

**Agrarian Reforms in
India: Issues and
Prospects**

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Nirdosh Kumar*

Abstract

Agriculture seems to be the main source of livelihood in India as the Census 2011 states that approximately 68.84 percent of the total population in rural areas is engaged in agriculture in many ways. Some of them have ownership rights on land while others are landless labourers. These two classes of owners of land and landless labourers are dependent on each other to fulfil their needs since the former class requires labourers to perform agricultural operations. In contrast, the latter class fulfils survival needs by working in the fields of people of the former class. However, many sources of jobs have grown in rural areas where people can work to supplement their income/fulfill their needs; still the condition of landless labourers is very critical. This chapter explores the impact of government developmental schemes on the lifestyles of people engaged in agriculture. For this purpose published literature on agrarian structure, globalization and agrarian policies are analyzed.

Keywords

Reforms, Agrarian Structure, Peasants, Development, Globalization

Introduction

Agrarian society has been classified by many scholars in many ways which creates many doubts in proper understanding of rural society and its composition. As described by Daniel Thorner quoted by Utsa Patnaik (1986) the rural population can be classified as Malik, Kisan and

* Assistant Professor, Maharaja Agrasen Institute of Management Studies, GGSIP University, New Delhi
Email: chandelnirdosh@gmail.com

Mazdoor. Maliks are the people who do not cultivate their land by their own hands. They get it cultivated by employing tenants and labourers. These Maliks enjoy their living by getting rent, usurious interest and trading profit from actual cultivators rather than making any investment for more productivity. Kisans are those cultivators who derive their livelihood by working hard on their land. Mazdoors are those people who derive their livelihood by working on the land of others/maliks.

Robert Redfield (1956) classifies rural people who are the owners of land as 'peasants' and 'farmers' based on their aims behind the cultivation of land. Thus we can say that people who engage in agriculture can be categorized as farmers, peasants and labourers. Those who own a large amount of land and cultivate it to get maximum returns are called as farmers. They own modern technologies for cultivation and sow crops according to market demands for reaping more profits. As defined by Robert Redfield (1956), farmers are those agriculturists who carry on agriculture on land with the purpose of business and treat land as capital and commodity (Redfield, 1956).

Nowadays these farmers have purchased modern technologies of cultivation by which demand for labourers and labour cost decreases. Because of this tendency to get maximum output from agriculture, later on, these farmers turn into capitalist farmers. The term peasant is described by many scholars in literature. As defined by Irfan Habib (1983) "a peasant is a person who undertakes agriculture on his own, working with his implements and using the labour of his family (Habib, 1983)." Robert Redfield defines peasant as rural people who own and cultivate their land for survival and have an agricultural way of life (Redfield 1956). Thus peasants are those subsistence cultivators who derive their domestic needs from land and cultivate it with the help of family labour mainly.

Although in the wake of globalization, many opportunities have grown for jobs so peasants are also getting inclined towards them which work as a supplementary source of income besides agriculture. Then there are those landless labourers who derive their livelihood through working as wage labourers, attach labourers or both. These labourers are dependent on farmers to a large extent for fulfilling their consumption and financial needs.

Land Reform Programs in India

After independence in India, the government introduced land reform programs to improve the economic conditions of actual cultivators. The main purpose of this program was to keep actual cultivators in direct touch with the government to prevent extra burden of revenues. Daniel Thorner (2005) described that in Uttar Pradesh, the Zamindari Abolition Act was passed in 1951. After 5 years of its implementation, a sample survey reported that 10 percent of families in the village continued to own 50 percent of the land of the village while the remaining families were dependent on this small proportion of society for completing survival needs. Thus, this effort could not fully succeed because of a drawback in the Act in itself i.e. if someone proves their holding as *sir** and *khudkhast** then he is allowed to have that holding. So many farmers took benefit of this loophole and the Act proved limited valuable in its aim to remove intermediaries.

The provision of the ceiling (limit of the size of land holding) also proved less significant because many large holders distributed their large amount of landholdings among their friends and relatives and were successful in retaining large amounts of land. Kripa Shankar (1991) also described that in U.P. ceiling was imposed in 1960 which had many exemptions like exemption of grove land, exemption of land given to religious and charitable trusts, educational institutions and any other social welfare purposes. Large landholders took the fraud benefit of these exemptions to retain large amounts of holdings. Besides owners of the land had the right to declare surplus land as per their choice that's why they declared the worst quality of land as surplus land. Later on, this land was distributed among landless and resourceless people under the provision of redistribution of land which had no meaning (Shankar, 1991).

As another provision, U.P. Consolidation Act 1953 was passed to reduce the boundary of the fields, withdraw boundary disputes, save time for trips made for the various fields and make big plots instead of small spotted plots. Besides these aims government believed that after consolidation control of irrigation, drainage water, on pests or insects and diseases would be easy which would lead to agricultural development. As a result of consolidation small plots of land were converted to big plots so it became easy to establish tube wells on fields which resulted in

betterment in agricultural income. However, all cultivators of the village could not benefit from the consolidation program because of unawareness. It was also found that aware cultivators could secure fertile land which was nearest to the village by bribing to consolidation officer. Due to the unawareness of poor people, they could not get a fertile field so their economic condition declined and the gap between poor and rich people increased (Elder, 1962). Thus mainly aware farmers took the benefits from the consolidation of land scheme because they had scattered land. Through the consolidation of the landholdings scheme, their dotted plots of land were converted into big fields which enhanced their economic efficiency. The peasants could not benefit as much as farmers because of the small size of the land and lack of money.

