CHAPTER - I

INTRODUCTION

1.1 : THE PROBLEM :

Poverty and inequality are the twin hindrances to economic development in India. Indian Economic development encompasses agriculture and industry sector as complementary to each other. A good number of steps are taken in the plans to eradicate poverty through agricultural development. In the panacea of agricultural development, equality and social justice are very much necessary in order to provide the fruits of economic development to the farmers. The farmers are the victims of poverty and inequality. Therefore, eradication of poverty and reduction of inequality are the two fundamental elements of social justice. In the pursuit of social justice in India right from independence and particularly after the launching of Five Year Plans, the Union Government and the State Government have been introducing the land reform measures in the country.

Serious thinkings were developed and accordingly a reorganisation of land holding pattern was incorporated in the policy framework and initiated in the Five Year Plans. In the British period, the land holding and ownership was only with the middlemen like the landlords, Zamindars, Mahalwars, Money lenders and many other passive land owners. The cultivators were
not the owners and they were not taking any active initiative for permanent improvement in agricultural productivity. So immediately after the independence and more particularly during the Five Year Plans, steps were taken to reorganise the ownership pattern of land holdings in the policy frame work of Land Reforms.

In view of the urgent necessity of reviving agricultural productivity and installation of social justice in the Rural India, many reform proposals has been introduced to save the farmers from poverty, deprivation, inequality and insecurity. One major land reform introduced in the country has been the ceiling on agricultural land holding. The social justification and importance of ceiling was that the individuals who were not cultivating the land for production either for self or for sale were the passive owners and the cultivators did not have the ownership right. The middlemen were holding large acreages of land and were leasing out to the share croppers (Bhagchasis). The pattern of ownership prevailing in the country during the British period has created a lot of rift and discontentment among the landless farmers and resulted in inequality in the ownership of land. So the policy framework incorporated the situation and a maximum limit was fixed with regard to holding of land for personal cultivation.

Various States have put the ceiling limit of agricultural land at different acreages. In the state of Orissa 10 standard acres have been fixed as the ceiling limit and all surplus land are distributed among the landless farmers belonging to the socially and economically backward classes. The economic justification
of ceiling on land holdings has been the urge to maximise total production and not surplus. The farm management studies conducted in the early 50's and 60's have shown that the smaller the size of the holding the greater was the output per unit of land. These studies, have given the economic justification for ceiling on land holdings. But the social justification of ceiling was that when land is a free gift of nature, every body on the earth must have the right to hold land. So the landless farmers were deprived of their fundamental right and this led to a stagnant agricultural development scenario in the country and also in other country of the world.

Large number of studies conducted after the introduction of the Green Revolution show that either the new technology is scale neutral or has got nothing to do with the size and productivity relationship established earlier. Many also pointed out that due to the imposition of ceiling on land holding the total production of the country has increased. Some have gone to the extent of pointing out that the productivity of land has gone down due to smaller size of land holding as the holding have become non-economic units. However, from social point of view, the inequality in the distribution of land is inhuman because of the simple reason that the cultivators of the soil is not the owner of that piece of land.

The ceiling surplus land has been distributed among the rural poor with a view to reducing inequality and providing a secured possession of land to the landless farmers for permanent...
improvement over land. Doubts have been raised by many that such beneficiaries have either parted with the land subsequently or they have not been actually given the possession of such surplus land. Similarly, individual researches have shown that many of such beneficiaries have found the holding to be uneconomic due to further fragmentation (as a result of joint family system) and therefore, have sooner or later sold them out to relatively large farmers. Many have also pointed out that the small farmers are not the beneficiaries of the new technology or farm mechanisation during or after the green revolution introduced in the country.

The ceiling related problems and issues varies from state to state depending upon the degree of inequality and the number of small farmers who have taken advantage of the implementation of the ceiling laws. The Orissa Land Reforms Act also created a lot of confusion and discontentment among the farmers and the compensation thereof to the land lords. The Bhoodan Movement by Binoba Bhabe and its progress in Orissa, different other tenancy reforms like consolidation of holdings also worked in full swing in the 1970s and 1980s have also got many important bearing on the problems of land reform. The implementation of Orissa land Reforms Act was delayed at the beginning due to different political and social factors. A lot of water has been flown and the soil of Orissa witnessed a lot of conflicts and confusion with regard to the ceiling on land. The problem was much debated with regard to the benefits from the ceiling to the small farmers.
In view of the problems stated above, the present study is an attempt to make an in-depth analysis of the problems of ceiling laws implemented in the state level. The study makes an analysis of the impact of ceiling on the beneficiary small farmers in Orissa with special reference to the undivided Puri district. Moreover, the present study is a post-mortem report of the implementation of ceiling in Orissa which shows a lot of divergence from the All India level. However, the proposed study, seeks to find out the answers to a number of questions raised with regard to imposition of ceiling and distribution of the ceiling surplus land.

