

AGRICULTURAL POLICY AND LAND REFORM MEASURES

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ABSTRACT

Agriculture sector is a key component of Indian economy. The stagnating agriculture has emerged as a speed breaker in India's economic growth. However, Indian agriculture is facing challenges in the context of global economy. Though, Government of India has already introduced National Agriculture Policy and measures for land reforms. However, India is far behind as far as productivity and contribution of agriculture in overall GDP are concerned. India has also initiated agriculture reforms in order to boost the agricultural economy, however, the unfinished agenda of agriculture reforms holds the key for addressing the problems of growth and development of economy. Against this viewpoint, paper attempts to analyze the National Agriculture Policy in the context of land reforms in India.

Introduction

Policy announced by the government relation to agricultural sector to improve the agricultural production, productivity, investment, credit facilities, technological upgradation, including structural, institutional, agronomies and tax reforms.

National Agricultural Policy (2000)

The National Agricultural Policy was presented in the parliament on July 28, 2000. The policy has been necessitated due to the relatively poor growth of agriculture during the 90s. The policy document stated "*Capital inadequacy, lack of infrastructural support and demand-side constraints such as controls on movement, storage and sale of agricultural products etc., have continued to affect the economic viability of agricultural sector, consequently growth has also tended to slacken during 90s*".

The establishment of an agrarian economy which ensures food and nutrition to India's billion people, raw-materials for its expanding industrial base and surplus for exports and a fast and equitable reward system for the

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farming community for the services they provide to the society will be the mainstay of reforms in the agricultural sector. Thus, the National Agricultural Policy aims to attain the following objectives:

1. A growth rate of over 4 per cent per annum in the agricultural sector.
2. Growth that is based on efficient use of resources and conserves our soil, water and biodiversity.
3. Growth with equity i.e., growth which is wide-spread across-regions and farmers.
4. Growth that is demand-driven and caters to domestic markets and maximizes benefits from exports of agricultural products in the face of challenges from economic liberalization and globalization.
5. Growth that is sustainable technologically, environmentally and economically.

The Main Points of Policy:

1. The growth of agricultural sector is to be achieved through combination of measures including structural, institutional, agro-economics and tax reforms.
2. The focus of the new policy is on efficient use of resources and technology.
3. The focus of the new policy is on adequate availability of credit to the farmers.
4. Protecting the farmers from seasonal and price fluctuations.
5. Privatization of agricultural sector would be encouraged and promoted through contract farming and land leasing arrangements.
6. Private sector investment would be encouraged particularly in areas like research, human resource development, post-harvest management and marketing.
7. Commodity-wise strategies would be evolved to protect farmers from adverse impact of under-price fluctuations in the world market.
8. Dismantling of quantitative restrictions on imports as per WTO agreements.
9. In order to fulfill the requirement of milk, eggs and livestock products, the policy envisages a 'National Livestock Breeding Strategy'.
10. Plant varieties would be protected through registration.
11. High priority would be accorded to evolve new location specific and economically viable improved varieties of crops.

12. The restrictions on the movement of agricultural commodities throughout the country would be dismantled.
13. The structure of taxes on food grains and other commercial crops would be reviewed and correct accordingly.
14. Rural electrification would be given high priority.
15. Steps would be take to provide comprehensive insurance policy to the farmers which would cover all these farming operations.

Assessment of Policy

The new agricultural policy promises Green Revolution, while revolution (pertaining to milk and dairy products) and Blue Revolution (pertaining to aquafish culture). It has been described as a policy of promising 'Rainbow Revolution'.

Rainbow Revolution

- Over 4% annual growth rate in aggregate.
- Greater private sector participation through contract farming.
- Price protection for farmers.
- National Agricultural Insurance Scheme to be launched for all farmers and all crops.
- Dismantling of restrictions on movement of age commodities throughout the country.

Critical Review of the Policy

1. There has been virtual stagnation in Indian agriculture during the later half of the nineties.
2. The speak of 4% growth during the next two decades appears to be wishful thinking, but the fact that the new policies under economic reforms have neglected agriculture completely.
3. During the 90s, the growth of agricultural production averaged 2.1%, which was just equal to the growth rate of population. It is equally true that the goal of food security for all still appears to be a distance dream.
4. The new agricultural policy does talk of growth with equity, but fails to identify the states, which have lagged behind in the utilization of their agricultural potential.