As the next step under the land reform program, the government started distributing surplus land among the landless labourers to improve their social and economic conditions. The government allotted pattas to landless labourers hoping that through cultivation on that land, they would be able to fulfill their consumption needs. As examined by Debal K. Singha Roy (2005) the government of West Bengal distributed surplus land of 1.04 million acres among 2.54 million (34 percent) of the agricultural household. Due to the inability to afford technologies of cultivation, they rent out their pattas to commercial cultivators. Thus despite distributing land among landless labourers with the hope of resettling them in agriculture, these labourers could not make the beginning of agriculture. Because of poor economic conditions, even they could not arrange technologies of cultivation at higher rents. Finally, they sold these pattas to farmers/peasants who had technologies of cultivation.

Despite the above-mentioned provision, it is found that 70 percent of cultivable land is still owned by 10-15 percent of households in rural India. This segment of the rural population includes farmers and peasants. Farmers get their land cultivated by tenants, sharecroppers and labourers. These farmers get 50 percent of the agricultural products on a sharecropping basis as rent from sharecroppers by merely leasing out their land while all investments for cultivation are borne by sharecroppers. Thus without participating in agricultural work, farmers earn money. Again they invest this amount of money usually in trade and

agro-based industry and try to expand it. In this way, they keep raising their economic status in the society.

Utsa Patnaik (1986) quoted Thorner who described that several development schemes and programs like credit at negative real interest rates, subsidized inputs, guaranteed remunerative procurement prices, NREP (National Rural Employment Programme), IRDP (Intensive Rural Development Programme) etc. are started by Government for rural poor but these all served to landlords also because they owned transportation appliance. These landlords took contracts for materials transport like bricks from their owned brick kilns by their tractors and trucks for road and building construction.

Green Revolution

Jagannath Pathy (1986) describes that the Norman E. Borlaug team's momentous discovery high yielding varieties (HYVs) of wheat, generously supported by the Rockefeller Foundation, was advertised as the panacea for all food problems in the Third World. The U.S. agency contributed financial and ideological support to implement the strategy. The strategy was designed to increase agricultural output in the Third World. Under the scheme of the green revolution, the High Yield Variety (HYV) package reached India in 1966-67. Wheat production increased from 12 million tonnes in 1967 to 26 million tonnes in 1972. During 1975-85, food grain production expanded at 2.4 percent per annum. But significantly, the per capita availability of food grain fell from 470 gm per day in 1961 to 438 gm in 1984, when India harvested the biggest crop in its history. There has been a conspicuous decline in per capita production of food grains in some parts of India. For example, during 1973-83, it declined from 170 kg to 110 kg in West Bengal, from 63 to 45 kg in Kerala, and from 263 to 187 kg in Rajasthan. The HYV seed fertiliser irrigation technology was scale-neutral so it was thought that small farmers would benefit as much as large farmers. But in reality, it was found that despite high rates of growth, the incidence of rural poverty has increased which accelerated the process of depeasantization (Pathy, 1986). Moreover, the green revolution focused on the high use of agro-chemicals like pesticides and fertilizers, and new technologies of irrigation and cultivation for more production (Shah, 2012). Besides due to the establishment of

industries, opportunities for jobs increased and many people got employment in these newly established industries. More raw material and foodstuffs was required for these industries which resulted in high demand for them. Consequently, prices of agricultural produce increased sharply and agriculture became a profitable venture that's why many farmers turned into self-cultivators instead of passing it on rents to tenants (Thorner, 1969). Later on, these farmers realized the benefit of the cultivation of land by hiring in landless labourers only in the peak season of crops. On the other hand, labourers were not in a condition to bargain due to the unavailability of enough job opportunities. Because of their sound economic position, only farmers could invest in fertilizers and pesticides and successfully reaped more profits from the crops.

Globalization

Globalization means the free movement of workforce, goods and services across boundaries. It means the integration of national economy into the world economy. It constructed a world division of labour marked by unmediated exchange relations. These unmediated exchange relations created situations for producers to compete with each other on the global stage. These competitors are formally equal but substantively unequal participants. Thus, global exchange relations forced millions of petty producers in the South to compete with heavily subsidized agro industrial food transnational corporations in the North. This inability of petty producers created a situation for peasant dispossession on means of subsistence by displacement at a large scale. Further, it led to a process of depeasantization (Araghi, 2009). Besides cultivating land these farmers started work as traders of agricultural commodities. They purchased produce from peasants at less than the available market prices and generated more profit by selling it to market situations. Thus farmers took more benefits under globalization because they were able to afford modern means of production while landless labourers still depended on wages for fulfilling family needs.

