

MODULE-18: LAND REFORMS IN INDIA

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Subject Name	Social Work Education	
Paper Name	Rural Development	
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Module number and title	Module-18: Land Reforms in India	

MODULE-18: LAND REFORMS IN INDIA

Introduction

Pandit Jawaharlal Nehru, the first prime minister of India, since his early days of involvement in the Indian Nationalist Movement had recognized the two social classes in the prevalent system of agrarian relations in rural India during the British rule. These classes that determined the agrarian relations in rural India were the landlords and the peasants. Nehru was quite critical of the relations between these two classes. Thus, he wanted to transform the village social and economic structure by using modern technology and changing agrarian relations. The landlords and landlordism, in his scheme of things, would have no place in independent India. The kisans (peasants), on the other hand, were the real 'masses of India'. The colonial rulers were not the only enemies that the kisans had. The local landlords were as much a problem. Their difficulties were related to rent, ejection and possession of lands. He emphasized that 'Swaraj' would be of little avail if it did not solve the problems of the kisans. Thus, under his leadership as the first prime minister of independent India, land reforms were introduced in India.

Also, the land reforms also get priority in the constitution which begins with the Preamble that is based on the four cornerstones of justice, liberty, equality and fraternity, and further strengthened by certain specific provisions, particularly the directive principles of state policy, which set out that the state shall, in particular, direct its policies such that:

1. The citizens, men and women equally, have the right to an adequate means of livelihood;
2. The ownership and control of the resources of the community are so distributed as to sub serve the common good;
3. The operation of the economic system does not result in the concentration of wealth and other means of production to the common detriment.

Land reforms measures were among the most significant efforts of the state to achieve these goals. The Government of India directed its states to abolish intermediary tenures, regulate rent and tenancy rights, confer ownership rights on tenants, impose ceilings on holdings, distribute the surplus land among the rural poor, and facilitate consolidation of landholdings. A large number of legislations were passed by the state

governments over a short period of time. The actual implementation of these legislations and their impact on the agrarian structure is, however, an entirely different story. Most of these legislations had loopholes that allowed the landlords to tamper with the land records, evicting their tenants, and using other means to escape the legislations.

Learning Outcomes

1. Insights about the need for land reforms in India economically and socially.
2. Details of the four features of land reforms in India.
3. The actual implementation of land reforms in India.
4. The causes for the failure in implementation of land reforms and side-effects.

Topic Name: Land Reforms in India

Sub-Topic: Abolition of intermediaries, Tenancy regulation, Land Ceiling, Consolidation of disparate land holdings, Reasons for failure of land reforms

Abolition of Intermediaries (rent collectors under the pre-Independence land revenue system)

Intermediaries like Zamindars, Talukdars, Jagirdars and Inams had dominated the agricultural sector in India by the time the country attained independence. Quite naturally top priority was accorded to the abolition of intermediary tenures. Congress had long ago been committed to the idea of the removal of intermediaries between the peasant and State. Soon after independence, measures for the abolition of the Zamindari system were adopted in different states. The first Act to abolish intermediaries was passed in Madras in 1948. Since then, state after state passed legislation abolishing Zamindari rights. By 1955, the progress for the abolition of intermediaries had been completed in almost all the states. The abolition of intermediaries has both advantages and disadvantages.

Advantages

- (a) As a result of the abolition of intermediaries, about 2 crore tenants are estimated to have come into direct contact with the State making them owners of land.
- (b) The abolition of intermediaries has led to the end of a parasite class. More lands have been brought to government possession for distribution to landless farmers.
- (c) A considerable area of cultivable waste land and private forests belonging to the intermediaries has been vested in the State.

Disadvantages

- (a) Abolition of intermediaries resulted in a heavy burden on the state exchequer. The ex-intermediaries were given a compensation amounting to Rs. 670 crores in cash and in bonds.
- (b) It has led to large-scale eviction. Large-scale eviction, in turn, has given rise to several problems – social, economic, administrative and legal.
- (c) Instead of the abolition of the official land-lords, absentee land-lords as a class emerged. Hence the claim of the official documents pertaining to the abolition of intermediaries has no logical foundation. The truth is that it has changed only its garb.

