

Agrarian Structure and Rural Development

Author(s): P. S. Appu

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Agrarian Structure and Rural Development

P S Appu

India's experience since Independence shows that there is a close inter-relation between agrarian structure and rural development.

An outmoded agrarian structure is a serious obstacle to the modernisation of agriculture and rapid rural development.

Such a structure is to be squarely blamed for the unequal distribution of the fruits of development leading to widening of the disparities in income and wealth.

The upper classes who have cornered the bulk of the new prosperity have also succeeded in consolidating their political power. Consequently, it has become still more difficult to adopt and implement far-reaching institutional reforms.

Even so, as the emerging agrarian structure has become a serious constraint to rural development it will be disastrous to postpone the much-needed institutional reforms.

THE agrarian structure plays a crucial role in shaping the speed and spread of rural development. An outmoded, inequalitarian agrarian structure is not merely a serious impediment to rapid rural development, it is also the principal cause of distorting the results of development. And, rural development unaccompanied by essential institutional reform makes it more difficult to bring about structural changes in the future. The experience of India during the years since Independence confirms this view.

AGRARIAN STRUCTURE AT INDEPENDENCE

In a vast country of such great diversity as India, exposed as she had been to different stands of political, economic, social and cultural influences in her long and chequered history, it is, indeed, natural to come across a bewildering variety of tenurial conditions. Though a multitude of tenures existed at the time of Independence and the tenurial conditions varied a great deal from region to region, and even within a compact region, it is possible to classify the numerous tenures under two broad categories — the 'Zamindari' and the 'Raiyatwari' systems. The essence of the Zamindari system was the existence of one or more layers of proprietary rights between the State and the actual holder of the land. In the Raiyatwari system no intermediary interests existed between the State and the landholder. It is estimated that Zamindari tenures covered one-half of the country at the time of Independence.

Traditionally all rulers in India, Hindu as well as Muslim, appropriated a share of the produce of the land which was the principal source of revenue for the State. In the years of the decline and disintegration of the Mughal Empire, finding themselves un-

equal to the task of collecting land revenue, the Provincial Governors resorted to the device of appointing revenue farmers drawn from the ranks of vanquished potentates, feudal chieftains, marauding free-booters, erstwhile government functionaries, moneylenders, speculators, etc. They contracted to pay fixed sums to the government but extorted as much as they could from the landholders, keeping the difference as their profit. Though these revenue farmers were not proprietors, the British administrators, familiar as they had been with landlords and tenants in their own country, recognised such revenue farmers as landlords and entered into firm agreements with them for payment of land revenue. And the erstwhile landholders who had permanent rights in the land and had actually been cultivating it, were reduced to the status of insecure tenants. Such was the origin of the 'Zamindari' system. As a senior British administrator of the last century put it, "the proprietary right was created by consolidating the position of revenue farmers whom we found managing the villages and paying the government revenue".¹ Thus the Zamindar was the person whom the government recognised as the proprietor of an estate on his agreeing to pay a certain sum as land revenue. In certain areas the amount payable was fixed in perpetuity, while in other areas the amount could be revised from time to time. In some parts of the country the settlement was made with individuals, while in other parts with groups of persons. The Zamindari estates were of varying sizes. While some of the big estates covered hundreds of square miles spread over more than one district, there were also very small ones covering a few acres in a single village. Many of the Zamindars divested themselves of the trouble of directly managing their estates and

collecting rent from cultivators by leasing out the right to collect rent. In course of time in some areas several layers of such intermediary rights were created between the Zamindar and the actual cultivator. Every one of these intermediaries including the Zamindar, appropriated a share of the rent paid by the cultivators and passed on the balance to his immediate superior. At the summit was the government to whom the Zamindar paid land revenue.

