

# [Land reform policy of the government of india](https://assignbuster.com/land-reform-policy-of-the-government-of-india/)

## INTRODUCTION

It is true that technological factors such as fertilizers, HYV seeds, controlled irrigation and scientific implements play an important role in agricultural development. But ‘ institutional factors’ such as owner or tenant cultivation, absentee landlordism, indebtedness of the cultivators, etc. also play a significant role in stimulating or obstructing agricultural growth. In fact, application of technology in agriculture itself substantially depends upon the kind of institutions, which exist in a particular region.

The more successful forms of peasant agriculture appear to have emerged where owner-cultivation was dominant. It is observed that the green revolution technology has been more successful in ryotwari and mahalwari areas dominated by peasant proprietors. And since the existing tenurial structure is the result of gradual process of evolution, influenced by social, political and economic factors, it becomes essential to look into the process of evolution of tenurial structure.

The main characteristics of the agrarian structure which independent India inherited were

absentee land ownership;

exploitation of tenants through high rents and insecurity of tenure;

unequal distribution of land;

tiny and fragmented holdings; and

lack of adequate institutional finance to agriculture.

On this agrarian structure was imposed a situation in which bulk of the cultivators were short of fixed as well as working capital. This resulted in low investments and thereby low yields in agriculture.

Agrarian structure is a broad concept comprising land tenure system as well as credit, marketing, etc. Thus agrarian reforms would imply corrective measures in land tenure system, credit and marketing. On the other hand, the concept ‘ land reforms’ is somewhat narrower than the above and relates to the corrective measures in prevalent land tenure system. Credit and marketing are quite important for agricultural development.

## NEED FOR LAND REFORMS

Land ownership was highly unequal at the time of Independence. There was a parasitic class of intermediaries who played no role in production. On the other hand, the vast majority of actual cultivators were either tenants or subtenants, without any security of tenure. According to the National Commission on Agriculture (1976), this was the root cause of the state of chronic crisis in which Indian agricultural economy was enmeshed before the attainment of Independence.

Before Independence, there were three major systems of land tenure, namely Zamindari System, Mahalwari System and Ryotwari System. The Zamindari system was introduced by Lord Cornwalis in 1793 through permanent settlement that fixed the land rights of zamindars in perpetuity without any provision for fixed rents or occupancy rights for actual cultivators. Under the permanent settlement, zamindars were found to be more interested in higher rent than in agricultural improvement. During the early nineteenth century, efforts were made to undo the adverse effects of permanent settlement and to provide for temporary settlement as a matter of policy. Regulation VII of 1822 Act provided for temporary settlement with provision for periodic settlement in parts of the United Provinces. In the provinces of Madras and Bombay, ryotwari system was prevalent. Each ryot was recognised by law as the proprietor with the right to transfer or mortgage or sub-let his land. Moreover, in parts of United Provinces and Punjab, Regulation VII of 1822 Act and Regulation IX of 1833 Act provided for Mahalwari Settlement with the entire village community. This required each peasant of the village to contribute to total revenue demand of the village on the basis of the size of holding. In 1885, the Bengal Tenancy Act was passed with a view to conferring occupancy rights upon ryots who were in continuous possession of land for 12 years. The tenant could not be evicted by the landlord, except by a decree of court. Similarly, the Bihar Tenancy Act of 1885 and Orissa Tenancy Act of 1914 granted occupancy rights to tenants. Besides, the Madras Tenancy Act of 1908 provided for protection of ryots from eviction as long as they paid the rents. Nevertheless, since majority of actual cultivators were unrecorded tenants-at-will, these legal measures could not bring much relief to the tiller of the soil.

