, the basic characters of agrarian structure in India continue to be unequal and unproductive till today. Although the incidence of tenancy is claimed to have declined over time, due to both conferment of ownership right on tenants and eviction of tenants by the landlords, not only many regions of the country have still very high proportion of cultivated area under tenancy, but also a significant proportion of the total tenanted land are found to be cultivated by the large and medium farmers. Also the concentration in the ownership and operation of land holdings has diminished only marginally over time. In fact, under the impact of growing landlessness and marginalisation of farms, high rate of population growth, rising price index, slow pace of agricultural growth and low rates of actual and potential migration to the urban area, the present agrarian scene gives a very pessimistic outlook for the future. Therefore, in order to ensure both rapid agricultural growth and social justice, it would be necessary not only to enforce the existing land reform laws effectively, but also to undertake a far more radical package of land reform involving the fixation of relatively low ceilings on land holdings and complete abolition of tenancy. The imposition of ceilings at low levels and redistribution of surplus land among marginal farmers would work as a deterrent to the growth of exploitative tenancy and rural poverty and would also ensure greater agricultural productivity through more intensive use of land and other resources by the relatively small farms. However, while conferring ownership right on tenants, due care should be taken to ensure that marginal and small farmers who might have leased out land to the large farmers under various economic pressures, do not get alienated from land.

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INSTITUTIONAL CHANGES FOR GROWTH AND EQUITY IN INDIAN AGRICULTURE

J. P. Bhati and Oskar Gans†

The trend of farms diminishing in size is growing in India and there is no sign of its slowing down. Keeping in view this situation, some suggestions for agricultural growth with equity are made in this paper. The suggestions are to effect changes in the institutions and service structure that may help the poor and marginal farmers. There is no adequate access to input supply to the poor and marginal farmers. A network of input distribution is to be created upto the lowest level. Wherever needed, inputs may be given on credit. When any key input is in short supply, some sort of rationing may be done. High value labour intensive crops such as vegetables may be encouraged on small and marginal farms by providing proper transport, storage and processing facilities. Large farmers dominate grass-root political organisations and co-operatives; therefore, separate co-operatives for small and marginal farms should be formed. The poor farmers may be encouraged for joint-tubewells, transport facilities, etc. Banks should give more attention to the needs of the poor and wherever needed, give group loans for joint programmes, so that there is a change in the asset structure in favour of the rural poor. The benefits of innovations do not reach the small and marginal farmers in the normal development process. Agricultural extension workers should be specifically asked to contact poor and low caste farmers whom they generally avoid. The diffusion of innovations should start from below. The research on poor men's crops like millets, oilseeds and root-crops, and on small farm tools and implements should be given priority.

Agricultural insurance service will reduce the element of risk from farming and would provide food security to the small and marginal farmers and in general would be helpful for agricultural development with equity. Common pastures and waste lands are totally neglected because the attention of government and the farmers is concentrated on agricultural lands. Poor farmers rely relatively more on common lands for livestock and household needs. Village panchayats should be motivated to develop these common lands with the active support of all villagers. Wherever necessary, government should provide expertise, subsidy or grant-in-aid for the land reclamation and soil conservation purposes on these lands.

CASE FOR COLLECTIVE FARMING IN TRIBAL AREAS OF BASTAR

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The paper examines the impact of Tribal Development Programme on the levels of income and assets of tribal beneficiaries in Dantewada tahsil

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of Bastar district in Madhya Pradesh. While pinpointing the deficiencies of the programme the paper advocates for organising collective farming societies so that the benefits of development could be accrued. The paper is based on a survey-based study of 50 beneficiaries of Tribal Development Programme operating in Dantewada tahsil. The study revealed that there is no substantial increase in the income of the beneficiaries. This is due to the poor implementation of the programme which has led to leakages and diversion of gains. It is contended that these evils are inherent with the development programmes based on individual approaches. The agrarian reform based on 'land to the tiller approach' has created marginal and small farmers with uneconomic holdings. The beneficiaries being unorganised, they could not avail of the full benefits of the programme. The beneficiaries belong to Bison-Horn Maria tribe. Their historical background shows that the means of production are controlled by the community in their traditional society and they are performing productive functions collectively. It presents a strong case for collective farming.

LAND REFORM IN WEST BENGAL AND PROMOTION OF PRODUCTIVITY IN AGRICULTURE

G. K. Chakravarty and S. Sarkar†

Land being the most important constituent in the agricultural production system, the pattern of its ownership status and distribution of operational areas are the key factors in deciding the characteristics of the agrarian structure. In order to make the land and the toiling masses in the agricultural sector really productive, immediately after Independence land reform measures were undertaken with due seriousness in West Bengal. The land reform measures envisaged, among other things, a radical change in the production relations and the pronounced objectives of land reforms aimed at the abolition of intermediaries, redistribution of surplus land, security to tenancy rights and consolidation of holdings, etc. West Bengal has shown much progress in certain specific areas such as (i) recovery of surplus land, (ii) distribution of vested land among landless and marginal farmers and (iii) recognition of the rights and securities of the share-croppers. But no progress has been made in the area of consolidation of holdings. A lot is also yet to be done in reducing the concentration at the upper size-group and give a desired shape to the production relations which have not shown any significant change so far.