Some parts of the country, particularly in the south and the west, were free from the system of revenue farming. In these areas the government entered into direct agreement with numerous landholders for the payment of land revenue. This came to be known as the 'Raiyatwari' system. It must, however, be pointed out that all those landholders were not cultivating the land themselves. Many of them had leased out all their land or part of it to tenants, mostly sharecroppers. The distinguishing feature of the Raiyatwari system was, however, that the landholders paid land revenue directly to the government and there was no intermediary between the landholders and the government.

Initially the Zamindars were given absolute freedom to deal with their tenants as they pleased. In course of time it was found that the Zamindars were causing a great deal of harassment to the tenants by resorting to rack-renting and summary ejectment. With a view to affording a measure of protection to the tenants, laws were enacted subsequently for conferring security of tenure on certain categories of tenants who had been in possession of the land for a long time.

The Zamindars usually kept a portion of their estates under their own direct management. Such lands constituted their home farms which they cultivated through tenants-at-will or farm ser-

vants. Though the Raiyatwari system came to be described as a system of peasant proprietors, right from its inception a sizeable percentage of landowners used to lease out their land to tenants who would pay fixed rent or share the produce. Little security of tenure was available to the tenants on the home-farms of the Zamindars in the Zamindari areas or to all categories of tenants in Raiyatwari areas. There is little doubt that on the eve of Independence a considerable area of land was under tenancy and that the bulk of the tenants enjoyed no security of tenure or fixity of rent.

The agrarian structure was also marked by great inequality in the ownership of land. Though data are not available for that period, it is estimated that a small number of big landlords controlled a substantial portion of the agricultural land, while millions of small peasants subjected to numerous abuses and weighed down by perpetual indebtedness, eked out a precarious existence on tiny, fragmented holdings employing primitive farming practices. And, at the bottom, there existed a vast army of landless agricultural workers whose social and economic status was even more pitiable. A unique feature of the Indian situation is the close inter-relation between the Hindu caste hierarchy and the agrarian structure. The landowners invariably belonged to the so-called upper castes, the cultivators to the middle castes and the agricultural workers to the lowest castes, a situation that led to economic disabilities being aggravated by social disadvantages.

LAND POLICY SINCE INDEPENDENCE

Such was the background against which the national land policy was evolved after Independence. In the Five-Year Plans the objectives of land policy have been laid down as, firstly, to remove such motivational and other impediments to increase in agricultural production as arise from the agrarian structure inherited from the past and, secondly, to eliminate, all elements of exploitation and social injustice within the agrarian system so as to ensure equality of status and opportunity to all sections of the rural population. Since land reform under the Indian Constitution is a state subject, and tenurial conditions vary from state to state, the Central government could only lay down the general principles which provided the framework for legislation as well as

administrative action. The principal measures of land reform adopted for securing the objectives of the land policy laid down in the Five-Year Plans have been the abolition of intermediary tenures, reform of tenancy, imposition of ceilings on agricultural holdings and re-distribution of land, and the consolidation of fragmented agricultural holdings.

As we have already seen, the intermediary tenures covered about one-half of the country, mostly in the Northern and Eastern parts. The abuses of the Zamindari system had attracted a great deal of attention in the long years of the country's struggle for freedom. The Zamindars were a rather unpopular lot not only because of the oppression practised by them, but also because they had identified themselves as the staunch supporters of the British government. In the circumstances, it was only natural that immediately after Independence very high priority was accorded to the abolition of intermediary tenures so as to bring the tenants into direct relationship with the State. Accordingly, every state passed its own legislation for the abolition of intermediary rights on payment of compensation. The implementation of the enacted laws has been practically completed. Only a few minor intermediary tenures still remain to be abolished and efforts are afoot to do away with them also. As a result of the abolition of intermediary tenures about 20 million erstwhile tenants are estimated to have become peasant proprietors owning land directly under the State. Large areas of privately owned forests and waste land vested in the State. One serious flaw in the programme of abolition of intermediary tenures was that no effort was made to limit the size of the home farms of the Zamindars or to extend protection to the tenants-at-will, mostly sharecroppers on those home farms. The abolition of intermediary tenures would have led to far more satisfactory results if steps had been taken simultaneously to limit the size of the home farms and extend protection to the insecure tenants.