Although the adverse effect of landlordism on agricultural production was most profound in the states of Uttar Pradesh, Bihar, West Bengal and Orissa, other states that were under Ryotwari and Mahalwari Systems also witnessed the growth of a large number of intermediaries with all its adverse impact. The leased-in area constituted nearly 35 per cent of the total operated area in 1950-51. Most of the leases were unwritten and tenants did not have legal security of tenure. The rents varied from 50 per cent to 70 per cent of gross produce. In addition, tenants were often asked to provide free labour to landlords. After Independence therefore, it became necessary to undertake some land reforms measures for removing the feudal character of the agrarian economy and paving the way for rapid agricultural growth with social justice. Broadly speaking, the objectives of agrarian reforms are as follows:

To change the unequal and unproductive agrarian structure;

To remove exploitative agrarian relations, often known as patron-client relationship in agriculture,

To promote agriculture growth with social justice

## LAND REFORMS MEASURES

After Independence, the Indian National Congress appointed the Agrarian Reforms Committee under the Chairmanship of J. C. Kumarapppa, for making an in-depth study of the agrarian relations prevailing in the country. The committee submitted its report in 1949 which had a considerable impact on the evolution of agrarian reforms policy in the post-independence period. The committee recommended that all intermediaries between the state and the tiller should be eliminated and the land must belong to the tiller subject to certain conditions.

The term ‘ land reform’ refers to reforms undertaken in the land tenure system. The steps include

abolition of intermediaries,

fixation of ceilings on land holdings and

redistribution of surplus land among landless or semi-landless peasants.

Besides, any special measures adopted to prevent alienation of tribal land and consolidate fragmented holdings come within the broad definition of agrarian reforms.

## Abolition of Intermediaries

Following the recommendation of Kumarappa Committee, all the states in India enacted legislation for the abolition of intermediary tenures in the 1950s, although the nature and effects of such legislation varied from state to state. In West Bengal and Jammu & Kashmir, legislation for abolishing intermediary tenures was accompanied by simultaneous imposition of ceilings on land holdings. In other states, intermediaries were allowed to retain possession of lands under their personal cultivation without limit being set, as the ceiling laws were passed only in the1960s. As a result, there was enough time left for the intermediaries to make legal or illegal transfers of land. Besides, in some states, the law applied only to tenant interests like sairati mahals etc. and not to agricultural holdings. Therefore, many large intermediaries continued to exist even after formal abolition of zamindari. Nevertheless, it has been estimated that consequent upon the legal abolition of intermediaries between 1950 and 1960, nearly 20 million cultivators in the country were brought into direct contact with the Government.

## Tenancy Reforms

The Agrarian Reforms Committee recommended against any system of cultivation by tenants and maintained that leasing of land should be prohibited except in the case of widows, minors and disabled persons. This viewpoint received further strength subsequently in various Five Year Plans. According to the Second Five Year Plan, abolition of intermediary tenures and bringing the tenants into direct relations with the state would give the tiller of the soil his rightful place in the agrarian system and provide him with full incentives for increasing agricultural production.

Immediately after Independence, although the major emphasis was on the abolition of intermediaries, certain amendments to the existing tenancy laws were made with a view to providing security to the tenants of ex-intermediaries. But these legal measures provoked the landlords to secure mass eviction of tenants, sub-tenants and sharecroppers through various legal and extra-legal devices. The highly defective land records, the prevalence of oral leases, absence of rent receipts, non-recognition in law of share- croppers as tenants and various punitive provisions of the tenancy laws were utilized by the landlords to secure eviction of all types of tenants. To counteract such a tendency, therefore, it became necessary on the part of the State Governments to enact or amend the laws in the subsequent years and provide for adequate safeguards against illegal eviction and ensure security of tenure for the tenants-at-will.

Broadly speaking, tenancy reforms undertaken by various states followed four distinct patterns. First, the tenancy laws of several states including Andhra Pradesh (Telengana region), Bihar, Himachal Pradesh, Karnataka, Madhya Pradesh and Uttar Pradesh banned leasing out of agricultural land except by certain disabled categories of landowners, so as to vest the ownership of land with the actual tillers. But concealed tenancy continued to exist in all these states.

Second, the state of Kerala banned agricultural tenancy altogether without having any exception.

Third, States like Punjab, Haryana, Gujarat and Haryana did not ban tenancy as such. But tenants after continuous possession of land for certain specified years, acquired the right of purchase of the land they cultivated. However, in all these states, leasing out by both large and small farmers continued. In fact, a tendency towards reverse tenancy in which large farmers leased-in land from marginal farmers was set in since the advent of green revolution in the mid-sixties.

Fourth, states like West Bengal, Orissa, Tamil Nadu and Andhra area of Andhra Pradesh did not ban leasing-out of agricultural land. But share-croppers were not recognised as tenants. The State of West Bengal recognised share-croppers as tenants only with effect from 1979, with the launching of ‘ Operation Barga”.

