CHAPTER IX

CONCLUSIONS AND POLICY IMPLICATIONS
9.1 We have shown that one of the most crucial aspects of the structural framework relates to the distribution of the means of production among different classes of people. Maldistribution of the means of production among different classes of people results in inequality in several aspects such as (i) inequality in access to institutional facilities like credit, material inputs etc. (ii) inequality in access to technical knowledge, extension advice and the technical diffusion process; and (iii) consumption expenditure inequality leading to the problem of indebtedness, with its serious repercussions on the magnitude of poverty problem. Further, the means of production of a country may be so distributed that it leads to the exploitation of the weaker, unorganised and spatially dispersed people by those with wealth and assets because of their commanding position on the economic ladder. Given a skewed distribution of land/assets/income/wealth, different patterns of income distribution would represent different levels of national welfare according as the income is distributed among the more needy compared to the affluent classes.

9.2 The most sensitive factor influencing the pattern of distribution of rural incomes is the pattern of distribution of land creating in the process the problems of privilege, status and power. In India, farm land constitutes about 80 per cent of agricultural assets in rural households. At any point of time/
over time, exogenous variables like sale and purchase of land; land reform measures and the process of urbanisation and development of infrastructure facilities could influence the pattern of land distribution. This pattern could also be affected by endogenous variables like laws of inheritance and demographic pressure. Also land inequality could be both a cause and effect of assets inequality.

9.3 It has been explained that the objectives of planning in countries like India have been (i) growth of gross domestic product and (ii) redistribution of income/wealth/assets in favour of weaker sections of society. However, in actual practice, due to the failure of the process of percolation mechanism, the planning strategy has resulted in the creation and even accentuation of economic inequalities due to sharing of gains by the relatively better-off classes to the neglect of the weaker classes. The economic inequalities thus created create a situation in which the gains to the relatively better-off people get frittered away in the type of conspicuous consumption, which leads to imports, with its implications for savings and balance of payments situation.

9.4 An important aspect studied relates to the evolving of a given pattern of land distribution. Five different scenarios have been examined under this aspect. An important conclusion which emerges from this study is that redistribution of land from cultivating households located in the upper deciles in favour of
households located in the lower deciles does not necessarily imply a reduction in land inequality coefficient. In fact, such a process could increase the skewness in the pattern of land distribution.

9.5 Examination of the inequality trends in rural incomes during the period 1951 to 1971 has revealed no clear-cut trend indicating either consistent increase or consistent decrease. As regards the changes in the distribution of land, it has been stated that since the mid-fifties, small and marginal holdings have gained in importance, while big and large farmers holdings, relatively speaking, lost their importance. And over a large part of the country, ownership structure has become less skewed over a period of time and access to land is more equitably distributed.

9.6 As regards the concentration of assets, an analysis of RUI data does not show any change in 1971-72 over 1961-62. However, existence of sharp inequalities in the distribution of rural assets as also of cultivated lands between the top deciles and the bottom deciles has been observed.

9.7 Available evidence regarding the relative role of land reforms measures vis-a-vis market transactions in affecting the pattern of land distribution has been examined for selected regions of Gujarat, Maharashtra, Punjab and Bihar and it was found that in Punjab and Bihar, market transactions have been more important in influencing the pattern of land distribution.
In fact, in Bihar, market transactions have led to the increase in the concentration of land in the hands of the large farmers at the cost of the weaker sections of the farming community. In Gujarat and Maharashtra, land reforms have played a more important part in affecting the land distribution.

9.8 One of the hypothesis examined was that the existence of inequalities in land distribution in combination with structural and institutional constraints, could become a barrier in the process of growth of agricultural output. This aspect has been examined for the situation in British India as also for the situation around 1970-71.