Right from the First Five-Year Plan emphasis was also laid on tenancy reform. Three important guidelines were laid down in the Five-Year Plans for the reform of tenancy. First, rent should not exceed one-fifth to one-fourth of the gross produce; secondly, the tenants should be accorded permanent rights in the land they cul-

tivate subject to a limited right of resumption to be granted to landowners; and thirdly, in respect of non-resumable land, the landlord-tenant relationship should be ended by conferring ownership rights on tenants. All states have enacted legislation for regulating the rent payable by cultivating tenants. Yet maximum rates of rent permissible under the law continue to be above the level suggested in the plans in a few states. Several states have also enacted laws for conferring security of tenure on tenants. However, under the existing law the position of tenants continues to be insecure in some areas. Only a few states have as yet enacted legislation to enable tenants to acquire ownership rights. Thus, in several states, the enacted legislation falls short of the accepted policy, and implementation has been weak and ineffective. The Planning Commission's Task Force on Agrarian Relations (1973) has summed up the position thus:

"The implementation of the enacted laws has been half-hearted, halting and unsatisfactory in large parts of the country. The legal protection granted to tenants has often been ineffective. In accordance with the policy laid down in the Second Five-Year Plan the laws enacted by several States provided for the resumption within certain limits of tenanted lands by landowners for personal cultivation. The term 'personal cultivation' was wide enough to cover all cases of cultivation under the landowner's own supervision or the supervision of a member of his family. The provision for resumption of tenanted land by landowners resulted in the ejection of many tenants. Then there were large scale ejections through the device of 'voluntary surrenders'. In many cases, tenancies have been pushed underground and converted into work-contracts. Even where the law provides for security of tenure, tenants have, in practice, found it extremely difficult to claim successfully tenancy rights because most of the leases, particularly crop-sharing arrangements, are oral and informal. Where tenancy is insecure, legal provisions regarding fair rent are useless and no tenant dares to initiate action for getting fair rent fixed. This is so because the tenant who has the audacity to pray for fixation of fair rent faces the risk of instant ejection. Thus the objective of ensuring fair rent and security of tenure still remains unattained in large parts of the country."²

With a view to reducing disparities in the ownership of land and make some land available for distribution to the landless labourers and small holders, the Second Five-Year Plan recommended the imposition of ceilings on

agricultural holdings. In accordance with that policy, ceiling laws were enacted by the different states by 1961. There were wide variations between the ceiling laws of different states in the matter of the level of ceiling, unit of application, exemptions, etc. At one end, the ceiling law of Kerala provided for a ceiling of 4 to 8 hectares for a family, while at the other extreme, the law of Andhra Pradesh fixed the ceiling area in the range of 11 to 130 hectares depending upon the class of land. In some laws family was the unit of application, while in some others ceiling was fixed for individual landholders. All the laws provided for a large number of exemptions. The enactment of the ceiling laws had been preceded by a national debate attended with a great deal of publicity. Naturally, all prudent landowners took steps in good time to distribute the surplus land among their relatives, friends and dependants, and in some cases they arranged paper transactions to show distribution among fictitious persons. Subsequent efforts to nullify such transfers have not been very successful. As the Planning Commission's Task Force has put it "... as a result of the high level of ceiling, large number of exemptions from the law, malafide transfers and partitions, and poor implementation, the results achieved have been meagre".³ The poor results are demonstrated by the fact that on the implementation of the ceiling laws only about one million hectares of land could be declared surplus. That works out to be less than one per cent of the total arable land in the country. On finding that the results were unsatisfactory, the Government of India issued revised guidelines in August 1972 in order to reduce the level of ceiling and bring about a measure of uniformity in the laws of the different states. According to the new policy, the family is the unit for the determination of ceiling area and most of the exemptions have been withdrawn. The state governments have amended their ceiling laws in accordance with the new guidelines and they have indicated that on the implementation of the new laws about 1.5 million hectares of surplus land is likely to become available. It remains to be seen whether this expectation will be fulfilled.