Almost all State Governments provided for the regulation of rent, excepting Kerala where leasing out was completely prohibited. The regulated or fair rent ranged between 1/4th to 1/6th of the produce. But actual rent remained always higher than the regulated or fair rent. In many places where small and marginal farmers leased-in land from large or absentee landowners, the situation continued to be exploitative, thereby discouraging the actual tillers to cultivate the land efficiently.

## Ceilings on Land Holding

The term ‘ ceiling on land holdings’ refers to the legally stipulated maximum size beyond which no individual farmer or farm household can hold any land. Like all other land reforms measures, the objective of such ceiling is to promote economic growth with social justice. It has been duly recognised by India’s planners and policy makers that beyond a point any large scale farming in Indian situation becomes not only uneconomic, but also unjust. Small farms tend to increase economic efficiency of resource use and improve social equity through employment creation and more equitable income distribution. According to C. H. Hunumantha Rao, small farms offer more opportunities for employment compared to large farms. Hence, even if large farms produce relatively more output per unit of area, they cannot be considered more efficient in a situation of widespread unemployment and under-employment prevalent in this country.

In 1959, Indian National Congress (Nagpur Resolution) resolved that agrarian legislation to cover restrictions on the size of land holdings must be implemented in all states by the end of 1959. Accordingly, all the State Governments excepting north-eastern region imposed ceilings on land holdings in the 1960s. The states of West Bengal and Jammu and Kashmir had already imposed ceilings on land holdings along with the laws for abolition of intermediaries in the early 1950s. However, the Nagpur Resolution of 1959 had significant impact as various State Governments immediately took to the ratification of ceiling legislation. The Gujarat Agricultural Land Ceiling Act, 1960; The Madhya Pradesh Ceiling on Agricultural Holdings Act, 1960; The Orissa Land Reforms Act, 1969, The Uttar Pradesh Imposition of Ceilings on Land Holdings Act, 1960; The Bihar Land Reforms (Fixation of Ceiling Area and Acquition of Surplus Land Act, 1961; The Karnataka Land Reforms Act1961; The Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1960; The Tamil Nadu Land Reforms (Fixation of Ceiling Land) Act, 1961 and The Kerala Land Reforms Act, 1963 were some of the results of the Nagpur Resolution on Land Reform. However, as the ceiling laws were not ratified simultaneously with abolition of zamindari, except in West Bengal and Jammu and Kashmir as stated before, several nami and benami transfer of land took place. This reduced the potential ceiling surplus land that could be available for redistribution. Besides, several states including Andhra Pradesh, Assam, Bihar, Haryana, Himachal Pradesh, Jammu and Kashmir, Orissa, Punjab, Uttar Pradesh and West

Bengal followed individuals as the unit of application for ceiling, while family as the unit of application was adopted in Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu.

## Bhoodan and Gramdan

The Bhoodan movement was launched in 1951, immediately after the peasant uprising in Telengana region of Andhra Pradesh, and after some years, another movement known as Gramdan came into being in 1957. The objective was to persuade landowners and leaseholders in each concerned village to renounce their land rights, after which all the lands would become the property of a village association for the egalitarian redistribution and for purpose of joint cultivation. Vinoba Bhave hoped to eliminate private ownership of land through Bhoodan and Gramdan and maintained that the movement would go a long way to ensure the just redistribution of land, the consolidation of holding and their joint cultivation.

However, the movement failed to achieve its targetted objectives and the degree of success in respect of both land acquisition and land distribution was very limited.

Of the total land of about 42. 6 lakh acres, received through Bhoodan, more than 17. 3 lakh acres were rejected as they were found unfit for cultivation. About 11. 9 lakh acres were distributed and 13. 4 lakh acres remained to be distributed. In most cases, the village landlords donated only those pieces of land which were either unfit for cultivation or were in dispute with tenants or government. In fact, the landlords preferred to part away with their disputed lands as a compromise formula for there was little hope under the existing law, of being able to keep this land with them. Besides, in return for such land donation, the landlords also received input subsidies and other facilities, which was no less an inducement to part away with the land unfit for cultivation. Furthermore, while it was provided under the Gramdan movement that private ownership in land is to cease, only the landholders right to sell land was restricted (though not banned), leaving intact the right of inheritance on such lands by the children.