5. The policy speaks of encouraging private investment in agriculture. There is no doubt that private investment does help big-farmers to improve these levels of productivity. But the small farmers unable to undertake private investment effectively to boost their productivity.
6. New agricultural policy intends to seek private sector participation through contract farming by land leasing arrangements. The adoption of contract farming will result in contraction of employment.
7. The government after making comprehensive recommendations in all areas of agricultural development has not utilized any machinery of implementation.

Land Reform Measures

The agrarian structure in pre-independence period was woven around the vested interests of intermediaries. These intermediaries created a parasitic class which did not work on land, but snatched away whatever surplus over the above the minimum subsistence the cultivators produced. The rather were forced to lead a wretched life of slavery and depravation. It was basically to stop the exploitation of the actual tillers of the soil and pass on the ownership of land to them that land reforms were introduced in the post-independence period of India.

The purpose of land reforms is, therefore, twofold. On the one hand, it aims to make more rational use of the scarce land-resources by affecting the conditions of holdings, imposing ceilings and floors on holdings, so that cultivation can be done in the most economical manner i.e., without any waste of labour and capital. On the other, it is a means of redistributing agricultural land in favour of the less privileged classes, and improving the terms and conditions on which land is held for cultivation by the actual tillers with a view to ending exploitation.

Basically, land reform measure are aimed at alleviating rural poverty in the following manner. The government has defined the objectives of land reforms as:

1. To remove such impediments to increase the agricultural production as arise from the agrarian structure inherited from the past.
2. To eliminate all forms of exploitation and social security for the tiller of soil and assure equality of status and opportunity to all sections of the rural population.
3. By distributing land among the landless by taking possession of surplus land from large land holders.

4. By providing security of tenure and ownership rights to tenants and share croppers and by regulating rent payable by them to the landholders.
5. By protecting the interests of tribals in land preventing non-tribals to encroach upon tribals land.
6. By promoting consolidation of holding to improve the size of operational holdings thereby paving the way to raise productivity.
7. By development of public lands thereby providing better access to the rural poor to obtain full wood and fodder.
8. By providing access to women to land and their productive assets.
9. By protecting homestead rights of the rural poor on lands owned by them.

Scope of Land Reforms

The scope of land reforms entails:

1. Abolition of Intermediaries.
2. Tenancy Reforms.
3. Ceilings and floors on land holdings.
4. Agrarian Recognition.
5. Organization of co-operative farms.

The measures contemplated to achieve these objectives all as follows.

1. Abolition of Intermediaries

Before Independence, there were 3 types of land tenure systems prevailing in the country.

1. The Zamindari System
2. The Mahalwari System
3. The Ryotwari System

Under Zamindari System, the ownership of land vested with landlords. These landlords were entrusted with the task of collecting rent from the tenants and passing it on to the government. A big portion of the rent was kept by the Zamindars as per remuneration.

Under Mahalwari System, the whole village was treated as one unit. The responsibility of collecting the land revenue and depositing it with the government rested with the village headman.

Under Ryotwari System, farmers were exploited in the hands of intermediaries under Mahalwari and Ryotwari system also. The practice of cultivation by tenants became widely prevalent. Also, the existence of intermediaries was the most important impediment to agricultural development in the later half of 19th and the first half of 20th century. It was on account of these reasons that legislations were passed to abolish all types of intermediaries and to pass the land to actual tiller of land.

The general pattern of abolition of intermediaries was as follows.

1. Common lands such as waste lands forests etc., which belonged to the intermediaries were vested in the state government for the purpose of management and development.
2. Home farms and lands under personal cultivation of the intermediaries were left with them and less of home farms lands continued as tenants of them in some states and brought in direct contact with government in other states.
3. The abolition of intermediaries was done with compensation to intermediaries. The basis of land the rate of compensation varied from state to state.

The abolition of statutory landlordism covering a variety of intermediary tenures has now more or less accomplished bringing nearly 2 crores cultivators into direct contact with the states. It has been estimated that in all 173 intermediaries and distributed among landless agriculturists.

2. Tenancy Reforms

Under this heading, 3 measures are discussed. (a) Regulation of Rent (b) Security of tenure and (c) Conferment of ownership rights on tenants.