In India most of the agricultural holdings are not only small but they are also fragmented. Hence emphasis was laid on consolidation of holdings in the Five-Year Plans. By the end of 1972, about 33 million hectares of

land was consolidated, mostly in the states of Punjab, Haryana and Uttar Pradesh. A major weakness of the programme was that consolidation was done without taking effective steps to ensure security of tenure to tenants, particularly sharecroppers. In the result, consolidation of holdings has often led to large-scale ejection of insecure tenants. This happened because the sharecropping tenancies subsisted in respect of particular plots of land and after consolidation the identity of those plots was lost. Thus consolidation often helped the landowner in getting rid of his tenants. Notwithstanding this serious drawback, consolidation of holdings has played a significant role in the modernisation of agriculture in Punjab, Haryana and western Uttar Pradesh.

After reviewing all the measures of land reform adopted since Independence, the Planning Commission's Task Force concluded:

"A broad assessment of the programmes of land reform adopted since Independence is that the laws for the abolition of intermediary tenures have been implemented fairly efficiently, while in the fields of tenancy reform and ceiling on holdings, legislation has fallen short of proclaimed policy and implementation of the enacted laws has been tardy and inefficient. With the abolition of intermediary interests the ownership of land became more broad-based and the erstwhile superior tenants acquired a higher social status. It should not, however, be overlooked that as a result of the tenancy laws enacted in the decades prior to Independence the superior tenants had already been enjoying security of tenure and fixity of rent. It is a moot point whether the abolition of intermediary interests conferred any new economic benefits on the tenants. The programmes which could have led to a radical change in the agrarian structure and the elimination of some of the elements of exploitation in the agrarian system and ushered in a measure of distributive justice were those of tenancy reform, ceiling on agricultural holdings and distribution of land to the landless and small holders. As already pointed out these programmes cannot be said to have succeeded. Highly exploitative tenancy in the form of crop-sharing still prevails in large parts of the country. Such tenancy arrangements have not only resulted in the perpetuation of social and economic injustice but have also become insurmountable hurdles in the path of the spread of modern technology and improved agricultural practices. Thus the overall assessment has to be that programmes of land reform adopted since Independence had failed to bring about

the required changes in the agrarian structure."⁴

RURAL DEVELOPMENT AND AGRARIAN STRUCTURE

The last two decades of planned economic development have witnessed the formulation and the execution of several programmes aimed at rural development. The most important among these are the Community Development Programmes, a massive effort in expanding irrigation facilities and a comprehensive programme aimed at achieving rapid increase in agricultural production in certain selected areas. India's Second Five-Year Plan viewed the Community Development Programme as the chief instrument for improving all aspects of rural life. It was expected that the relatively small allocations made by government for financing projects like irrigation works, village roads, schools and hospitals would be substantially augmented by contributions from the public, and that the village community itself would assume responsibility for the execution and future maintenance of those projects. A large army of government functionaries was appointed to help in the execution of the projects and provide extension services in agriculture, animal husbandry, co-operation, education, health, etc. It was hoped that the programme would promote self-help, lead to concerted communal endeavour for a better life for individuals as well as for the community as a whole, and would ultimately pave the way for self-sustained rural development. Community Development blocks were opened to cover the whole country.

The achievements of the Community Development Programme have been rather uneven. In a few areas some progress was achieved, particularly in the adoption of modern agricultural practices. A number of minor irrigation works, rural roads, school buildings, community halls, etc. were also constructed. Public contribution in these efforts was, however, far below the expected level. Notwithstanding these small gains, it is generally accepted that the Community Development Programme failed to achieve its objectives. The bulk of the benefits of the programme accrued to substantial landowners. The landless agricultural workers, sharecroppers and small peasants derived very little benefit from the programme. Nor has the Community Development Programme resulted in an urge for co-operative endeavour

for rural development or promoted self-help.