9.9 As regards the position about British India, whatever fragmentary information is available, particularly for Greater Bengal, seem to indicate shifting of land from cultivators to absentee landlords and/or moneylenders-cum-traders, due to non-payment of debt by small and marginal farmers. This process generated a situation in which very rich absentee landlords flourished along with pauperization of mass peasantry and operation of the structural constraints in the rural economy, e.g., pernicious multi-layers of share-cropping, rural indebtedness, bonded labour, etc. More and more concentration of land in the hands of absentee landlords, coupled with lack of private and public investment in the creation of irrigation facilities had its impact on the deceleration of unit area yields and created a situation of relative stagnation in agricultural
production. Thus in British India, increase in concentration of land went hand in hand with relative stagnation in agricultural production, deceleration of unit area yields, neck-breaking debt burden on the weaker peasantry. Thus the hypothesis under consideration seems to hold good for the period of British India, particularly in Eastern India, the centre of the problem of landlordism.

9.10 In post-independent India, around 1970-71, land inequality had its adverse impact on crop output growth in Uttar Pradesh. In the other regions under study, with the development of new agricultural technology and with the development of state-patronised institutional finance agencies, technological factors vis-a-vis land inequality variable seem to have an upper hand in explaining crop output growth. Hence in these regions, the hypothesis stands rejected.

9.11 Thereafter we examined the hypothesis that technology-led crop growth may lead to inter-class economic disparity as well as inter-regional disparity in unit area yields. In this exercise, it has been found that technology-led crop growth has led to inter-regional disparities in terms of unit area productivity levels among crops and even for the same crop. We have also tried to show that technology-led crop growth, through the mechanism of surplus generating capacity of big farmers coupled with the deficit situation of marginal and small farmers could pave the way for inter-class inequalities as between small and
marginal farmers vis-a-vis the large farmers. Class inequalities could be accentuated, as the surplus of large farmers take the form of investments in the form of tractors, tubewells, pumpsets, etc., leading to asset inequalities. Use of surpluses for the purchase of land could increase land inequalities as was seen to be the case in Bihar. Moreover, technology-led growth has tended to reduce inter-state disparities in terms of annual growth of output of foodgrains in the post-technology period compared to the position in the pre-technology period.

9.12 Regression analysis done at the district level data for Punjab-Haryana and west U.P. by regressing land inequality coefficients on the crop output growth does not indicate the statistical relationship as significant.

Other Determinants of Land Inequality

9.13 How land inequality over a period of time gets built up into the socio-economic system of a region is itself a fascinating study? This would require a study of innumerable variables affecting the pattern of land distribution over a period of time. Availability of comparable data for these variables may present serious difficulties. In our exercise, we have tried to find out the impact of selected structural, technological and productivity variables on land inequality. This exercise has been done for Bihar, West Bengal-Assam, Orissa and Rajasthan. We have seen that in Bihar, productivity
variable coupled with structural variables like average farm size, pure tenancy area ratio and hired workers ratio were important explanatory variables for variation in land inequality. In West Bengal-Assam, it is the density variable as reflected by unit area workers or average farm size which are the dominant variables. In Orissa, pure tenancy area ratio emerges as the most sensitive variable in explaining the variations in land inequality. In Rajasthan, structural factors like average farm size and mixed tenancy area ratio come out sharply as the dominant variables.

9.14 An important point to be noted is that many of the determinants of land inequality seem to be having backward and forward linkages with each other. To illustrate, in Rajasthan, irrigation area ratio has a statistically significant and positive impact on land inequality. Land inequality, in turn, is influencing the creation of irrigation facilities. Further, irrigation area ratio may influence land inequality through its association with tenancy variable or irrigation area ratio may influence land inequality through its association with productivity. This highlights the point that water supply variables may influence structural variables which in turn, may influence the pattern of land distribution. Land inequalities may, in turn, influence the creation of physical irrigation assets and through this process, may add to assets inequalities.
9.15 Another point emerging from the above analysis is that increases in per acre productivity may tend to reduce land inequality in areas where exploitative tenancy tenures and share-cropping are prevalent as seems to be the case in Bihar and Orissa. As against this, per acre productivity may influence land inequality positively in regions where irrigation is influencing both the pattern of land distribution as well as productivity as seems to be the case in Rajasthan.

9.16 Another important conclusion emerging from the region level analysis is that land inequality tends to reduce with an increase in farm size. This type of situation may be explained partly by the pressure of population in the regions of study and partly by tiny tenancy holdings associated with small plots of land and falling in the small farm sector. This situation may be explained by the heavy concentration of the operating units but the area operated by them, in terms of proportions, may be of a small order in the small farm sector. This disproportionality in the small farm sector seems to be influencing the overall land inequality in the regions studied.