Tenancy Regulation (to improve the contractual terms including security of tenure)

Rural India witnesses three types of tenants: (a) permanent or occupancy tenants, (b) temporary or non-occupancy tenants, and (c) sub-tenants. The permanent tenants have the permanent ownership right over the land. The rent for permanent tenants is fixed. The right to cultivate land goes from generation to generation so long as they pay rent. Hence land is inheritable. Because of such security of holding, the occupancy tenants make improvement on their land. They are almost the owners of land, as they can mortgage or sell their land.

There is hardly any difference between the peasant-proprietors or the owners of land and occupancy tenants. The only difference is that while the owners pay the rent to the government, the occupancy tenant pays it to the landlord. Temporary or

non-occupancy tenants have no right to cultivate the land permanently. They can be evicted from land on minor pretexts. In their case, rent is too high. It may be increased arbitrarily. They do not make any improvement on the land for the fear of eviction.

Sub-tenants are the tenants who cultivate the land of the big land owners. They cultivate land only on lease basis. The leases are rather oral. These can be changed at will. They pay rent either in cash or in share of the product. In any case the rent is exorbitant. There is no security of tenure. Their position is not only weak and insecure but also pitiable. According to the National Sample Survey (8th round) 20 per cent of land is under the tenancy-at-will and sub-tenancy.

It is not at all possible to put an end to the tenancy system. But it can be mended so as to be acceptable from the social as well as economic point of view. The tenancy reforms in various states have three important features, though the provisions are not similar in all cases. These are: (i) security of tenure for the tenants, (ii) fixation of fair rent and (iii) grant of ownership rights to certain types of tenants.

Security of tenure

Security of tenure creates interest among the cultivators for improving their land. Further, it helps in attaining two basic objectives of land reforms namely increase in productivity and promotion of social justice. To protect tenants from ejection and to grant them permanent rights on lands, laws have been enacted in most of the states. They have three essential features:

1. Tenants cannot be evicted without any reason. They can be evicted only in accordance with the laws.
2. Land can be resumed by the landlord only on the ground of personal cultivation. But the land-lord can resume the land only up to a maximum limit.
3. The landlord should leave some area to the tenant for his own cultivation. The tenant in no case should be made landless.

However, tenancy legislations in India are not uniform throughout the country. Each state has its own legislation.

Regulation of Rent

In Pre-Independent India rents were high for obvious reasons. A number of factors such as defective land tenure systems, pressure of population on land, absence of non-farm employment opportunities and the apathetic and lukewarm attitude of the government towards the tenants' interest were responsible for the continuous rise in rents. Fifty per cent of the total produce was paid as rent. In some areas the rent was as high as 70 per cent. In addition to such high rent, the tenant had to provide certain free services to landlords. So at the beginning of the First Plan, the Central Government insisted on the regulation of high rent by State Governments. It was laid down that the rent to be paid to the landlord should not be more than 20 to 25 per cent.

Accordingly, different State Governments passed tenancy legislations to regulate rent. The main objective of such Acts was to make the rent fair and reasonable. However, the maximum rent differs from state to state. For example, while in Orissa and Bihar the rent is fixed at 1/4th of the gross produce, in Punjab it is one third and in Rajasthan it is one-sixth of the gross produce. The rates also vary within the state because of the difference in the fertility of land.

Right of ownership

So far as right of ownership is concerned, tenants have been declared as the owners of the land, they cultivate. They have to pay compensation to the owners. The amount of compensation should not exceed the level of fair rent. In some states provisions have been made allowing the tenant to purchase the leased land on payment of a price to the landlord. If any dispute arises between the tenant and the landlord over the payment of price, this may be referred to a land tribunal. The tribunal will decide the price to be paid by the tenant to the landlord.

As a result of these measures about 40 lakh tenants have already acquired ownership rights over 37 lakh hectares of land. They have become better-off economically and socially. However, in several states, in the matter of tenancy reform, legislation falls short of the accepted policy. What is even worse, the

implementation of the enacted laws has been half-hearted, halting and unsatisfactory. Thus, the legal protection granted to tenants has often been ineffective.