The root cause for the failure of the Community Development Programme is that the inhabitants of an Indian village do not constitute a community. The data collected during the seventeenth round of the National Sample Survey in 1961 showed that 12 per cent of the rural households owned no land at all and 32 per cent owned less than 0.4 hectare per household. After a decade of land reform the size-class distribution of land holdings continued to be extremely skewed, with 72 per cent of the agricultural holdings being below 2 hectares in area and accounting for only 20 per cent of the total agricultural land. At the other end of the scale, holdings above 8 hectares in area accounted for 5 per cent of the total number of holdings and 36 per cent of the total land. At the 1961 census it was estimated that one quarter of the agricultural land was under tenancy and that over 80 per cent of the tenancies were insecure. The population of a typical Indian village consists of big, medium and small landowners, tenants, the bulk of whom are insecure share-croppers, village artisans and agricultural workers. The economic interests of these classes are often in conflict. The landowners and tenants are interested in keeping agricultural wages as low as possible, all landowners are anxious to raise their share of the produce of the land and also to eject their tenants, and the big landowners who are also invariably the village moneylenders, oppress all the other classes in the village.

The economic inequalities and cleavages are aggravated by social disabilities and conflicts rooted in the caste system. A typical Indian village has over three dozen castes and sub-castes which can broadly be divided into the so-called upper, middle and lower castes. In spite of all the changes that have taken place during the last quarter of a century since Independence, the ownership of land is still generally confined to the members of the upper and the middle castes, tenants are mostly drawn from the middle castes, and those who belong to the bottom rungs of the caste hierarchy are, by and large, agricultural labourers.

Such being the state of affairs, the inhabitants of an Indian village have no social cohesion or common economic interests. The extremely inegalitarian character of the agrarian structure is clearly one of the root causes for the failure of the Community De-

velopment Programme. The poor performance of the co-operative societies and the village panchayats (organs of local self-government) should also be attributed to the same cause. The co-operative societies, controlled as they are in most parts of the country by rich farmers, seldom cater to the needs of the weaker sections of the population. Similarly the village panchayats are also dominated by the rural elite, and the under-privileged classes usually take no interest in their functioning. Had steps been taken to level down inequalities, all these institutions would have fared better.⁵

Given the character of the Indian rural structure, the failure of the Community Development Programme is not in the least surprising. But even development programmes which provided for massive public investment and did not call for any concerted communal action, did not fare as well as expected because of the failure to effect necessary institutional reform. To this category belong the programme for development of irrigation and the intensive efforts for agricultural development in certain selected areas. An investment of Rs 2,650 crores made in major irrigation schemes up to 1973 is estimated to have resulted in an additional irrigation potential of 10 million hectares.⁶ Actual utilisation for the country as a whole is estimated to be of the order of 80 per cent of the potential created. Utilisation is, however, particularly poor in certain schemes like the Kosi Project.

Kosi is a multipurpose project executed at an expenditure of about Rs 100 crores providing flood control and irrigation in the Kosi Division of Bihar. The writer had occasion to study different aspects of this project.⁷ The irrigation potential created is 0.32 million hectares for autumn crops, 0.1 million hectares for spring crops and 0.15 million hectares for summer crops. Though the canals have been in operation for about a decade, the highest utilisation so far has been only 40 per cent of the potential during autumn, 15 per cent in spring and 10 per cent in summer. The main features of the agrarian structure of the Kosi Area are extreme concentration in the ownership of land, absentee landlordism, widespread sharecropping and a preponderance of landless agricultural labourers. It has now been established that the main reasons for the low utilisation of the irrigation potential, particularly in the spring and summer seasons, are concentration in the