**Suggestions for Reducing Inequalities**

9.17 Higher land inequalities could be reduced and the constraint of land-man ratio could be eased if the availability and access to land of small and marginal farmers as also of landless labourers etc. could be increased. Redistribution of
land acquired through imposition of ceilings could ease the situation only to a limited extent. This is based on the argument that the acquired surplus lands may not be adequate to make all the non-viable units viable and productive. This is, however, not to minimise the importance of redistribution of land. There is, however, dispute about the amount of surplus land which should be available for redistribution. Thus according to official estimates, in March-April 1978, about 5.55 million acres of land was estimated to be surplus. The estimate of official surplus land, however, seems to be at variance with the estimate of surplus land which emerges on the basis of data on land holdings contained in the Report of the National Sample Survey relating to 26th Round (1971-72). According to this Survey, the area owned in holdings of 30 acres and above, was 57.81 million acres. Allowing for self-cultivation of ceiling (30 acres) holdings by surplus owners, the potential surplus works out as 21.51 million acres. If we fix the ceiling at 50 acres, then the potential surplus is estimated as 8.37 million acres. This highlights the discrepancy between officially declared surplus land and the potential estimated surplus land. The position becomes all the more complicated, when it is stated that only 1.46 million or 23 per cent of the officially declared surplus has been distributed. This highlights the difficulties

in the actual operation of the process of redistribution of surplus land mechanism. It was perhaps because of this situation that the Draft Sixth Plan (1978-03) (Revised) makes a mention that the situation needs to be rectified so that true surpluses may be identified and redistributed within a definite time period. It is recognised that land distribution has a special appeal for poverty alleviation because "small holdings systematically employ more labour per hectare than large holdings. And there need be no loss of productivity per hectare, because given equal access to credit and material inputs, small farmers yield more output per hectare than large farmers." In this context, emphasis has to be given for allotment of surplus land to landless households belonging to scheduled castes and scheduled tribes, partly because it gives them social status and partly because the land may give them some subsistence income to be supplemented by income from animal husbandry, fishery, forestry and cottage industry activities.

9.18 Though the programme of land redistribution has potentialities in the context of poverty alleviation objective, it may have a limited role to play due to lack of adequate surplus land for redistribution among 21.5 million landless rural households, and for making tiny non-viable holdings viable.

9.19 Land availability as a constraint could ease if there was the possibility of absorption of workers engaged in cultivation into non-cultivation occupations. Here the prospects do not seem to be bright. The percentage of workers engaged in agricultural pursuits has remained rather sticky around 70 percent of the total working force during 1911-1971 at all-India level. Thus the experience of economic development of developed countries in absorbing agricultural workers into non-agricultural pursuits does not seem to hold good in India. This is, however, not to deny the proposition that to ease the population pressure in different regions of India, out-migration flows take place from backward regions in favour of advanced regions. This follows from the traditional economic theory that labour moves from labour surplus areas to labour deficit areas, from low wage areas to high wage areas, and from areas of low marginal productivity to areas of high marginal productivity. There is evidence to show that in India, in developed regions like Punjab where commercial agriculture has progressed, increased demand for human labour has been partly met by importing labour from labour surplus areas of East Uttar Pradesh, North Bihar and adjacent states. The following extract from a report of Agro-economic Research Centre, University of Delhi (1979) is relevant:

In the case of manual harvesting of paddy, in Ludhiana district, out of 18.88 labour days per acre for observed households, 13.86 days are accounted for by migrant casual labour, 0.75 days by local labour, 1.69 days by family labour and 2.58 days by permanent labour...

