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Land Reform in India

by Professor M. R. Hazaray, Bombay *

The favourable harvest yields of past years in developing countries have in Europe evoked the rumour of a "green revolution". But the problems with which developing countries are confronted have by no means been solved by the, mainly technological, changes. In view of this development it is now more than ever before the right time to tackle the many agricultural problems.

The land reforms undertaken during the last twenty years in India have by and large failed to make the tiller of the soil the proud owner of it. The recent study of the Ministry of Home Affairs of India frankly admits that land reforms have not been successful. Concentration of land ownership has widened the disparities and accentuated social tensions. Recent technological breakthrough—hailed as the agricultural revolution—has, if at all, spread benefits most unevenly. It has made the rich farmer richer and the poor poorer. The agricultural workers and wage earners have hardly obtained any share in the increased productivity of land in the past. The tribals continue to be deprived of their land. The result is that the agrarian unrest is boiling all over the country providing an excellent opportunity for the extremists to exploit the situation whenever possible.

Implementation of Land Reforms

Also, the actual implementation of land reforms in India still leaves much to be done on desired lines. The reforms were carried out at a dead slow pace which afforded sufficient time to the vested interest to devise ingenious methods to defeat the very purpose of reform. They aimed very low i.e. giving protection to a minority of tenants thus leaving out the majority of share-croppers who represent a more vulnerable section of Indian peasantry. Land Legislation in India has not touched even the fringe of the problem.

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The reconsideration of the land reforms policy of the Government of India therefore seems urgent on several grounds. It is rightly feared that "whether India would survive or be lost to the free world would depend primarily upon what happens in her 600,000 mud villages". Secondly, the United Nations has in its oftenquoted reforms characterised the defects in agrarian structure as constant obstacles to economic development, rapid or otherwise. In fact, the ultimate answers to the question who owns the land will in the opinion of US-Ambassador Chester Bowles most probably shape the economic and political future of most of the developing countries in Asia, Africa and Latin America.

A Sweeping Land Reform

The best solution for the land problem in India would be to launch a sweeping land reform programme modelled on the experience of Japan, South Korea and Taiwan. The land ownership there is thinly but widely spread over the largest possible number of people, so that all the rural families display a direct stake in the increase of production and hence the rate of growth of their national economies. One should not forget that technologically small farmers are not necessarily economically inefficient. Japanese have an average family holding of less than three acres and yet they produce the highest output per acre in the world.

However, the political obstacles to a radical land reform in India would in all probability be formi-

dable as big farmers have got a strong lobby in the Parliament. Therefore, other solutions are presented here which could have positive effects on agricultural production and income redistribution.

Let us look at a solution which stands for assurance of some kind of social and economic justice up to a reasonable degree without actually disturbing the prevailing structure of land ownership in any way: The organisation of the landless labour or tenant farmers in unions. This would strengthen their bargaining power against the landlords and would enable them to press forward their demands for a fair wage and fair share of the crop much more effectively. It could, however, lead to continuous quarrels over wages and share of crop, which would endanger agrarian peace and would inevitably lead to replacement of labour by capital adding more fuel to the fire of already existing strife and thus vitiating more the whole political atmosphere of the country.

Tax Incentives and Disincentives

The solution best suited to economic and political acceptance lies in evolving an appropriate system

of tax incentives and disincentives that should induce the land owners to seel major part of their holdings to their own tenants and landless labourers and invest the sale proceeds and their accumulated savings in some kind of small scale industry in the neighbouring town. It can be accomplished under the burden of steeply graduated landtax over a period of time, over and above an exempted ten or twenty acres as the case may be. A more than matching tax-exemption for a similar period may also be guaranteed to the landlords who would be willing to transfer their capital from land to industry. In the context of net change that would be brought about by nationalisation of banking in India which places a very high priority both on agricultural and small scale industries' development, such a scheme would be doubly rewarding since it has a great potential for widening the employment opportunities both in rural as well as in urban India.

In practice the scheme would have to be suitably modified to fit into Indian agrarian scene but if it is followed in earnest it is likely to give a new impetus to the efforts at more rapid economic developments of India.

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by Shln Joe Kang

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