1.2. OBJECTIVES OF THE STUDY:

The main purpose of the study is to make an analysis of the impact of ceiling on the beneficiary farmers in Orissa especially in puri district. The impetus for finding out the possible policy issues relating to the agriculture and rural as well as social sector development. However, the main objectives of the present study are listed below.

* To examine the method applied for assessing the ceiling surplus land and the technique of appropriation by the state.

* To study the method followed in indentifying the rural poor among whom the surplus land has been redistributed.

* To examine the present status of the ceiling surplus land.

* To examine the consequences of the imposition of the ceiling as well as its impact on the beneficiaries in whom farmer the land was subsequently distributed.
* To examine the incidence of reduction in inequality in the agricultural sector as a consequence of the land reform measures.

* To make a review of the Orissa Land Reforms Act in the context of the objectives of the Act stated.

* To make a comparative study of the impact of ceiling at the all India level and its impact in a poor state like Orissa.

* To study the effectiveness of the ceiling laws in distributing land in favour of households without land of their own.

* To make an impact study of ceiling on land holdings on incentive to cultivate, generation of employment and income, creation of assets and the performance of saving.

1.3. Working Hypotheses:

1. That, the ceiling laws in Orissa are ineffective in increasing the percentage of actual owners of land in total population.

2. That, ceiling on land holdings does not provide any incentive to introduce technologically upgraded method of cultivation.

3. That, distribution of ceiling surplus land in favour of landless households does neither promote their income nor assets and savings.

4. The other category of ceiling beneficiary households have more contribution to farm productivity because of their better infrastructure base.
Each hypothesis will be tested for its acceptance or rejection on the basis of the data collected from the samples.

1.4. Methodology and Data Base:

The study shall be based on available literature collected from the various government agencies. For the purpose of making an intensive study, the study area is confined to one district of the state i.e. Puri District (undivided). To study the impact of the ceiling on land holdings, some beneficiaries are selected by stratified random sampling method. The informations on the impact of ceiling are collected from the beneficiaries of the study area through interview method on the basis of a structured questionnaire devised for the purpose. The informations so collected are tabulated and analysed to find out the impact of the land reform measures like ceiling on the sample households to deduce valuable policy implications.

The data sources of the study are both primary and secondary. The primary source of data includes the data collected through structured interview. The secondary source includes different Govt. reports and documents, research reports, research journals, magazines and publications as well as books from different authorities in the field. A review of literature is also made to analyse the studies on the impact of land reform measures especially the ceiling on land.

The informations collected through review of earlier related studies is synthesized and its bearing on the information on impact of ceiling on land in the sample district is analysed and suitable
policy implications are deduced. The study is based on statistical method and is of historical nature. The study also makes a comparative analysis of the impact of ceiling in Orissa (in the sample district) vis-a-vis other states.

1.5. Importance of the Study:

Very recently many including the Prime Minister of India have expressed the desire to study the impact of the land reform measures through micro studies. Many economists have also questioned the desirability of such land reform measures particularly when capital formation in agriculture has remained as one of the important missing links in the agricultural sector. A study of this nature will not only give insight to the happenings but also will provide informations for future guidance and policy making in the sphere of land reforms.

The present study is important from the view point of social justice, equity and self reliance which are the broad objectives of the Five Year Plans in India. The relevance of the study is also judged from the angle of eradication of poverty, agricultural development, agricultural productivity and efficiency as well as social sector development. The study encompasses the most vital aspect of agricultural development since it analyses the impact of ceiling in the context of redistribution of surplus land among the landless farmers. It will provide guidelines for future policy framework in respect of agricultural reorganisation which influences the agricultural growth. At present strategic importance is attached to enhance agricultural productivity. Unless adequate
steps are taken in respect of the improvement in land ownership pattern, we can not think any thing positive on the agricultural productivity and growth. Thus the study is important from all the above view points and will provide impetus for better policy framework in respect of social sector development.