ownership of land and widespread sharecropping on terms unfair to the sharecroppers. In the Kosi area the main crop is paddy harvested towards the end of November or early in December. Immediately after harvesting the paddy crop, the farmers get only two to three weeks to prepare the land and sow wheat. Under conditions of traditional agriculture using scrub bullocks for draught power, the farmers find it difficult to plant wheat on more than 6 to 8 hectares. Fragmented holdings, and the fact that many of the big landowners are absentee landlords, have added to the difficulties. Large holdings have been found to be one of the main reasons for the low utilisation of the irrigation potential. Sharecropping has been found to be an equally important obstacle to a fuller utilisation of the irrigation potential. According to the terms on which sharecropping is practised in the Kosi Area, all the inputs have to be provided by the sharecropper; yet he must give half the produce in each season to the landlord. Under the Bihar Tenancy Act the landlord is entitled to only 25 per cent of the gross produce, but sharecroppers who insist upon their legal rights face ejection. Therefore, in practice, half the produce is given to the landowners. Experience shows that in this region an average crop of paddy yielding about 10 to 12 quintals per hectare can be grown without applying chemical fertilisers or using improved seeds. Growing wheat is, however, more costly. The additional cash expenditure is at least Rs 250 per hectare. As he has to part with one half of the produce, the sharecropper does not find it worth his while to grow wheat by incurring additional expenditure to meet which he has, anyway, to borrow money on usurious terms. The likely return from the second crop will not justify the additional investment and the attendant risk. This is another reason why the land under sharecropping usually remains uncultivated during spring. The same explanation holds good for the summer crops as well.

The inegalitarian agrarian structure is to be blamed squarely for the unequal distribution of the benefits of the scheme. The project has, no doubt, led to considerable agricultural prosperity. Land values have appreciated phenomenally. Persons owning large areas of land have benefited greatly. Small landowners have also received some benefits. They have not, however,

been able to make full use of the irrigation in the absence of access to necessary inputs. Furthermore, their dependence on big landowners for credit has rendered the position of the small holders rather vulnerable. The enhanced land values have whetted the appetite of the big landowners to acquire more land and expand the size of their holdings. Many a small holder has been obliged to mortgage or sell his land to big landowners. The position of the sharecroppers has considerably deteriorated. The rise in agricultural productivity and land values has prompted the landowners to get rid of their sharecroppers lest the latter succeed in establishing a claim to the land. Several sharecroppers have been evicted from the land they had been cultivating for years. The irony of the situation is that even after the old sharecroppers are evicted the landowners seldom bother to cultivate the land personally. In most cases they get the land cultivated through new sharecroppers who are not likely to claim tenancy rights. As the prevailing agrarian structure is not conducive to the development of intensive agriculture, there has been only marginal improvement in the intensity of cropping. Hence, there has been no significant expansion of employment opportunities with the result that the daily wages of agricultural labourers continue to be among the lowest in the country. Thus, the benefits of the project have been shared in this manner: substantial landowners have benefited substantially, small landowners have made small gains but their position has become vulnerable, the sharecroppers have suffered greatly and the landless agricultural labourers survive in the same conditions of abject poverty in which they have always lived.

In the closing years of the Second Five-Year Plan it became fairly clear that the Community Development Programme was not likely to succeed and that the policy of spreading the available resources thinly all over the country would not lead to the required increase in agricultural production. This was the background against which a new agricultural strategy was evolved. The essence of the new strategy was to concentrate all development efforts in areas with assured irrigation. The introduction of the Intensive Agricultural District Programme in three districts in 1960-61 marked the first stage of the new strategy. Later the pro-

gramme was extended to another thirteen districts. In 1964-65 and subsequent years, a modified version of the scheme, styled as Intensive Agricultural Area Programme, was extended to more districts. The appearance of high-yielding varieties of wheat and rice seeds from 1964 onwards turned out to be the harbinger of a breakthrough on the agricultural front. Efforts continued to be concentrated in areas with potential for rapid agricultural growth, but the strategy was further modified emphasising the pivotal roles on the high-yielding varieties of seeds and multiple-cropping. The great spurt in food production that followed was rather inaccurately and hastily hailed as the 'Green Revolution'. The increase recorded in food production was no doubt impressive by any standard. The output of foodgrains shot up from 89 million tonnes in 1964-65 which was the best year before the so-called revolution, to 100 million tonnes in 1969-70. In 1973-74 the output is estimated to have been about 107 million tonnes. Still more impressive was the increase in the output of wheat, the cereal that responded most to the new package of practices. During the six years from 1964-65 to 1970-71 wheat production increased at a compound rate of about 14 per cent per annum.⁸

