
UNIT 4 LAND REFORMS: PROGRAMME AND PERFORMANCE AFTER 1970

Structure

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4.0 OBJECTIVES

After going through this unit, you will be in a position to explain:

- the land reforms measures undertaken after 1970;
- the effectiveness of land reforms in changing the agrarian structure; and
- the perspective of land reforms in the wake of economic liberalization.

4.1 INTRODUCTION

In Unit 3, we have already discussed the first round of land reforms during the 1950s and 1960s. In this Unit, we will discuss the land reform measures undertaken since the 1970s. The failure of the first round of land reforms to remove the unequal power structure in the villages caused a lot of discontent among the poor. Besides, the green revolution in the late 1960s further widened the income gap between the haves and the have nots. In fact, the growing discontent led to land conflicts, including naxalite movement in West Bengal, Bihar, Andhra Pradesh and other parts of the country. These developments forced the government to revise the ceiling laws in the early 1970s. In addition, some state governments amended their tenancy laws. Further, a need for proper maintenance and updating of land records was felt.

Various measures of land reforms undertaken since 1970 can be discussed under the following heads:

- i) Lowering the ceiling limits and thrusts on effective redistribution of ceiling surplus land
- ii) Amendments in tenancy laws
- iii) Computerisation and updating of land records
- iv) Changes in the agrarian structure
- v) Changes in the status of consolidation of holdings, and
- vi) Perspective of land reforms in the wake of economic liberalisation

4.2 EFFECTIVE REDISTRIBUTION OF CEILING SURPLUS LAND

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 ceilings on land holdings as imposed after 1972 by various states are given in Table 4.1.

Table 4.1
Ceilings on Landholdings as imposed after 1972

State	Level of ceiling (hectare)
Andhra Pradesh	4.05 to 21.85
Assam	6.74 ^a
Bihar	6.07 to 18.21
Gujarat	4.05 to 21.85
Haryana	7.25 to 21.85
Himachal Pradesh	4.05 to 12.14 ^b
Jammu & Kashmir	3.68 to 7.77 ^c
Karnataka	4.05 to 21.85
Kerala	4.86 to 6.07
Madhya Pradesh	4.05 to 21.85
Orissa	4.05 to 18.21
Punjab	7.00 to 21.80
Rajasthan	7.25 to 21.85 ^d
Tamil Nadu	4.86 to 24.28
Tripura	4.00 to 12.00
Uttar Pradesh	7.30 to 18.25
West Bengal	5.00 to 7.00

a= Additional area under orchard subject to maximum of 2.02 hectares above the ceiling is permissible.

b= In certain specified areas upto 28.33 hectares.

c= Orchards in excess of the ceiling is permissible, subject to an annual tax.

d= In certain specified areas upto 70.82 hectares.

The ceiling limits in various states was 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:

- i) Land held by religious, charitable and educational institutions,
- ii) Land for special cultivation of tea,

- iii) Land held by a co-operative farming society for feeding a sugar factory (Assam)
- iv) Land under plantations and private forest (Kerala)
- v) Land belonging to primary co-operative societies (Himachal Pradesh)
- vi) 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.

Table 4.2
Implementation of Land Ceiling Laws by State

(up to September 1998)

States/UTs	Area in hectares			
	Declared surplus	Taken Possession	Distributed Beneficiaries	Total No. of beneficiaries
Andhra Pradesh	791461	639030	577551	529116
Assam	612380	575837	505202	445648
Bihar	415447	387463	305858	377730
Gujarat	230911	158646	134963	31906
Haryana	93239	88244	87309	27435
Himachal Pradesh	316556	304895	4374	6365
Jammu & Kashmir	455575	450000	450000	450000
Karnataka	267758	155118	118441	32047
Kerala	138439	95987	64922	148423
Madhya Pradesh	294838	262406	186158	72558
Maharashtra	607194	553521	535685	141472
Manipur	1830	1685	1682	1258
Orissa	178016	166814	155401	136686
Punjab	222594	105181	103557	28303
Rajasthan	610374	566228	458974	80160
Tamil Nadu	196966	182762	171066	183369
Tripura	1995	1944	1599	1424
Uttar Pradesh	570395	538300	402018	360389
West Bengal	1354689	1265937	1032201	2476910
D & N Haveli	9406	9305	6851	3353
Delhi	1132	394	394	654
Pondichery	2326	1177	1023	1359
Total	7373524	6510874	5305229	5536565