1.6. **Limitations of the Study**:

The present study makes the analysis of the impact of ceiling which is the broded aspect of land reform measures adopted in the country and the state as well. So the horizon of the study will be vast. Therefore, it is not possible to analyse and incorporate all the aspects of land reform measures. Thus, in view of the constraints of time and resource, the study is limited to the impact of ceiling in the sample district only. The analysis of the impact of ceiling in other districts are outside the purview of the present research. However, the study is undertaken with the following limitations.

1. The study is mainly based on secondary data and to some extent on primary data and in general has an historical approach;

2. Though it broadly covers the land reform measures, yet more emphasis is put on the impact of ceiling on land holdings.

3. The other land reform measures and the analysis of their impact are outside the scope of the present study.

1.7. **Review of Literature**:

Agriculture is the backbone of the Indian Economy. So any economic development proposal must encompass the development
of agriculture. Development of agriculture thus includes a plethora of procedures and steps and during the plan period, a good number of steps are taken through the Indian agricultural policy framework and there were enough debate on agricultural development. There has been a plethora of literature in the field of agricultural development, renovation, reorientation, reform and reorganisation, mechanisation, productivity, ownership and management. As against this, there is substantial dearth of literature on land reform measures and its implications for agricultural productivity, equity, social justice and self reliance. Nevertheless, there has been only some stray attempts by scholars and researchers to focus on certain aspects of India's economic development through reorganisation of land ownership especially in the context of the impact of ceiling on land holding and its bearing on the social sector development.

In the theoretical perspective, it is asserted that agriculture and industry are two major segments of an economy and their development is invariably associated with the overall economic growth of a country. Rising agricultural productivity and industrial output have much to contribute to each other. But the problem of establishing priorities between agriculture and industry is a difficult task in the developing countries. It is because of the fact that the economic resources are limited and their allocation according to the criterion of balance may spread them so thin that they are below certain crucial minimum levels which must be exceeded if productivity and income are to be raised in any direction (Eicher and Witt 1964). Similarly Coale, A.J. and Hoover,
E.M. (1958), Leibenstein, H. (1957) have pointed out the conflicting debate on the priorities to agriculture or industry. According to these studies, there exists 'causal nexus' between agriculture and industry. Recognising the necessity of choice of allocation, economists have fallen into two groups with regard to their judgement as to the relative emphasis which agriculture and industry should receive. Efforts to increase food supply should receive top priority because of the high demand and great need for additional food or because the highest marginal productivity of capital lies in agriculture. In the context of India, according to Coal and However, "Very substantial progress in that most backward part of the economy (agriculture)" "is a pre-requisite to successful development of economy as a whole" and that "if one sector limits the growth of the other, it is more likely to be a case of agricultural growth limiting non-agricultural than vice versa.

A good number of economists including Higgins, B. (1959) put emphasis on industrialisation. They conclude that rise in agricultural productivity can be accomplished only by giving a 'big push' to industrialisation strategy and top priority to a balanced link between agriculture and Industries. Higgins argues that the only means to a cumulative improvement in agricultural productivity is a public policy designed to make labour relatively scarce in agriculture by simultaneously shifting to a more mechanised and large scale agriculture and encouraging a rapid rate of industrialisation. Lewis, W.A. (1955) established that agricultural progress is normally a pre-requisite for industrial development. Rising agricultural productivity supports and
sustains industrial development in several ways. Many economists argued that rising agricultural productivity and its support to industrial sustainability have been established differently in different countries (Eicher and Witt 1964, Mantoux, P.(1927), Schwartz (1950) and others.