## Protection of Tribal Land

All the concerned states ratified laws for prevention of alienation of the tribals from land. In all the scheduled areas, land transfer from tribal to non-tribal population was prohibited by law. But due to various legal loopholes and administrative lapses, alienation of the tribals from their land continued on a large scale. In fact, mortgaging of land to moneylenders due to indebtedness, poverty and acquisition of tribal land for irrigation, dams and other public purposes were largely responsible for alienation of tribal land. Since land is the main source of livelihood for the tribal people and they do not have much upward mobility, indiscriminate acquisition of tribal land for public purposes should be avoided.

## Consolidation of Holdings

The term ‘ Consolidation of holdings’ refers to amalgamation and redistribution of the fragmented land with a view to bringing together all plots of land of a cultivator in one compact block. Due to growing pressure of population on land and the limited opportunities for work in the non-agricultural sector, there is an increasing trend towards sub-division and fragmentation of land holdings. This makes the task of irrigation management, land improvement and personal supervision of different plots very difficult.

After independence, almost all states excepting Tamil Nadu, Kerala, Manipur, Nagaland, Tripura and parts of Andhra Pradesh enacted laws for consolidation of holdings. But the nature of legislation and the degree of success achieved varied widely. While in Punjab (including Haryana) it was made compulsory, in other states law provided for consolidation on voluntary basis, if majority of the land owners agreed.

Generally speaking, the consolidation acts provided for

prohibition of fragmentation below standard area,

fixation of minimum standard area for regulating transfers,

schemes of Consolidation by exchange of holdings,

reservation of land for common areas,

procedure for payment of compensation to persons allotted holdings of less market value in exchange,

administrative machinery for carrying consolidation schemes, and

filing of objections, appeals and penalties.

However, due to lack of adequate political and administrative support, the progress made in terms of consolidation of holding was not very satisfactory, excepting in Punjab, Haryana and western Uttar Pradesh where the task of consolidation was accomplished. But in these states, there is a need for reconsolidation again due to subsequent fragmentation of holdings under the population pressure.

## CHOICE OF APPROPRIATE FORM OF FARM ORGANISATION

After Independence there was also a debate on the choice of farm organisation. The Kumarappa Committee (1949) expressed the view that peasant farming would be the most suitable form of cultivation although small farmers should be pooled under a scheme of cooperative or joint farming. Besides, collective farming and state farming was for the development of reclaimed wasteland where landless agricultural workers could be settled. According to the First Five Year Plan, the formation of co-operative farming associations by small holders would ensure efficient cultivation. The Second Five Year Plan asserted that a step should be taken for the development of cooperative farming, so that a substantial proportion of land is cultivated on co-operative lines. The Third Five Year Plan agreed to this proposal, but maintained that with the implementation of the programme of land reforms, the majority of cultivators in India would consist of peasant proprietorship. They should be encouraged and assisted in organizing themselves on voluntary basis for credit, marketing, processing, distribution and also for production.

## CHANGES IN AGRARIAN STRUCTURE

After Independence, a number of land reform measures were undertaken in the 1950s and 1960s which were quite revolutionary in nature and impact. As a result of abolition of zamindari, the feudal mode of production came to an end. Also the proportion of area under tenancy declined.

However, tenancy reforms failed to yield much positive impact, as a large number of tenants-at-will were evicted from land. Also the benefits of consolidation of holdings remained confined to Punjab, Haryana and western Uttar Pradesh.

Thus, the first phase of post-independence land reforms in the 1950s and 1960s yielded a mixed result. It could be termed successful in the sense that all intermediaries were abolished which provided the basis for improvement in agricultural productivity. Nevertheless, the unequal agrarian structure remained in place. In 1953-54 nearly 8 per cent of the ownership holdings accounted for about 51 per cent of the total area, while in 1971, about 10 per cent of the holdings accounted for 54 per cent of the total land. While at the all India level, the Gini coefficient of concentration ratio marginally declined during the 1960s, in several states including Bihar, Punjab and Haryana, Tamil Nadu, Uttar Pradesh and West Bengal, it increased. In other words, there was an increasing tendency towards unequal power structure in terms of land ownership. Although the average size of holdings declined from 2. 39 hectares in 1953-54 to 2. 21 hectares in 1971, in several states, the average size of large farms increased.