Source: Ministry of Rural Areas and Employment, Govt. of India, Annual Report, 1998-1999

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. Table 4.2 shows the state-wise distribution of ceiling surplus land. 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 (i) do not specifically provide for suo-motto action on benami transfer of land, (ii) do not ensure correct record of land owners about ceiling, (iii) do not ensure punishment for the law evaders, and (iv) 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 which is permitted by the law of inheritance. The available data suggest that large number 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 (i) influence of landlords, (ii) lack of organisation of potential beneficiaries, (iii) lack of up-to-date land records, and (iv) 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 allottees 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.

4.3 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 encumbrances 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 soldiers and seaman and conferred ownership right on a large number of tenants. In Uttar Pradesh an amendment to the tenancy law was made in 1977. According to this, Sirdars excepting those settled on vacant land were declared as Bhumidars with transferable rights. In West Bengal, the law on acquisition and settlement of homestead land (amendment act 1972) provided that tenants of homestead lands would be given full right provided an application was made up to August 1974. Besides, the government of West Bengal launched 'Operation Barga' for recording the share cropping tenancy in 1978. It has been estimated that about 14 lakh share-croppers were conferred with permanent heritable right.

In fact, the impact of such special campaign for recognizing and recording the land rights of share croppers is said to have yielded positive impact on agricultural productivity and poverty reduction in the state.

4.4 CHANGES IN THE AGRARIAN STRUCTURE

After implementation of land reforms, it was expected that there will be a remarkable change in the agrarian structure in terms of reduction in the concentration of land holdings and improvement in the economic conditions of poor tenants. However, the available data indicate that inequality in the ownership of land holdings has not declined much over time. During 1971 to 1992 the Gini ratio of inequality remained constant at 0.71. In a number of states including Gujarat, Himachal Pradesh, Jammu & Kashmir, Madhya Pradesh, Maharashtra, Orissa and Rajasthan there was an increase in the concentration ratio of land holdings which indicates that the land reform measures have been mostly ineffective in reducing the level of rural inequality.

The proportion of landless households increased from 9.6 % in 1971 to 11.3% in 1992 (NSSO 48th Round, Report No. 399). During the same period the proportion of leased-in area declined from 11.6% in 1971 to 8.3% in 1992. However, in many states since tenancy is legally banned concealed tenancy exists. In the state of Bihar, for example, the incidence of tenancy is reported to be above 30%. Thus, the agrarian structure seems to be as unequal and unproductive as before.

Check Your Progress 1

- 1) What were the changes brought about in the ceiling laws adopted in early 1970s?
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- 2) What were the major constraints in the effective implementation of land ceiling laws?
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- 3) To what extent have the land reform measures undertaken since 1970 changed the agrarian structure?
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4.5 UPDATING OF LAND RECORDS

The maintenance of up-to-date land records is important not only for effective implementation of land records, but also for harmonizing the process of overall rural transformation. During the Seventh Five Year Plan a *centrally sponsored scheme* was launched for computerization of land records. During the Eighth Five Year Plan nearly 48 crores of rupees were allocated for this purpose. By 1997-98 about 470 tahsils were covered under this programme. However, the progress made so far is poor due to lack of adequate infrastructural and training support at the local level. Besides, there is a need to take steps to bring about transparency in the administration of land records.

4.6 CONSOLIDATION OF HOLDINGS

Since 1971 there has not been much progress in the consolidation of holdings. The area under consolidation increased from 500 lakh hectares to 641 lakh hectares only. In several states, the consolidation programme has not made any progress what so ever due to lack of compulsory provisions in the law. In Bihar, the consolidation programme has been discontinued since July 1992. The Government of Karnataka repealed the consolidation act in 1991. The state of Maharashtra also suspended the implementation of consolidation programme with effect from 1993 (Table 4.3).