In the context of India, the emphasis on agricultural development in the plan document and the analysis and debate by economists on the subject during 1950's and 1960's clearly justified the importance of agriculture in India's economic development. It has been pointed out by many that India's economic development lies in the development of agriculture first and then industrial development. Notable among them was the analysis presented by Sayigh, Y.A. (1959) who pointed out that India's economy failed to promote desired growth because it has not been able to fulfil the most fundamental precondition for the economic development i.e. the achievement and maintenance of an adequate and reliable food surplus or at least, reduction in its food deficit to a magnitude which expanding manufacturers for export might realistically be expected to cover in the near future. Hence, its emphasis had been on industrialisation since Second Plan was decidedly premature .... the experience of the three five-year plans clearly establish the fact that if agriculture does not expand favourably in an underdeveloped country like ours, the rate of growth of economy is seriously affected. Similarly, Sen, B.(1962) argued that in the absence of a prosperous agriculture, the problems of unemployment and poverty can not be successfully tackled and the main problems of underdeveloped economy remain unsolved.
The role of agriculture in Indian economy and the share in the national income is substantial in relation to the developed countries. Therefore, sustainability in the development process in the developing countries like that of ours largely depend on the agricultural development. But in practice, the agricultural development is retarded by various inhibiting factors at the initial stage of economic development. This view has been established by many economists. Notable among them are Sen, S.R. (1960) who argued that it is one of the characteristics feature of an underdeveloped economy that "its agriculture has reached some sort of a quasi-equilibrium at a low level of productivity from which it is extremely difficult to raise it. If any attempt is made to lift any part of this mesh of interlocking vicious circles, there is usually such a pull downwards from the other chairs in the much that any sustained progress becomes almost impossible ........... compulsion, inducement, collective organisation and strategic stimulus - these four measures have been suggested as possible solution of the problem of increasing the volume of surplus available from agriculture". This has also been supported by various economists and the mercantilists gave whole hearted support to Adam Smith's dictum of invisible hand.

Review of literature on agricultural development in India and even other western countries show that neither the laissez-faire nor collectivisation can be accepted as a strategy of agricultural development in India since these policies accentuate the problem of rural unemployment. Therefore, the basic approach has necessarily to be a suitable form of 'strategic stimulation,
namely, a 'big push' given by the state supplemented by strategic pulls' through the deliberate planning of both agriculture and industry. Structural changes have to be the starting point of this 'pig push'. Unless the farmers are fully, protected against exploitation by landlords, no agricultural development will be possible. Thus, the land reforms has got a pivotal position in any programme of planned development of agricultural communities in the developing countries like that of India. There is substantial dearth of literature on land reforms and its implications for India. Important studies in this respect are Dandikar and Khudapur (1957), Katovsky (1964), Malviya (1954), Tookherji (1952), Sen (1960), Thorner (1956), Warrinor (1939), Dantewala (1960) and others.

Land systems of Asia and Latin America are strong deterrents to investment. Due to institutional monopoly in land holdings, the actual cultivators are not left with any surplus which may be invested in production. Land Owners spend on luxurious consumption conspicuously and these systems give rise to large incomes which are not re-invested in production (Eicher and Witt - 1964). Thus, the main argument for land reforms is the need for securing a more rational distribution of income by eliminating the elements of institutional monopoly for increasing investment in agriculture and hence there is the need for tenancy reforms. The aim is to impose ceiling on large land holdings and to secure a fuller use of land through transferring land from monopoly holders to actual cultivators. This view has been corroborated by

Rural Credit Survey Report (1951-54) reveals that the two-third of the surplus accumulated by the large cultivators are to be spent on purchase of land, the medium cultivators for about a quarter and the small cultivators for slightly less than a tenth, though the capital expenditure on the purchase of land is two-third of the total expenditure by the large cultivators, one-fourth by medium cultivators and the small cultivators for slightly less than one-tenth. The report establishes that in our country the possession of large holdings is not analogous to rationalisation of agricultural production of purposes which are socially wasteful and thus necessitates the reform in the land ownership. Similarly, the follow-up survey reports for 1958-59, 1959-60 also justified the implementation of Land Reforms in the country.

Five Year Plan documents, committee of the panel of Land Reforms (1959), Congress Agrarian Reforms Committee (1949), Economic Programme Committee (1948), Resolution of the AICC on Economic Policy (1957), Resolution of the AICC on Agrarian Organisation (1959), Royal Commission on Agriculture in India (1926), UN (1951) Land Reform : Defects in Agrarian Structure as obstacles to Economic Development, FAO (1958) and other Govt. reports from time to time justified the importance of land reforms. Serious thinking and debates initiated from the researchers, political leaders, ideology of All India Congress Committee and a
good number of Govt. Committees were formed during the early 1950's to make a thorough reorganisation of land holding with a view to providing justice to the farmers and enhance agricultural productivity. A review of all these reports and committees reveals that the land reform is justified from the political, social, historical, demographic and economic viewpoints.