When the new strategy was evolved, it was confidently hoped that the application of science and technology backed by investment would take Indian agriculture out of the woods. Perhaps, it was even believed that the unpleasant question of institutional reform could be by-passed. The euphoria of the initial years of the so-called 'Green Revolution' did not, however, last long. Soon it became evident that the bulk of the gains were being cornered by the big farmers. Several studies, mostly empirical, show that the disparities in income and wealth have increased. Social tension has also been on the increase. The new technology is, no doubt, scale-neutral in the sense that it can be applied with equal effectiveness on big and small farms, provided water and the other inputs are available in right quantities at the right time. Considerable investment is called for in irrigation, land improvement, seeds, fertilisers and pesticides. With the higher investments, the risks are also higher. Lack of access to credit and other inputs and their inability to undertake risks, make it rather difficult for the small farmers to adopt

the full package of modern farming practices. Hence the disparities between the big and the small farmers are increasing. The tenants, particularly insecure sharecroppers, have fared even worse. In the context of rising income and land values, landowners have been trying hard to eject their tenants and bring the land under their direct cultivation. Wolf Ladejinsky⁹ and Francine Frankel¹⁰ have reported the ejection of tenants in certain districts where the new agricultural strategy was adopted. And Pranab Bardhan's studies¹¹ indicate that there has been no improvement in the real wages of agricultural labourers except in Kerala where they are somewhat better organised. There is plenty of evidence to show that the new prosperity has been shared very unequally, the bulk of the gains accruing to the big farmers.

When it was found that the lack of access to credit was rendering it very difficult for the small farmers to modernise their farming, a scheme known as the Small Farmers Development Agency was sanctioned in the Fourth Five-Year Plan to help small farmers who own less than 2 hectares of land. A few districts were covered under the scheme on an experimental basis in the Fourth Plan and it is proposed to cover about one-half of the country in the Fifth Plan. The main thrust of the scheme is in providing credit and subsidies for land improvement and irrigation. The drawback of this scheme is that unless a person owns a minimum area of land, say at least 0.4 hectare, he will not find it economic to invest even in a masonry well. And no sharecropper will, for obvious reasons, make any investment in irrigation works. As already pointed out, 44 per cent of the rural households own no land or less than 0.4 hectare. Hence even this scheme, which is specially designed to help the weaker sections of the rural society, will practically leave out in the cold the bottom half of the rural population. It would, of course, be possible, to ensure that part of the benefits accrue to that class if the execution of the scheme is accompanied by a redistribution of land and the conferment of permanent rights on tenants-at-will.

There is evidence to show that the outmoded agrarian structure is also standing in the way of the spread of the so-called 'Green Revolution' to many areas where considerable poten-

tial exists for rapid agricultural growth. In the Indo-Gangetic plain and the deltas of the great rivers, India has some of the world's most richly endowed agricultural tracts with unrivalled ground water resources. Significant increase in agricultural production has taken place only in the western portion of the Indo-Gangetic plain. In this area the bulk of the land is cultivated by owner farmers and sharecropping tenancy is very rare indeed. The new found agricultural prosperity of this area is based on the exploitation of ground water. Currently 80 per cent of the available ground water is tapped in this region to support multiple cropping. But in the eastern portion of the Gangetic plain and the deltas the exploitation of ground water continues to be poor. In some of these areas the incidence of sharecropping and absentee landownership continues to be high. An outmoded agrarian structure is one of the main limiting factors in the spread of the 'Green Revolution' to these areas.