## PATTERN OF LANDHOLDINGS

The earliest comprehensive picture of the distribution of total owned area by size classes of ownership holdings has been presented by the National Sample Survey (8th Round) pertaining to the year 1953-54.

In a discussion of the pattern of landholdings we include here the size distributions of ownership holdings as well as of cultivation or operational holdings (farms). By ownership holding is meant the area owned by a single household. And by cultivation or operational holding is meant the area cultivated or operated by a single household. (Operational Holding = Ownership Holding – Land Leased out + Land Leased in) Ownership holdings as well as cultivation holdings may be held either as a single plot of land or as several plots scattered at different places. When a holding is held in several scattered plots, it is called a ‘ fragmented holding’ and the process creating such holdings is termed ‘ fragmentation’. An attempt also has been made here to give a picture of the extent of fragmentation in the agricultural holdings in India.

Our purpose is to focus attention on the distribution of holdings in the Indian agricultural sector at one or more points of time between 1947-48 and 1961-62, for such a distribution is not only an important aspect of the structure of Indian agricultural economy but may also explain the structure of other inputs, in so far as the use of other inputs is itself influenced by the pattern of landholdings

## Pattern of Ownership Holdings

Concentrating now on the pattern of ownership holdings, it may be noticed that nearly 310 million acres of land were estimated to be owned by rural households in 1953- 54. This was nearly 38. 4 per cent of the total geographical area and 61 per cent of the topographically usable land. A certain proportion of land in the rural areas, no doubt, was owned by urban households. The owned area of 310 million acres was held by 66 million households.

The average size of ownership holdings in the rural areas was thus only 4. 72 acres. But when we look at the size-distribution of holdings, the situation is found to be far worse. Nearly 22 per cent of the households in the rural areas did not hold any land. These households would be largely of agricultural labourers who did not own any land, and particularly of cultivating small tenants. The next 24. 9 per cent of the households together held only 1. 4 per cent of the land and each of these held an area less than 1 acre in size. Thus, nearly 47 per cent of the households either held no land or held land of area less than one acre. At the other extreme, less than 1 per cent of the households owned among themselves nearly 16 per cent of the owned area, and the size of each of these holdings was 50 acres and above. If we add the immediate lower groups also, then nearly 3. 4 per cent of the households held among themselves 34 per cent of the total area. In the lowest size group (0. 01 to 0. 99 acres) the average size per holding was only about 0. 26 acre, while in the size-group over 50 acres the average was about 87. 4 acres. It indicates that the disparity in ownership of landholdings was very high.

The disparity in the distribution of ownership holdings seems to have been the highest in South India, where the concentration ratio was 0. 74 and the lowest in North India and West India, where the concentration ratios were 0. 64. The average size of holding was the lowest in South India (about 3. 42 acres), while it was the highest in Central India (about 8. 29 acres).

How far does such extreme inequality in the distribution of ownership holdings affect the agricultural economy is a question that naturally follows. It may be pointed out that, the efficiency of cultivation which depends on appropriate combination of other factors of production with land could, at least in theory, be free from the pattern of ownership.

## Pattern of Operational Holdings

The concept more appropraite to efficiency of agricultural operation is the concept of “ operational” or “ cultivation” holding. This will be considered in this section. Theoretically, even with a very adverse distribution of ownership, through a process of leasing in and leasing out, it is possible to have a pattern of operational holdings, less inconsistent with the dictates of efficient technology, or with the requirements of the laws of returns, or of returns to scale. As a matter of fact, if there was a very little of leasing out of land by large owners and very little leasing in by small owners, the pattern of operational holdings would look much the same as that of ownership; and if that were the pattern of operational holdings, there would be too many tiny farms (operational holdings) and some farms too large for efficient cultivation.

## LAND REFORMS: PROGRAMME AND PERFORMANCE AFTER 1970

The Union Government in consultation with state governments prepared national guidelines for more or less uniform ceiling laws. Following the guidelines all the state governments lowered the ceiling limits and inter-state variations in the levels of ceilings as well as exemptions granted to various categories of land were reduced. Besides, there emerged a uniform pattern of ceiling legislation in the country; the family being now the unit of application in all the states.