As a measure of reorganisation of agriculture, Land Reforms Laws were enacted by the Union Govt. and later on by the State Govts. In terms of the concept, theory and procedures as well as practice and implementation of land reforms proposal created a lot of confusion and conflict and took a substantial time for adaptability. It is quite natural because the land tenurial systems and the land records during the British Period were very much defective. So it was obvious that there was substantial debate emanating from different quarters starting from the planners, politicians, missionaries, philanthropic organisations, Economists and researchers regarding the very objectives of land reforms in the context of agricultural development. Five Year Plans, Planning Committee (1978), Malviya (1954), Neale (1962), Sen (1960), Gadgil (1955), Ministry of Food and Agriculture, Govt. of India, NSS Reports, AICC Economic Review (1955), R.S. Cohri (1959), T.J. Shea (1956) Eastern Economist (1958), V.V.R. Sharma (1956), IJAE (1955) and many others including various seminars made in-depth analysis of the procedures, flaws, difficulties and prospects of Land Reforms in India.

The main purpose of land Reforms was to provide "land to
the tillers" through the improvement and reform in tenurial condition prevailing in India for enhancing the socio-economic condition of the tenants. Thus, serious thinking developed by debate, research and survey on the existing land tenurial system and land reform proposal in the broader sense and reform in land tenure system in particular in the early 1950's and 1960's. Notable studies among them are Dandekar and Khudapur (1957), Khusro (1958), Ladenjinsky (1959), Habib (1963), Planning Commission, ALCC Economic Review (1955), Moore, F.J. and Freydig, CA (1955), Katovsky (1964), UN (1962), Dantewala (1960) and different Govt. reports.

Among the tenancy reform measures, ceiling on land holding is the most important since it involves the question of land redistribution and land ownership right to the landless tillers. There was a lot of debate and conflict among the researchers, planners and politicians on the implementation of ceiling laws. When the surplus lands were taken from the landlords even with compensation, there was lot of discontentment among the landlords, Jagirdars, Mahals and Zamindars. The implementation of ceiling during the 1950's and 1960's created hue and cry in the country. There was sufficient literature on this aspect and due to constraint of space and time, it is not possible to review so many studies. Therefore, the researcher makes review of some notable studies. S. Ghosh (1958), J.J. Shea (1986), Shivamagi (1956), Trima Land Reform Act, (1960), CSP imposition of Ceiling on land holdings Act (1961), Sen (1960), Dantewala (1964), are
some of the studies which provided an indepth analysis on provision, complicacies and prospects of land ceiling. Other studies, Govt. reports, reports of different committees appointed by the Union and State Govt.'s specialised research institutes and many individual economists and researchers have made indepth analysis of the implication of ceiling laws in different states.

In the broad frame-work of land reforms policy, tenancy reforms form the most important aspects and ceiling on land holdings was incorporated as the vital and strategic instrument (can be termed as 'strategic control points' from the managerial point of view) in the vicinity of “Land-man-management”. It is because of the fact that imposition of ceiling implies a maximum permissible limit of land holdings which can be retained for personal cultivation. The surplus land over and above the prescribed ceiling limit can be distributed among the landless peasants. The 'Bhoodom' movement initiated by Acharya Binoba Vabe also acted as a Philanthropic and spontaneous method of land redistribution in India and hence it deserves special mention in this regard. The ceiling on land holdings are justified on two broad view points viz., the surface of land is a free gift of nature and the humans have no right to hold it in the form of asset when so many are without it and the landless cultivators must be provided permanent land ownership without which the concept of agricultural productivity, social justice and self reliance will be in jeopardy.

In the context of the views expressed in the previous
paragraph, there is no dearth of literature and a large number of studies were undertaken in the form of research surveys, reports, committee findings and panel recommendations. Notable among them are S. Jangid (1967), Driver (1965), Moore (1955) Ghash (1958), Sen (1960), UP Imposition of ceiling on landholdings Act (1961), Orissa Land Reform Act (1960), First Five Year Plan (1951), Khusro (1958), Mishra (1997), Mukherji and Gupta (1959), Sing (1960), and to name a few.