(a) Regulation of Rent

In the pre-independence, the rent charged by Zamindars from the tenants was exorbitant. The rate varied between 40 to 80% of the produce in different states. These highly exploitative rates spelt misery on the tenants who could hardly make both the ends meet. As a consequence, legislations were enacted after independence to regulate the limits of rents and reduce the burden on tenants. Different states fixed different rents ranging between 25 to 40%. However, legislations fixing maximum limits of rents have been often violated. Back of the strong socio-economic and political hold of landowners : they have been able to extract considerably more rent from the peasants than the rent fixed by the legislations.

(b) Security of Tenure

To provide security to tenure, and to protect tenants from ejectments legislations have been passed in most of the states. Legislation for security of tenure had three essential aims:

- (i) Ejectments do not take place except in accordance with provision of the law.
- (ii) Land may be resumed by an owner, if at all, for personal cultivation only, and
- (iii) In the event of resumption, the tenant is assured of a prescribed minimum area.

However, the light of resumption combined with flaws in the definition of personal cultivation rendered all tenancies insecure. The landlord could eject any tenant on the plea of personal cultivation. It was no account of this fact that IV five year plan recommended that all tenancies should be declared non-resumable and penalty should be imposed on wrongful eviction.

(c) Conferment of Ownership Lights on Tenants

Legislations provide for bringing tenants of non-resumable lands into direct relationship with the states in the following 3 ways:

- (i) By declaring tenants as owners and requiring them to pay compensation to owners in suitable installments.
- (ii) Through the acquisitions of light of ownership by the state on payment of compensation and transfer of ownership to tenants.
- (iii) Through the acquisition by the state of landlord rights and bringing tenants into direct relationship with the state, option being given to tenants to continue as such on payment of fare rent to he government or to acquire full ownership on payment of the prescribed (manner) minimum.

It has been estimated that as a result of laws conferring ownership rights on tenants in various states, approximately 124.2 lakh tenants have acquired ownership rights on 6.32 million hectare of land.

3. Re-organization of Agriculture

Re-organization of Agriculture included the following polices: (i) Redistribution of land, (ii) Consolidation of holdings and (iii) Co-operative farming.

(i) Redistribution of Land

Redistribution of land was to be undertaken by imposing ceilings on amount of land which an individual could hold and distributing the surplus land among the landless farmers. A ceiling on land holding means statutory absolute limit on the amount of land which an individual may hold. A ceiling of 18 acres on wet land and 54 acres on dry land has been fixed. It has been estimated that 3.04 million hectares of land has been declared surplus and 2.15 million hectares has been distributed amount 5.54 million people.

(ii) Consolidation of Holdings

This measure aims to solve the problem of fragmentation of holdings. The method adopted is to grant one consolidated holding to the farmer equal to the total of the land in different scattered plots under his possession. The programme of consolidation faces a number of difficulties.

(iii) Co-operative farming

This measure also aims to solve the problem of fragmentation of holdings. The idea is that farmers having very small holdings should join hands and pool their resources for the purpose of cultivation. This will enable them to reap the benefits of large scale farming. However, reviewing the working of the co-operative farming societies it has been found that they have failed to make any significant contribution.

Evaluation of Land Reforms

The land reforms which raised so many hopes when they were initiated, have been subjected to criticism on the following grounds.

1. Lack of Political Will

Implementation of land reforms calls for hard political decisions and effective political support, direction and control. No tangible progress is expected in the absence of the requisite political will. Land reforms have failed back of the lack of political will.

2. Flaws in Legislations

- (a) Definition of personal cultivation: The definition of personal cultivation was highly unsatisfactory.
- (b) Substantial limits for personal cultivation.

- (c) Malafide transfers: To escape the laws relating to land ceilings, the Zamindars indulged in large-scale transfer of land to their family members.
- (d) Inadequate definition of tenants.
- (e) The problem of voluntary surrender.
- (f) Inadequacies of ceiling laws.

Conclusion

Thus, we find that land reforms in India have failed miserably. The process of implementation of land reforms was wrought with serious defects. The speedy and successful implementation of land reforms requires not only strong political will on the part of government but also awareness of lights on the parts of peasants.

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