Ceiling on Landholdings (to redistribute surplus land to the landless)

The third important step of land reforms relates to the imposition of ceiling on land holdings. Ceiling on land holdings implies the fixing of the maximum amount of land that an individual or family can possess. Land ceiling has two aspects: one, the fixation of ceiling limit and two, the acquisition of surplus land and its distribution among the small farmers and landless workers.

The imposition of ceiling on agricultural holding is pre-eminently a redistributive measure. Prof. Gadgo rightly observes, "Among all resources, the supply of land is the most limited and the claimants for its possession are extremely numerous. It is, therefore, obviously unjust to allow the exploitation of any large surface of land by a single individual unless other overwhelming reasons make this highly desirable".

The almost compelling case of land ceiling arises from the absolute and permanent shortage of land in relation to the population dependent on it, the limited prospect of transfer of population to non-agricultural occupations or and the need to step up production along with increase in employment.

Economic Rationality of Land Ceiling

According to some economists small farms are more efficient than large farms. Prof. C. H. Hanumatha held the view that small farms provide more employment opportunities. They require less capital compared to the large farms. He further added that small farms can be made into large farms through cooperative effort so as to have scale economies.

Social Rationality of Land Ceiling

In a poor country like India the supply of land is limited and number of claimants is large. Hence it is socially unjust to allow small number of people to hold large part of land. Such condition is against the justice, equality and prosperity of the majority of the people. It is socially justifiable to impose ceilings on land and distribute it to the

actual users of land, making the tenants as the owners. In this way, ceilings on land holdings can go a long way in raising income and bringing prosperity to the toiling masses in the country.

Ceiling legislations in India have been enacted and implemented in all states in two phases. The first phase continued up to 1972. The second phase started from 1972. The important provisions of ceiling legislations constitute (a) unit of application; (b) upper limit for land holdings; (c) exemption and (d) availability of surplus land and its distribution.

Unit of application: In the first phase, that is, prior to 1972, the basis of ceiling fixation was an individual as a unit instead of a family. Since 1972, a family has been accepted as the unit of application of ceilings. The family is defined as a unit consisting of husband, wife and children.

Upper limit for land holding: In the first phase there were wide variations in the ceilings on land holdings. Different states fixed different upper limits for land holdings. For example, in Andhra Pradesh, the limit of ceiling varied from 27 to 216 acres. In Rajasthan it varied from 22 to 366 acres. Under the new revised policy, the upper limit of ceiling has been lowered. For example, for lands which have assured supply of water and where at least two crops are raised, the upper limit has been fixed at 10 to 18 acres depending on the productivity of the land. In areas where there is irrigation provision only for one crop, the ceiling has been fixed at 27 acres. However, for the remaining types of land, the ceiling limit is fixed at 54 acres.

Exemptions: Certain types of land were exempted from ceiling laws. Among the types of land exempted were orchards, grazing lands, sugar-cane fields of sugar factories, cooperative farms, etc.

Surplus land and its distribution: The progress in respect of surplus land and its distribution has been quite unsatisfactory. The sixth plan target was that the entire surplus land was to be taken possession of and distributed by 1982-83. But this is far from being achieved still. A number of factors such as illegal transfer of land, judicial interventions, loopholes in ceiling laws, non-availability of land records, inefficient administration, political pressure etc. account for the failure of the land ceiling.

Attempts to Consolidate Disparate Landholdings

Consolidation of Holdings means bringing together the various small plots of land of a farmer scattered all over the village as one compact block, either through purchase or exchange of land with others. The average size of holdings in India is very small. The size of the holdings is decreasing but number of holdings is increasing over time. This is due to the inheritance laws. The inevitable consequence of inheritance laws is that farms are being subdivided and fragmented with every passing generation. Further there is a decline of joint family system which was prevailing in earlier period. Nuclear family system is now leading to sub-division and fragmentation of holdings. Subdivision and fragmentation of holdings results in several disadvantages such as wastage of land, difficulties in land management, difficulty in the adoption of new technology, disputes over boundaries, disguised unemployment, low productivity etc. Following are some advantages of consolidation of landholdings:

- (a) It prevents the endless subdivision and fragmentation of land holdings.
- (b) It saves the time and labour of a farmer.
- (c) It effect improvement on land in the form of bunding, fencing, etc.
- (d) It promotes large-scale cultivation.
- (e) It brings down the cost of cultivation and reduces litigation among farmers.