9.20 Migrant labour is preferred because it is available at a wage rate which is lower than the going wage rate in developed regions. It should, however, be made clear that under Indian conditions, migration could, at best, be considered a palliative for meeting the rigours of the problem of poverty. In terms of magnitude, out of total migration in India as estimated on the basis of 1971 census, inter-state migration accounted for only 14 per cent, 86 per cent being intra-state migration. ¹ Further, migration as a policy prescription, for reducing class inequalities as well as regional inequalities does not seem to be attractive, because although the labour from the poorer regions would migrate to the developed and high wage pockets for employment, there are economic and psychological costs of migration. Further, in view of the high wage rates in the developed regions, the total employment generated would be smaller than if the growth rate is stepped up in the labour abundant and low wage areas. ²

9.21 Land inequalities and its effects could be reduced through making the weaker sections of society, e.g., small and marginal farmers, landless labourers, rural artisans, tribal population, etc., as the focus of our development efforts and the beneficiaries in the gains of development. This is known

¹ N.S.S.O., (1978), Sarvekshana, October.
as the "target population approach". Schemes/projects programmes having special area orientation could also help in reducing rural inequality. The Govt. of India is already committed to the implementation of both of these approaches. Thus to make the target population approach effective, the Govt. have implemented Small Farmers Development Agencies; Marginal and Agricultural Labourers Programme; Artisan’s training Programme; Special Component Plan for Scheduled Castes and Scheduled Tribes; Antyodaya Programme for a specified number among the weakest section of society; etc. Under programmes having area orientation, one could enumerate Drought Prone Area Programme; Command Area Development Programme; Desert Development Programme; Hill Area Development Programme; Tribal Area Sub-programme; including tribal development projects; Food-for-work Programme; Development of Irrigation potential; Maharashtra Employment Guarantee Scheme; Operation Flood Phase II Programme; etc.

9.22 The target population approach is basically dependent on the concept of assets delivery approach. Thus it may involve advance of loans for the installation of minor irrigation structures; or supply of critical inputs at subsidised rates; or supply of livestock at concessional rates; or supply of poultry birds and poultry feed and linking the output with marketing outlets; etc. In some sections of the population, it is the skill formation and skill upgrading which may be
important in reducing inequalities, e.g., rural artisans, etc. This approach was tried in the beginning of the fourth plan (1969-74) in 1969-70. The special target group programme aimed at making special arrangements for supply of essential inputs and supply of credit, keeping in view the fact that the "markets for inputs particularly for credit which is the pre-condition for access to all material inputs and equipment are imperfect and non-neutral."

The need for dualism in the distribution and pricing of inputs and essential goods arises because the free market allocates an unduly small share of the available supplies to low income consumers and small producers, particularly when supplies are short and prices rise. Therefore, the public sector has to pre-empt or procure a part of the supply and make it available to these vulnerable groups at reasonable prices. The supply not procured by the public sector can flow freely in the market to other, non-priority consumers at free market prices.

9.23 Public credit system favouring the small farmers has been considered to be a "powerful means of reducing rural disparities in many ways. It eliminates the inequality of usury; it raises small farm incomes; and above all, it can bring about a radical change in the distribution of major non-land assets such as livestock and irrigation capacity." However, it has been recognised that credit availability alone may not solve the problem of actual availability of fertilisers.

1. Draft Sixth Five Year Plan (1978-83) revised, op.cit., p.188.
2. Draft Sixth Five Year Plan, op.cit., p.188.
tube-wells, pesticides, improved seeds, and other inputs.

"Therefore, as credit availability for them is improved, their access to material inputs and irrigation equipment should also be improved by building conscious biases in their favour in the public sector delivery system."¹

A former Member of the Planning Commission pointed out that "a small farmer programme must be an asset delivery programme rather than a mere short term relief or credit arrangement. For only the acquisition of new assets will yield a permanent flow of additional income to the poor and bring about some redistribution of the means of production at the margin."² It has been further stated that "input per hectare (of small farm sector) has to be increased until the gains in productivity per hectare permits income per head to be raised to the poverty line or above it. This must be the main policy for reducing poverty in the small farm sector, because a substantial enlargement of the average holding size is ruled out by overall demographic pressure and the difficulty of reducing the share of agriculture in the total labour force... And there is simply no alternative to the maximisation of productivity per hectare and hence per capita, within this structure, through