The domination of small and marginal farmers with little or no resource endowments in West Bengal requires special attention. The small and marginal farmers taken together command over more than 85 per cent of the

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agricultural land. It has not been possible to introduce technology even at a moderate scale on the farms of the small and marginal farmers due to their personal resource constraints. Unless the small and marginal farms are modernised the growth rate is bound to stagnate at a low level. The production relation will also continue to remain unchanged.

Production in agriculture, to sum up, is strangled by the constraints originating from technological, social and institutional factors. A pragmatic approach, therefore, is necessary to pull up from the low growth stability situation. An intensive development of infrastructure consistent with the socio-economic aspirations and environment should get priority. Examples of Japan and China, where agriculture has been fully integrated with technological and institutional infrastructure are worth noting. The purpose of land reforms will remain unfulfilled and the measures taken so far may work as counter-productive if the small holdings are not made sufficiently productive by perfect integration of infrastructural facilities. The recommendations of S. R. Sen Committee for 'floor limit' to the holding size and the granting of complete freedom for leasing out by the farmers with poor resource endowments are not acceptable in the context of the social and political and economic environment and goals.

CHANGING AGRARIAN STRUCTURE AND PRODUCTIVITY IN INDIA

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The objective of the paper is to review the changes in the structure of land holdings at the national and State level during the last decade (1970-71 to 1980-81) and identify the direction of change. It also attempts to study the impact of such changes on crop productivity. The need for proper integration of institutional and technological factors is suggested in the end. To maintain comparability of data, we have depended on Agricultural Census which were conducted in 1970-71, 1976-77 and 1980-81. The analysis of the data indicates that from 1970-71 to 1980-81 the marginal and small holdings gained in importance, while large holdings lost their importance in India. However, medium holdings retained their position. The average size of holdings in all size-groups has shrunk with the exception in the medium size-group. The calculation of expected holdings (or the area) under different size-groups for different States during the year 1980-81 reveals that the trend pattern in the size distribution of holdings in Indian States is similar to that observed at the national level. The concentration ratios reveal that there is some improvement in the distribution of land holdings in 1980-81 as compared to 1971-72.

We have fitted multiple regressions to examine the impact of agrarian structure on agricultural productivity, using the yield (kg./ha.) rate of foodgrains

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as dependent variable and the size of holdings, proportion of area under marginal and small holdings, concentration ratio, percentage of irrigated area, area under HYV and per-hectare fertiliser consumption as independent variables for the years 1971-72 and 1980-81. Yield regression establishes significant positive impact of percentage area under small and marginal holding, irrigation ratio, fertiliser, on the one hand, and significant negative impact of average size of holding, on the other. The impact of concentration ratio on yield rate is inconclusive as the coefficient of concentration ratio is non-significant at 5 per cent level. However, it is indicative of the fact that the structural inequalities are not as powerful as that of technological factors such as irrigation and fertiliser in influencing the agricultural production. Thus, if the present trend is continued in future, Indian farming will be characterised by marginal and small holdings. The structural inequities may also be reduced further. Although the emerging structural trend is likely to contribute to agricultural production, as is clear from the present study, the importance of technological change as embodied in fertiliser application, use of improved seed and irrigation should be fully recognised. In fact, growth of modern agriculture depends on various supportive measures such as research, extension, credit, input and production marketing. Therefore, the supporting systems should get adjusted to the requirements of small and marginal holdings. Hence, the programme of land reform should include not only policies of land redistribution but also policies designed to facilitate the effective utilisation of land by the small and marginal land holders. This calls for a propitious combination of institutional, technological and organisational factors in the context of changing agrarian structure in the country. There is also a need to enhance the investment on agricultural improvement on marginal and small farms under the Five Year Plans.