Table 4.3
Consolidation of Land Holding (State- wise)

States/UTs	Area Consolidated (Lakh hectares)	Period of Reporting
Andhra Pradesh	8.18	1992
Bihar	96.05*	1999
Gujarat	69.88	1999
Haryana	104.38	1999
Himachal Pradesh	29.91	1999
Jammu & Kashmir	1.37	1973
Karnataka	26.76#	
Madhya Pradesh	95.53	
Maharashtra	526.5\$	1993
Orissa	26.74	1999
Punjab	103.74	1999
Rajasthan	42.30	
Uttar Pradesh	481.63	1999
Delhi	2.33	1992
Total	1615.30	As on October 1999

* Scheme has been discontinued since 1992 in Bihar.

Consolidation of holding Act, 1966 has been repealed in 1991.

\$ Implementation of the scheme stopped since 1993.

In view of the overall beneficial effects of the consolidation programme, state governments should give priority to it. Besides, the state governments should ensure that interest of small and marginal farmers and tenants are protected during the

process of consolidation through appropriate and up-to-date land records and proper valuation of their lands. It is interesting to note that the central government has constituted a high level committee to suggest measures for implementation of consolidation of holdings in future.

4.7 LAND RIGHTS OF WOMEN

Land reform policy in the past did not address the question of land rights of women. In Uttar Pradesh, the Zamindari abolition act banned a female child from inheritance of agricultural land. In some states, women cannot even buy agricultural land. In the absence of recorded land rights, they cannot prove that they are agriculturists. In 1992 the revenue ministers' conference recommended that in matters of distribution of ceiling surplus land and other public lands, women should be given equal opportunities. The land should be allotted jointly in the name of husband and wife. In practice, however, women are generally ignored as land ownership is given in the name of a male member of the benefited family. It is thus desirable that law should specifically provide women with equal access to benefits of land reforms.

4.8 NEW ECONOMIC POLICY AND LAND REFORMS

In the wake of economic reforms, land reforms appear to have taken a back seat in India. Sometimes even the philosophy of redistribution of land through land reforms is questioned. It is often argued that the existing land reforms laws restrict the growth of capitalistic/contract farming which is necessary for market-led growth. In recent years some state governments even proposed for relaxation of ceiling and tenancy laws for revitalizing the land market. The Government of Maharashtra has already proposed for upward revision of land ceiling for horticultural purposes. The state of Karnataka also has prepared an agricultural policy which mentions about the need for liberalisation of tenancy and upward revision of ceiling. However, the Government of India has not so far agreed to such proposals.

In fact, the argument that land reform stands in the way of market-led growth appears to be misplaced. The experience of countries like Japan and Korea shows that land reforms can help in the faster and more sustainable development of capitalistic agriculture, without creating much pain for the rural population. But market-led economic reforms, not accompanied by land reforms, could be painful for the rural poor and may not be sustainable in the long run. As a matter of fact land reforms should precede market reforms as a means of rapid and balanced economic development.

4.9 GOVERNMENT POLICY

The government policy on land reforms has been more or less consistent since the 1970s. All the Five Year Plans from Fifth Plan onwards have emphasised the need for effective implementation of land reforms for agricultural growth and equity. The Ninth Five Year Plan also clearly mentioned that land reforms would continue to be an important policy instrument for alleviating rural poverty. Proper implementation of land laws and policies would lead to restructuring of the agrarian economy in a way conducive to higher growth rates of agricultural sector but with greater equity in the distribution of gains from it. The main focus of the Ninth Five Year Plan on land reforms is on the following few critical areas:

- i) Efforts should be made to detect and redistribute the ceiling surplus land and to enforce the ceiling law strictly.
- ii) Tenancy reforms should be taken up specifically in the states characterized by semi-feudal modes of production.