¹. Draft Sixth Five Year Plan, op.cit., p.189.
input intensification. The enormous increased productivity potential of small farm agriculture have to be realised in the shortest possible time. This policy imperative requires that a programme concentrating on the supply of credit, inputs and knowledge exclusively to small farmers should get the highest priority in the anti-poverty strategy.¹

9.24 The Antyodaya Programme is based on the concept of assets delivery system among the poorest from the poor so that the poor family begins to get regular income from self-employment. It is based on the micro approach with family as the unit of development. It is proposed to integrate this approach with the existing area development schemes. Commenting on the performance of this programme in Rajasthan, Programme Evaluation Organisation (1979) has reported that the scheme has proved its merit as a viable approach to a direct attack on rural poverty through the delivery of productive assets to the poor families of every village, identified as such with a strictly economic criterion.² During two years of its existence in Rajasthan, it has benefited 1.6 lakh poorest families, who were given income-yielding assets (pumps, dairy animals, goats, sheep, bullock carts, camel carts, looms, sewing machines, retailing equipment, etc.). Similarly, under the small farmers development


programme, 6 million small/marginal farmers have received loans/assets on a preferential basis and in many districts where the schemes are well administered, hundreds of thousands of small farmers have risen up to the poverty-line. The administration of this scheme needs to be improved in many respects... but it must be expanded to cover 4 million additional farmers every year so that in 10 years or so, the whole small-marginal sector is covered. 1 It is important that the patterns of success stories are replicated in areas hitherto not benefited from these schemes.

9.25 The programmes falling under the area development approach can also help in reducing inter-class and inter-regional inequalities. The most promising under these programmes being the food-for-work programme. In a survey carried out by the Programme Evaluation Organisation (1979), about this programme during August-October, 1979, it was found that this programme could safely be a part of the strategy for direct attack on poverty and rural unemployment. Thus it was found that in the 10 states surveyed, 91 per cent sample beneficiaries were agricultural labourers. Out of 793 beneficiaries studied, 42 per cent were scheduled castes and 13 per cent scheduled tribes. The additional employment generated through the programme for selected households in the sample villages varied

from 3 mandays to 167 mandays. Overall percentage increase in the villages investigated was 10.9. Additional income generated due to this programme during 1978-79 over the previous year varied from Rs 23 to Rs 1569 per household. The programme also had favourable impact on wages and stabilising effect on food-grains prices in a number of districts. 1 Basically, the food-for-work programme is based on the concept of "absorption of a sizeable work force of the rural unemployed and under-unemployed on creation of infrastructure and durable community assets, particularly during periods of the year when work opportunities get reduced due to low agricultural activity." 2 A conservative norm of employment generated under the food-for-work is one person-year (full time equivalent) per tonne of grain. This programme, besides a substantial employment generator, can release the credit locked up in excess food storage; helps create or restore damaged rural public assets; improves the food intake of the poorest directly. Indirectly, it sets an effective floor to the rural wage rate and is the best cheap food supply system for the landless, a counterpart of the urban subsidised food supply system. 3

9.26 Another area development scheme which is quite in tune with the objective of poverty reduction is the Employment


Guarantee Scheme (EGS) of Maharashtra. According to an estimate, this scheme generates 16 to 18 crore person-days of employment or 5.5 to 6.0 lakh person-years of 300 days each, for the poorest rural people at a minimum wage. More than 80 per cent of the EGS budget is now spent on productive irrigation, conservation and afforestation works. 1

9.27 Again, the dairy development scheme in Gujarat known under the name of Operation Flood, has been successful in raising the income levels of the farmers with a low land base. In Phase II of the scheme, it is proposed to cover 10 million families by 1985-86. This scheme aims at the integration of cultivation with dairying and animal husbandry and needs all the support in the interest of occupation diversification and income generating strategy.