STUDY OF STRUCTURAL CHANGES IN LAND HOLDINGS— EMERGING TRENDS AND ITS IMPLICATIONS

R. K. Pandey and Shanti Sarup†

Indian agriculture is predominated by small and marginal farms. The size of holding is a perennial theme of discussion by planners and policy makers. Several studies have indicated that our agriculture is characterised by high incidence of tenancy, wide degree of fragmentation and highly skewed ownership pattern of land holdings. The present paper attempts to examine the changes in the pattern of distribution of land holdings during 1970-71 to 1980-81, pattern of tenancy structure and method of payment of rent during 1970-71 and 1976-77. The effect of holding size on productivity has also been studied. During the period 1970-71 to 1980-81 the number of holdings increased by 26 per cent. The maximum increase was observed in the case

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of marginal holdings followed by small holdings. During this period, large holdings declined by over 22 per cent. The average holding size has also witnessed a decline during the three census periods. Changes in tenancy structure for the period 1970-71 to 1976-77 reveal that the system of tenancy is almost disappearing due to the enactment of various land legislations. The study indicates that, to some extent, smaller farms show higher crop productivity. If the present trend continues, in future years small and marginal farms would increase in number to a great extent. The increase in productivity will also be affected positively by this phenomenon.

LAND LEASE MARKET—ITS IMPACT ON OPERATIONAL HOLDINGS IN PUNJAB

I. S. Chatha, Joginder Singh and S. S. Grewal*

After Independence the system of land tenure has seen phenomenal changes. Unlike during the pre-Independence period, now the lessors do not seem to be necessarily the large holders and the lessees small ones but both the large and small holders seem to be leasing in and leasing out land due to various reasons. This study was, therefore, undertaken to analyse the structure of land lease market and to examine the impact of tenancy reform on equity in the distribution of operational holdings. The analysis is based on the data collected from 522 farmers of nine representative villages in Punjab relating to the year 1984-85. About one-third of the sample farmers had resorted to leasing in of land and the proportion of leased-in land to the total area operated was about 14 per cent. The absolute number of lessee farmers in small sized categories was relatively more. However, the leased-in area per lessee had a positive relationship with the size of holdings. It was also found that the proportion of leased-in land was positively correlated with the ownership of tractors. The most important reason for leasing in of land was to make the holding size operationally viable with a view to make proper use of available farm resources. The study showed that the majority of the lessees were those who owned land and leased in a part of the holding for the reason mentioned above. Pure tenancy was virtually non-existent in the State which implies that in spite of increased profitability, farming was not considered to be a paying proposition by persons who had to lease in the entire holding.

As regards leasing out of land, small farmers were found to have leased out a relatively higher percentage of the owned area because the cultivation of very small sized holdings was not found to be a profitable proposition in spite of advances in technology. The practice of leasing in/out of land both on cash and crop sharing basis was found to be of almost equal magnitude. Generally, in the case of sharing basis both the output and the cost of inputs

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were shared by the owner and the tenant on 50:50 basis. The cash rent varied between Rs. 400 and Rs. 2,510 per acre depending upon the quality and situation of land and the average rent for the State was Rs. 1,200 per acre in 1984-85. Most of the lease contracts were verbal and for one year at the first instance. In general, the land lease market was working to the satisfaction of both the lessors and the lessees although contracts did not strictly conform to the provisions of the existing legislation. The role of tenancy in the distribution of holdings was also examined. The disparity in the distribution of operational holdings declined by 4.46 per cent as compared to that of owned holdings. As a result of tenancy legislation in Punjab which is more favourable to the tenants, the owners have become somewhat reluctant to lease out their land for longer period which is detrimental to rational resource allocation in a free economy. Therefore, while enacting tenancy laws the interests of the landowners should also be given due consideration.

IMPACT OF LAND REFORMS ON OUTPUT AND EMPLOYMENT IN THE PUNJAB

Onkarjeet Singh, B. S. Dhillon and B. S. Basra†

Ceilings on agricultural holdings is a very important component of land reforms and has direct and indirect impact on increasing the incentives, equality and social justice. While economists, political scientists and other social scientists have spent a lot of time and efforts on studying various socio-politico-economic-institutional aspects of land reforms in the developing countries, enough attention has not been paid to the productivity and employment aspect of new allottees of land, who have been allotted land under land reforms. The present study is an attempt to analyse the comparative position of productivity and employment of the new allottees and the large farmers from whom the land has been taken and distributed. This study was conducted in the Gurdaspur district of the Punjab as the maximum area distributed under the land reforms was in this district. Thirty respondents were selected from each of the categories. The data pertained to the year 1984-85. Cobb-Douglas production function was used as an analytical technique. The marginal value productivities (MVPs) of different factors for both the categories (category I: new allottees and category II: large farmers) were worked out from the fitted function. The MVP of land for category I and category II was Rs. 485.02 and Rs. 1,097.17 respectively. The MVP of land of the new allottees was about half of the large farmers due to the fact that poor land was allotted to them and the use of capital intensive inputs was very low. The MVP of hired labour was Rs. 1.215 and Rs. 2.030 respectively for the two categories. The MVPs of other factors such as bullock and tractor labour, irrigation expenses and fertilisers and manures were Rs. 2.834, Rs. 1.520

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and Rs. 2,668 respectively for category I as against Rs. 2,451, Rs. 1,704 and Rs. 1,053 respectively for category II. The main problems of the new allottees were identified as poor quality of land allotted to them, small size of holdings (0.5 to 5 acres), inaccessibility to market credit, lack of irrigation facilities, low level of inputs used and disguised unemployment.