- iii) The rights of tenants and share croppers need to be recorded and security of tenure provided to them.
- iv) The poor should be given access to common property resources and government wastelands.
- v) The land rights of women must be ensured through amendment of the existing land laws.
- vi) Updating of land records should be expedited as this is a necessary pre-requisite of any land reforms policy.
- vii) A massive programme of organizing the rural poors for participation in and implementation of land reforms and poverty alleviation programmes should be undertaken with the help of voluntary groups.

However, the political will on the part of various state governments to enforce land reforms effectively appears to be doubtful.

Check Your Progress 2

- 1) Why is the maintenance of up-to-date land records so important?
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- 2) How do you protect the interests of small farmers and tenants in the process of consolidation of holdings?
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- 3) Do you think that new economic policies and land reforms are contradictory to each other?
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4.10 LET US SUM UP

The land reforms measures undertaken since 1971 have yielded mixed results. In a state like West Bengal, the approach was participatory in nature in which the

government functionaries, panchayat bodies and the local politicians largely helped in effective implementation of land reforms. Of the total 2 million hectares of ceiling surplus land distributed in the country, nearly one-fifth came from the state of West Bengal only. Other states have adopted a lukewarm attitude towards the enforcement of ceiling laws.

As far as tenancy reforms are concerned, the state of Kerala has banned tenancy altogether. Besides, in the Telangana area of Andhra Pradesh, Bihar, Karnataka, Madhya Pradesh and Uttar Pradesh leasing-out of land has been banned except by certain disabled categories. However, concealed tenancy exists in all these states. In fact, tenants in all these states are more insecure because all leases are oral and informal in nature. Recording of the incidence of such tenancy on the pattern of 'Operation Barga' in West Bengal may be helpful.

Furthermore, in the wake of economic reforms since 1991, the concern for implementation of land reforms by the government appears to have declined, although various pronouncements by the Ministry of Rural Areas and Employment and the Planning Commission show that land reforms continue to be one of the policy instruments for the alleviation of rural poverty. As a matter of fact, the government lacks the necessary will power to implement land reforms and also there is no organized pressure from the potential beneficiaries for it.

4.11 KEY WORDS

- Gini Coefficient** : It is used to measure inequality in distribution of income or assets. In the present case it is used to measure the inequality in the distribution of land ownership. Gini coefficient ranges between zero and one. Higher the value of the coefficient, higher is the degree of inequality.
- Operation Barga** : It relates to the special campaign launched by the government of West Bengal in 1978 for recording the incidence of share cropping and according permanent and heritable rights to the share-croppers.
- Matching Grant** : In order to encourage certain activities/ investments the central government provides grants to the state governments. Often it is of the matching grant type. Here the central and state governments fund the project in certain ratio. For example, if matching grant is 50:50, then the central government reimburses 50 per cent of the expenditure incurred by the state government.
- New Economic Policy** : It refers to the policy of economic reforms/ liberalisation adopted since 1991. The new policy talks of a more liberal land ceiling and land leasing.

4.12 SOME USEFUL BOOKS

Haque, T. and A.S. Sirohi, 1986, *Agrarian Reforms and Institutional Changes in India*, Concept Publishing Company, New Delhi.

Bhalla, G.S., 1981, *Agrarian Change in India since Independence* in Essays in Honour of Dr. Gyanchand, Peoples' Publishing House, New Delhi, 1981.

Planning Commission, 1973, *Report of the Task Force on Agrarian Relation*, Government of India.

Planning Commission, 2003, *Tenth Five Year Plan, 2002-07*, Government of India.

National Sample Survey Organisation, 1992, *Report on Land and Livestock Holding Surveys*, Government of India,

Ministry of Rural Areas and Employment, *Annual Report, 1998-1999*, Government of India.

4.13 ANSWERS/HINTS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) You can discuss the changes brought about in the land distribution and security of tenure.
- 2) See Section 4.2 and answer.
- 3) See Section 4.4 and answer.

Check Your Progress 2

- 1) Up-to-date land records would help in identification of surplus land, its distribution and detection of irregularities. See Section 4.5.
- 2) See Section 4.6 and answer.
- 3) Go through Sections 4.8 and 4.9 and answer.

EEC-14 AGRICULTURAL DEVELOPMENT IN INDIA

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