9.28 It should, however, be stressed that the target population approach should be integrated with the various area development programmes as well as sectoral programmes and projects. Ultimately, the various development schemes should be considered in the context of area development approach. "This orientation implies that within an area, efficient single sector agencies must continue to operate, but on the basis of a coordinated multi-sectoral plan designed to ensure that within a decade or so, the chosen mix of activities does eliminate poverty and unemployment in the area." 2

2. Ibid.
The point that we are trying to stress is that the problem of rural inequalities will have to be tackled in the overall context of a comprehensive area approach and integrated rural development programmes. Many intricacies of the process of rural development in terms of operational methodology, availability of skilled manpower, successful execution of extension knowledge to the farming community, e.g., "lab to the field" programme, have yet to be carefully understood. The techniques and the methodology of the implementation of rural development programmes in the developing countries are still being debated. Ruttan (1975) has mentioned about the apparent lack of successful programmes of rural development as compared to successful projects and states about "the strategies around which professional capacity or resources can be organised or institutionalised." One may not fully agree with the assertion of Ruttan, particularly after the experience of India in the implementation of rural development strategies during the period 1969-70 to 1980-81. The experience in India in successful execution of various programmes as discussed in previous pages do give an inkling of the correct direction both in terms of techniques and methodology. As Livingstone (1979) has stated that rural development to be meaningful has to be extended from the project oriented phenomenon to the comprehensive area approach involving "all the people and


categories of persons in the area as well as sectors and activities thereby bringing to the fore inter-dependence character."¹ Thus first agriculture has to be juxtaposed into the framework of rural development which, in turn, has to be linked with non-agricultural growth including infrastructural facilities like rural electrification, rural roads, etc.

9.30 This is, however, not to minimise the difficulties and constraints which are operating in the field of rural development. As W.W. Cochran (1974) has pointed out that continuance of inequalities and imbalances among classes, among regions is dangerous for the stability of a country and thus the solution of poverty linked with rural inequalities will have to be tackled with an urgent time-dimension in view.² One clear focus in the field of rural development in India is the attempt to make small and marginal farming units as viable economic units. As Vyas (1980) has stated that "Unless serious efforts are made to organise small and marginal producers as viable economic units, attempts to generate surpluses of the order indicated by the growing requirements for food and non-food agricultural commodities are not likely to succeed."³

That stupendous efforts are required in reducing rural inter-class and inter-regional inequalities is not being denied. It is also being recognised that ultimately it is the strategy of promoting agricultural growth in all the regions, particularly the lagging ones that is going to make a dent on rural inequalities. In this context, stress is to be laid on the exploitation of available irrigation resources; utilisation of potential ground water resources particularly in the Central and North-East India, with emphasis on conjunctive use of ground and surface water resources; exploitation of forest wealth etc.
in reducing inter-class and inter-regional inequalities. The implementation of these rural development programmes could, however, be made effective only if the necessary investment resources are directed to the backward regions for the exploitation of potential resources, e.g., ground water, mineral resources, forest resources, etc. It is necessary to develop these resources particularly in the lagging regions for reducing various types of inequalities in the rural areas. "For our whole development experience shows that the geographical distribution of general sector programmes tends to leave large parts of the country unaffected. And the multiplier effects of general sectoral programmes are too weak to benefit the backward classes." ¹

9.32 In a study made by the Indian Institute of Management, Ahmedabad in collaboration with the Food and Agricultural Organisation (1979), it has been shown that with a projected growth in agricultural production of around 4 per cent per annum, the proportion of poor in the population will decline, a hard core of poor households will still persist... If the postulated increase in the rate of growth (4 per cent) is uniformly shared by all classes of land holdings, the percentage of people lying below the poverty line in rural India will fall from 61.82 per cent in 1971 to 31.78 per cent at the end of this century. Even a 30 per cent increase in the share of marginal holdings, that is, those operating less than a hectare of land, will not make material difference in this situation. The proportion of poor households in that case would be reduced to 30.12 per cent.

This example only highlights the gravity of the situation and highlights the tremendous efforts which are necessary for making a dent on inter-class and inter-regional inequalities.