CO-OPERATIVE JOINT FARMING IN NELLORE DISTRICT: A MEASURE OF EQUITY

M. Atchi Reddy*

A cost-benefit analysis of the co-operative joint farming (CJF) societies in Nellore district of Andhra Pradesh show that they are not as efficient as the other lands cultivated outside the CJF societies in the respective villages. Most of the successful societies are those formed on the surplus lands and waste lands which were formerly cultivated by illegal occupants. Even though 1,40,767 hectares of waste land were distributed by 1982 in this district, reclamation of uncultivated government waste lands was not extensive as shown by the marginal increase in the proportion of net sown area to the total geographical area of the district between 1972-73 and 1982-83. This means that the CJF societies could bring about some structural changes in the pattern of land ownership in favour of small cultivators but could not succeed in bringing extensive waste lands under the plough. Compared to the State averages, the number of cultivators in the district went up by one per cent while that of agricultural labourers declined by about one per cent between 1971 and 1981. This is not as much as to justify the cost and propaganda of the CJF societies. This means that the CJF societies could help a number of tenants to become independent farmers and could not transform the large chunk of agricultural labourers into cultivators. Further data and information are necessary to work out any meaningful cost-benefit analysis of the CJF societies.

The above study, carried on with many limitations, show that the agricultural labourers and marginal farmers in the sample villages had experienced a conspicuous rise in their living standards as a result of the co-operative joint farming societies. The village moneylenders and landlords had almost gone out of the scene and the wide gap between the rich and the poor in the ownership of assets, particularly land and cattle, was largely reduced.

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LAND REFORMS AND WEAKER SECTIONS: A CASE STUDY OF
SCHEDULED CASTES IN A DELTAIC VILLAGE OF ANDHRA
PRADESH

G. Nancharaiah†

Scheduled Castes differ from other weaker sections in the sense that they were not only economically exploited but also socially discriminated. According to 1981 population census, they constituted more than 15 per cent of the total population and 50 per cent of their main workers are agricultural labourers while it is only 25 per cent in the case of main workers of general population. This shows the dependence of Scheduled Castes on landed gentry even for their bare subsistence. If this dependence is to be reduced to any significant extent without shifting this labour force from agriculture, there is a need for redistributing the land. Land reforms have been attempted in India in this direction. But many studies have revealed that they did not benefit the landless labourers and other vulnerable sections like small tenants. As per 1980-81 Agricultural Census of Andhra Pradesh, the Scheduled Castes constituted about 15 per cent of the total population and their holdings constituted about 12 per cent of the total holdings, covering an operated area of less than 7 per cent of the total operated area. This clearly shows the weak position of the Scheduled Castes vis-a-vis other castes with reference to land. The present paper attempts to examine the changing position of Scheduled Castes vis-a-vis other castes with reference to land since 1930 in 'Kanchakoduru' village in Coastal Andhra as the village is exposed to land reforms, green revolution and also it has a good percentage of Scheduled Caste population. The data relating to land distribution pattern at four points of time beginning from 1930, 1948, 1965 and 1982 are collected from land records and then the data are arranged castewise. The analysis of this land distribution shows that the Scheduled Castes controlled a very meagre share of land compared to others throughout the period of analysis. However, there is an increasing trend in the share of Scheduled Castes particularly after the promulgation of Estate Abolition Act of 1948. But their percentage share in the total area declined between 1965 and 1982. Social taboos like untouchability, their ignorance of land legislation, low tenancy base and inadequate credit facilities are the factors found to be coming in their way to gain good control over land.

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THE QUESTION OF FURTHER LOWERING THE CEILING OF
RURAL LAND IN WEST BENGAL : A STUDY OF THE SUB-
DIVISIONAL ECONOMY OF DINHATA

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The results of a sample survey in the sub-division of Dinhata in West Bengal may be used for the formation of a hypothesis that smaller farms fare better in respect of use of resources and output per acre. This finding is just contrary to a finding by one of the authors on the basis of the data of West Bengal in the late fifties. In the course of a quarter of a century, a perceptible change has taken place in the rural economy of West Bengal. Although even now certain areas remain stagnant, resources and other facilities are being pumped into smaller farms. This relatively easy availability of resources has led to more intensive use of land on smaller farms. On the other hand, relatively larger farms are yet to get the benefit of established market for inputs. What is more, they are not assured of the opportunity of selling all their output at fixed fair price. A system of small farms with heavy cost on induced additional productivity has to be weighed against a system of farming with less expensive system of markets of inputs and outputs.

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