Subsidies on Fertilizers, Canal Water and Electricity

In India, the majority of peasants fall into the category of poor peasants. These peasants have less than one hectare of land by which they are

merely able to fulfil subsistence needs. They are not able to afford modern implements of cultivation like tractors, Rotavator, Lazer, tube wells etc. They hire-in these modern technologies on rent from others who have them. Often these technologies' owners try to get more rental income from hiring-out technologies to needy peasants. So, peasants have two options either to cultivate land with traditional tools which negatively affects the production or hire them on higher rents. On the other hand, farmers cultivate land with modern technologies so they reap more benefits from crops. As examined by Sukhpal Singh (2005), farmers got more benefits from Govt. subsidy on fertilizers, canal water and electricity than peasants. This was because generally large farmers owned mostly tube wells and cultivated large areas of land. Thus due to the inability of peasants, farmers obtained most of the benefits (Singh, 2005). Because poor peasants get these technologies on rent from others then they have to pay high costs as stated above, consequently, they do not realize agriculture a profitable job. Further, either they lease out or sell their land to farmers and involve non-agricultural sectors often as labourers. This all results in the creation of a labour force at a large level which proves beneficial to farmers since due to the availability of the labour force in bulk amounts bargaining power of labourers decreases. Moreover, farmers successfully hire labourers on low wages which decreases their investment in agricultural production. On the other hand, peasants who cultivate land themselves using family labour struggle hard to meet the needs of the family.

Sources of Credit in Rural India

There are two types of sources of credit for people in rural areas (1) Non-institutional sources and (2) institutional sources. As non-institutional sources of credit farmers, relatives and moneylenders provide credit to peasants and labourers. Nowadays, the government has framed many schemes to provide credit to needy peasants. Farmers have very close/informal relations with peasants/labourers so they feel comfortable in taking debt from them without doing any formality of documentation. Needy people usually take grain and cash from farmers in needy situations by promising to return them in the next crops. Further for paying dues either they work on their fields as attached labour or pay it

in cash by selling agricultural produce. As described by Jodhaka, big farmers and shopkeepers are a source of credit for landless and poor people in critical situations. Big farmers and landowners have full control over attached labour and treat them as their property. Historically, the system of attached labour was known as *sajhi* or *siri* system. A *sajhi* works on a plot and receives a share of the total farm yield. It is found that usually needy take credit for weddings in the family and prolonged illness (Jodhaka, 1994). Poor peasants and labourers prefer to get credit firstly from relatives and friends since this debt is taken on behalf of informal relationships so it is free of interest. Moneylenders provide credit to needy people at higher interest rates.

Cooperative institutions, Land development banks, Regional Rural Bank, Kisan Credit Card Scheme, Self Help Group etc are some institutional sources of credit to help needy people in financial crisis. The main motive of the Regional Rural Bank is to provide loans for small and marginal farmers, agriculture labourers and artisans. Land development bank provides credit to peasants by mortgaging the land of peasants. Kisan credit card scheme was established in 1998-99 by joint efforts of Bhartiya Reserve Bank and the National Bank for Agriculture and Rural Development (NABARD) for short-term credit to peasants. Nowadays Kisan credit card is the very popular and preferred source of credit contingent situations because it ensures to provide credit at the very lowest interest rate i.e. 4 percent.

Nowadays because of the availability of these schemes for credits, the dependency of people on non-institutional sources has decreased up to a large extent. However, due to a lack of awareness and a shortage of time to fulfil various formalities for credit from institutional sources, people prefer to take credit from non-institutional sources. Further, if the peasant fails to pay the debts on time, their land comes into the market.

Conclusion

The government has taken various initiatives to improve the economic conditions of people who are associated with agriculture to derive their livelihood. Land Reform Program, Green Revolution, establishment of NABARD to help needy people, Kisan Credit Card Scheme etc. are some initiatives out of them. It is found that the advantage of these government

initiatives is mainly taken by farmers who are educated, aware and economically sound and have good nexus with government officials. These farmers took advantage of loopholes in various policies of land reform and successfully retained their large size of landholdings as mentioned earlier. Because of good economic power, they had success in producing commercial crops using maximum fertilizers, weedicides and pesticides which resulted in an increase in agricultural production on a large level. Their economic efficiency, awareness and capacity to store grains for a long time made them able to compete with other farmers in the global market. On the other hand, poor peasant whose landholdings is less than one hectare and do not have modern equipment to cultivate it, struggle to fulfil consumption needs and are not in a position to produce HYV crops which require large amounts of fertilizers, pesticides and frequent irrigation. They realize that agriculture is not a profitable venture for them and engage in non-agricultural sources after selling their land. Landless labourers could not take advantage of government policies because of their daily struggle to arrange two meals a day as mentioned above while these policies were formulated keeping them in mind. Thus, farmers take maximum advantage of government initiatives which are formed for the welfare of agricultural sectors and become successful in improving their economic power. Later on, these farmers engage in capitalistic farming where the exploitation of labourers is a basic feature.

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