9.33 Broadly speaking, reduction of inter-class and inter-regional inequalities in the rural areas would involve several complicated processes involving (a) raising of agricultural production, (b) its association with the pattern of income distribution among classes and among regions (c) and relating these to overall growth of the Nation. The issues have been succinctly highlighted by Mellor (1980) thus:

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Given that agricultural growth requires a much greater quantity of resources than originally expected, on what basis does one justify such reallocation of resources? The answer must presumably be, at least in part, in terms of the effect on overall growth. The second, what are the processes by which agricultural growth may facilitate growth in other sectors, and how may those processes influence employment. And third, what policies may facilitate those connections between agriculture and other sectors.1

9.34 Let us end this analysis on a positive note by stating that given the national will and determination, ways and procedures may be developed to overcome the various constraints from the path of balanced agricultural growth and rural development and in the process, inter-class as well as inter-regional inequalities in the rural areas of India will be reduced over a period of time. Let us all hope and pray that all of us will do our best to tackle the national problem of inter-class and inter-regional inequalities with fortitude, dedication and patriotism.

Problems of Data Collection and Matters of Further Research

9.35 With the limited data available at the district level, we have tried to study some of the aspects associated with unevenness in the distribution pattern of cultivated land. At present, the land holdings data are being classified by broad

size categories of land holdings. In this grouping, valuable information for the distinct units in each of the various groups is lost. This practice in the presentation of land holdings data is being followed both by the National Sample Survey Organisation as well as in the Agricultural Census being conducted by the Ministry of Agriculture. It is suggested that the data relating to the distribution of land holdings along with their characteristics (in terms of number of fragments, distance between fragments, tenancy tenures, family and hired workers working on the holding, along with amount of capital and assets on the holding, etc.) should be presented for each of the distinct units. This sort of presentation would enable us in understanding the various ramifications of the land distribution problem. Further, this sort of presentation would enable us to identify small and marginal farmers on a first basis and could help us in giving precise dimension to the problem of rural poverty. In addition, based on this information, the various land tenures as prevalent in various regions could be classified for ascertaining their exploitative character. This would enable us to give weightage in terms of exploitation to the innumerable tenures prevalent in the various regions of India. We would submit that this is still a dark area in understanding the functioning of the Indian rural economy.

9.36 Attempts at collection of the data relating to the land distribution pattern should be backed by collection of
data relating to unit area yields crop by crop based on the
design of the famous "Farm Management Studies" conducted by
the Ministry of Agriculture in the fifties and the sixties.
In our view, revival of these studies merits urgent considera-
tion.

9.37 Given the land holdings data and the unit area yields
region by region, it would be possible to tackle more accurately
the problem of the distribution of agricultural output by size
class of holdings in the various regions of India. Such an
exercise would enable us to capture more accurately the cultiva-
ting holdings and the regions likely to be associated with the
generation of marketable surplus of agricultural produce. This
information would be helpful in the context of building up of
buffer stocks for running the public distribution system - a
programme to which the Government is committed. This information
could also help us in planning our exports of agricultural
produce for earning valuable foreign exchange.

9.38 Further in the land holdings exercises suggested by
us, it would be possible to collect unit area yields by size
class of holdings crop by crop separately for (i) high yielding
varieties associated with assured irrigation, (ii) high yielding
varieties associated with assured rainfall conditions, (iii)
desi varieties of crops associated with irrigation, (iv) high
yielding varieties as well as desi varieties associated with dry
areas, region by region.
9.39 Given the unit area yields for various categories of lands, actually realised in various regions of India, and given the postulated increases in a Five Year Plan period in (c) increases in irrigated area separately for major and medium irrigation as well as minor irrigation, (b) increases in fertiliser consumption, (c) expansion of area under high yielding varieties, it would be possible to estimate output crop by crop or for major crop complexes at all-India level as also state by state or region by region. Undertaking of these exercises would considerably help in improving the data base of the Agricultural Sub-model adopted in the formulation of the output targets of agricultural crops in the Fifth Plan (1974-79) and in the Sixth Plan (1980-85).

9.40 We would also suggest that the regional surveys should be undertaken to ascertain the relative role of market transactions and land reform measures in affecting the pattern of land distribution. In this exercise, it could be examined as to how the process of urbanisation and the development of infrastructure facilities in combination with demographic pressure and laws of inheritance are influencing the distribution pattern of land holdings in various regions of India. Isolation of the various parameters operating in affecting land distribution pattern could help us in grappling with the problem of rural

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inequality in various regions of India. Thus such an exercise would enable us in understanding one of the goals of Indian planning, viz., reduction of economic inequalities.