The ceiling limits in various states were about 4 hectares of irrigated land capable of producing at least two crops in a year and its equivalent of other categories of land.

The ceiling laws enacted in the 1970s were an improvement over the ones adopted in the 1950s and 1960s.

However, certain categories of land continued to be exempted from ceiling which left scope for law evasion through the device of shifting lands to the exempted categories.

These included mainly the following categories of land:

Land held by religious, charitable and educational institutions,

Land for special cultivation of tea,

Land held by a co-operative farming society for feeding a sugar factory (Assam)

Land under plantations and private forest (Kerala)

Land belonging to primary co-operative societies (Himachal Predesh)

Land possessed by commercial undertakings (Tamil Nadu)

Moreover, although family is now the unit of application for the purpose of determining the ceiling, the term ‘ family’ has been defined very broadly in many states and the majors have been granted separate units in almost all the states. In other words, even the new ceiling laws did not attack the various sources of law evasion and the question of proper ceiling legislation and its implementation has not yet been solved.

According to an estimate by the Planning Commission, the new ceiling laws should have resulted in surplus land for redistribution. According to Rajkrishna, this should have provided at least 90 per cent of the area required to give any/every landless family a minimum basic holdings. Unfortunately, till September 1998, only about 7. 4 million acres of land were declared surplus under the ceiling laws of various states and only about 5. 3 million acres have been redistributed among 5. 5 million beneficiaries.

Nearly 50 per cent of the beneficiaries were members of schedule castes and schedule tribes. It may be seen from the table that of the total ceiling surplus land distributed, about one-fifth was in the state of West Bengal. Other larger states like Bihar, Uttar Pradesh and Madhya Pradesh have redistributed relatively smaller area. In short, if a small state of West Bengal could redistribute 10. 3 lakh hectares of ceiling surplus land, there is no reason for a bigger state like Uttar Pradesh to have distributed only 4 lakh hectares of ceiling surplus land.

The ceiling laws enacted by various states are often not properly defined and therefore, there is either law evasion or delay in the implementation of the law. For example, the existing laws

do not specifically provide for suo-motto action on benami transfer of land,

do not ensure correct record of land owners about ceiling,

do not ensure punishment for the law evaders, and

do not take possession of the wasteland for redistribution.

In many cases implementation of ceiling laws has been poor because the ceiling laws came into conflict with the law of inheritance. For example, before the ceiling law was implemented the land was distributed among minor sons, daughters and grandsons and granddaughters who are permitted by the law of inheritance. The available data suggest that large numbers of cases related to ceiling surplus land are pending in courts because of delay in judicial decisions. There are a lot of court cases pending. Moreover, due to

influence of landlords,

lack of organisation of potential beneficiaries,

lack of up-to-date land records, and

manipulative changes in the classification of land, the implementation of ceiling laws has been very slow.

Furthermore, a large part of the ceiling surplus land acquired by the government is of inferior quality. The allotees of such land need to invest substantially on land reclamation for bringing such land under cultivation. Although there is a centrally sponsored scheme for reclamation of such lands, in most states, the scheme has not been operationalised because the state governments has to provide equal matching grant.

## AMENDMENTS IN TENANCY LAWS

During the 1970s several state governments amended their tenancy laws. In Andhra region of Andhra Pradesh, the amendment of 1974 to tenancy laws conferred continuous right of resumption on land owners. The right of resumption has ceased in the case of all leases subsisting at the commencement of the amending act of 1974, but it continues in respect of future leases. In Gujarat, the tenancy act was amended according to which tenants who were evicted between 1957 and 1992 were entitled to restoration. In Jammu & Kashmir, the J&K Agrarian Act of 1976 declared that all rights, titles and interests in land of any person not cultivated personally after 1971 shall be vested in the state free from all encumberances with effect from 1973. The Act provided for conferment of right of tenant after allowing the resident land owner to resume land for personal cultivation provided his annual income does not exceed

Rs. 500 per month and the tenant is left with no less than 2 standard acres of land.

The Government of Karnataka amended the Land Reform Act 1961 in 1973, which provided for fixity of tenure subject to landlords right to resume half the leased area. In 1979 the tenancy law was further amended which banned leasing-out except by so