CONCLUSIONS

The following conclusions emerge. India's experience since Independence shows that there is a close inter-relationship between agrarian structure and rural development. An outmoded agrarian structure is a serious obstacle to the modernisation of agriculture and rapid rural development. Such a structure is to be squarely blamed for the unequal distribution of the fruits of development leading to widening of the disparities in income and wealth. The upper classes who have cornered the bulk of the new prosperity have also succeeded in consolidating their political power. Consequently, it has become still more difficult to adopt and implement far-reaching institutional reforms. Even so, as the emerging agrarian structure has become a serious constraint to rural development it will be disastrous to postpone the much-needed institutional reforms.

Notes

[The views expressed in this paper are the writer's own and not neces-

sarily those of the Government of India.]

- 1 B H Baden-Powell, "Land Systems of British India", Vol II, p 464.
- 2 Planning Commission, New Delhi (1973), "Report of the Task Force on Agrarian Relations", pp 3-4.
- 3 *Ibid*, p 4.
- 4 *Ibid*, pp 6-7.
- 5 For a frank and lucid review of the Community Development Programme, the Co-operative Societies and Panchayats see Gunnar Myrdal, "Asian Drama", Vol II, Chapters 18, 22 and 26.
- 6 Government of India, Ministry of Irrigation and Power, Annual Report (1972-73), pp 48-49.
- 7 P S Appu, "Unequal Benefits from Kosi Project", *Economic and Political Weekly*, June 16, 1973.
- 8 Wolf Ladejinsky, "How Green Is The Green Revolution?" *Economic and Political Weekly*, December 29, 1973.
- 9 Wolf Ladejinsky, "Ironies of India's Green Revolution", *Foreign Affairs*, July 1970.
- 10 Francine R Frankel, "India's Green Revolution".
- 11 Pranab Bardhan, "Green Revolution and Agricultural Labourers", *Economic and Political Weekly*, Special Number, July 1970.

Utilisation of Ground Water Resources

Public versus Private Tubewells

B D Dhawan

This paper is basically a review article. The author has picked a few studies on tubewells and attempted to probe some of the major economic claims being advanced in favour of private tubewells.

The economic underpinnings of the thesis that private tubewells are superior to public tubewells appear to be weak on closer scrutiny.

Also examined is the problem of 'mismanagement' of state tubewells, which is the root cause of disenchantment with them in several quarters.

IN contrast to the dismal shortfalls witnessed in most targets set by the Planning Commission, the Fourth Plan achievement in ground water exploitation is commendable. This remarkable achievement has come about due to a veritable tubewell 'explosion'. It is estimated that about one hundred thousand tubewells are being installed in the country every year.¹

There were about 3,000 public and 21,000 private tubewells in the country at the beginning of the planning era. By the end of the Fourth Plan period, about 20,000 public tubewells are said to have been installed. On the other hand, the corresponding number of private tubewells may be placed in the range 0.6-1.0 million.² While one welcomes the emergence of this dynamic enterprise in the countryside, one ought to keep in mind the support rendered

by the State in the development of private tubewells. The State has not only provided substantial indirect finance for private tubewells but has also undertaken massive programmes of rural electrification.³ Rural electrification is probably the more important of these two factors especially since 1967 when the programme of rural electrification was sharply reoriented, whereby the primary concern of the programme became the energisation of agricultural pumpsets instead of electrification of village habitations. It is this extension of the power system to the Indian countryside that has now made the agriculture sector a major contender for available power supplies in many states.⁴

When one looks at the comparative rates of growth of state and private tubewells, one notices the relatively

slower growth in the number of state tubewells. Since private tubewells are a feasible proposition for farmers with relatively large landholdings, a faster increase in their numbers would accentuate the problem of inequity in the rural sector as small and marginal farmers' water needs are not taken care of through public irrigation works. In this perspective, the choice between private and public tubewells appears to boil down to the familiar problem of growth versus equity. Therefore, it is not surprising that one comes across misgivings being aired both with regard to the development of private as well as public tubewells.⁵

This paper is basically a review article. But the review is far from comprehensive. The author has just picked up a few studies on tubewells. The effort here is to probe into some major