Attempts have been made in India for consolidation of holdings long before independence in some areas. It formed an integral part of our land reforms policy since the inception of the Planning in 1951. However, as yet 15 of the 25 states in the country have passed laws in respect of consolidation of holdings. There are various obstacles to the speedy implementation of the consolidation programme. These are poor response from cultivators, wide variation in the quality of land, complicated process of land consolidation, lack of enforcing machinery, lack of political will, etc.

Causes of Failure of Land Reforms

Undue advance publicity and delay in enacting land laws: Much publicity has been given in advance by the leaders of the ruling party to the proposed land reforms

after independence. Again, the time taken for a bill to become an Act in many states has been unusually long. This has enabled the landowners to make necessary adjustments so as to be able to evade various provisions of land reform legislation.

Loose definition of the term “personal cultivation”: One could resume land for personal cultivation under the definition even while sitting at a distance of 200 miles. The Zamindars have been permitted to possess substantial areas of land for cultivation. Again, the laws have provided for many exemptions in the form of land awarded for gallantry, land under orchards, tea estates, well-run farms, etc.

Optional nature of the laws: Most of the laws granting ownership rights to tenants are not mandatory. They are rather optional. The tenants have to move the government for grant of ownership rights. They will not get them automatically. On many occasions, tenants hesitate to approach the law courts for this purpose merely out of fear of the landlords.

Malafide transfer of land: To escape the laws relating to land ceilings, the Zamindars have indulged in large scale transfer of land to their family members or kinsmen. Such malafide transactions do not make any change in the operational aspect of agriculture.

Lack of social consciousness among the tenants: Prof. Khusro in his study entitled “Economic and Social Effects of Jagirdari Abolition” has emphasised the importance of social consciousness of the tenants as a factor responsible for the successful implementation of land reforms. The small cultivators and the landless were not only unorganised but in most cases, ignorant of legal and constitutional process.

State side with the big farmers: The state governments which control the land operations have moved favourably towards the big farmers. The interests of the small farmers have been vitally affected.

Lack of strong political will: The programme of land reforms necessitates adequate political desire, zeal and support. But unfortunately the political leaders only wear a mask of progressive socialistic outlook. The lack of political will is amply demonstrated by the large gaps between policy and legislation and between law and its implementation.

Bureaucratic corruption: Land reforms provide a golden opportunity to the Patwari and other functionaries of the Revenue Department to make money. Again in many cases the highly placed officials are themselves landlords. Moreover, the lands which are acquired to be distributed among landless farmers are grabbed by the politicians and bureaucrats at cheap rate.

Surplus land is fallow and uncultivable land: The holders of surplus land manipulate the land data in such a way that the land in excess in their possession is usually barren and uncultivable. Such a surplus land does not yield any benefit to the landless peasants.

Absence of records: Absence of records regarding ownership and possession of land and about its actual cultivators stands in the way of properly identifying the beneficiaries of land reforms.

Lack of uniformity in land reforms laws: Land reforms laws are not uniform throughout India. They are different in different states. This also accounts for the slow progress of land reforms measures.

Emergence of new agriculture technology: The new seed-cum-fertilizer technology, for its successful adoption, needs ample resources and dynamic entrepreneurship. Only large farmers can fulfil these conditions.

Summary

The introduction and implementation of land reforms in India had the twin-fold objective of increasing agricultural productivity on the hand and changing exploitative agrarian relations in rural India. In order to meet these objectives, four features were developed under land reforms, namely – abolition of intermediaries, tenancy regulation, land ceiling and consolidation of disparate landholdings. Land reforms were the key to address questions of land related to rent, ejection and possession, so that the rural masses of India (the kisans/peasantry) could be economically and socially empowered. Consequently it was expected that it will generate agricultural surplus in the hands of the peasantry. This in turn would create a solid foundation for industrialization in India by generating internal demand for industrial goods by the rural masses. However, due to variety of social, economic and political reasons, land

reforms could not be implemented properly in India which has led to continued economic and social inequality in the country. Thus, we might conclude this discussion with the following observation of Prof. M.L. Dantwala, “By and large, land reforms in India enacted so far are in the right direction, and yet due to lack of implementation the actual results are far from satisfactory”.