There are also some studies which provides enough impetus on the benefits of land reforms and also the relevance of land reforms. Flores (1963) confirms that land reforms gave Mexico a government with a new concern for the people and the nation; it destroyed the caste system, increased mobility and helped to create climate conducive for irrigation projects for better agricultural efficiency. Hisch and Lee (1966) establishes that the main aspect of Taiwan's agricultural development was state's ability to meet the organisational requirements. In many developing countries more than the organisational requirements, the institutional and other obstacles have to be overcome. The slackness in reforms in there countries is attributed to the weakness of the peasantry as a whole. Wolf. Ladejinsky (1969) observes that the situation in countries like India that "the peasants themselves while discontented have not developed a movement whether in the form of tenant unions like those of Japan before the reforms or peasants political parties like those of Eastern Europe after First World War". Warriner (1969) also identifies similar reasons for the poor achievements of land reforms in developing countries.
Joshi (1974) observes that between occupancy tenants and tenancy at will, share croppers and agricultural labourers, land reforms in India and Pakistan were biased in favour of the former. It expounds clearly that only the healthy interaction between the state, the individuals and the collective action of people can ascertain a success in land reforms and as a result reduce transaction costs in the production relations. This is also corroborated by N. Rajasekaran (2004) and he asserts that the higher transaction costs in the bi-modal agrarian structure tend to reduce efficiency due to the moral hazards of labour and high cost of supervision. The study suggests that in a primary agricultural country like India, blanket reforms should not be encouraged to obscure the hard-earned gratifying achievements in agriculture and weaken the knees and necks of the rural masses. So uni-modal agrarian structure should be the priority to ensure alternative livelihood systems to the vulnerable sections of society and social inclusion in the end.

Harrison (1975) held that modernisation of traditional small farming for raising the technical level of agricultural production should conserve at the same time the peasant institutional framework of the family small holding. Ohikawa (1972) asserts that marginal and small farms tend to have an economic advantage over large firms as long as farm labour is cheap and relatively abundant. But Johnston and Tomich (1985) underscores that, to a considerable extent, the tendency to extol the superior efficiency of large farm units is motivated by special interest groups that stand to benefit from a dualistic pattern of development. This view
is supplemented by Krueger (1974) and he asserts that the rent seeking activities of private enterprises as a lobby obligate the government to show favouritism to one group and impinges the social welfare. Similarly Srinivasan (1985) establishes that there distributional coalitions exists between group interest and personal interest in a modernised society. The proliferation of such coalitions in stable societies expands the role of government and the complexity of regulations to foster a higher rate of growth by placing the society inside a higher production possibility frontier.

The New Political Economy (NPE) includes in its framework the social choice, public choice, economics of institutions, organisations and imperfect information and based on Neo-liberal Political Economy Methodology. These are the application of economic principles to areas that were previously considered to be the areas of political science. A detailed discussion is found in Dasgupta (1997, 1998); Lal and Myint (1996); and Jones (1988). According to these discussions, the pressure groups continue to exist in all the polities both western democracies and developing countries, the public choice theorists identify the factors determining the success or failure of these interest groups as common. Thus equilibrium between rent seeking and pressure groups is considered to be the major pillar of development in the framework of New Political Economy. This naturally necessitates the state intervention through land reforms to balance the social choices.

Mencher (1974) observes that conflicts (between the landed
and the landless) and contradictions (goals of production and distribution) of wealth in the green revolution would have been prevented to surpass the goals of green revolution by resorting to effective implementation of land reforms prior to green revolution era. The studies by Ladejinsky (1970); Frankel (1969); Joshi (1974); Mencher (1974) pointed out that the technological forces not only reinforced but also accelerated the dual agrarian change (economic impetus for large farmers and economic insecurity for the small peasants). This necessitated the revision of old land reform laws since the resulting unbalanced growth in agriculture due to technological revolution further stretched the inequalities and disturbed the resource allocation. This view is also corroborated by Rao (1986). Brecher (1959) observes that lack of radical deeds to follow through changing institutions was one of the reasons for the slow progress in land reforms and less than pledged social and economic change.

The neo-classicals also emphasize that transaction casts can be reduced by perfecting markets (extension of property rights) and by more effective contractual arrangements (institutions) (Krueger-1992). Similarly Janvry and Sadoulet (1989) expressed that “if either distribution of land ownership is made more equitable via land reforms or the state moves towards more democratic forms of decision-making, the resulting equilibrium technological bias, by being closer to the states own optimum, will imply both greater equity and greater efficiency”. Warriner (1969); Ladejinsky (1970) further stated that “The Weakness of the peasantry as a political force to reinforce the equitable
distribution of land has been one of the major factors for poor achievements of land reforms in India."

Some studies were also prominent in the context of liberalisation in India. Thimmiah and Aziz (1997); Rajan (1986); Joshi (1995) argue that ceiling on landholdings and ownership rights to tenants are inconsistent with the liberalisation policies in the industrial sphere and it necessitates a fresh look. Similarly Nadkarni (1976); Rajasekaran (1998); Vyas (1994) stated that in a primarily agricultural country like India where agriculture has got to serve more a social purpose than economic purpose, it will be pragmatically ideal to have a special treatment for agriculture with studied integration to the allied sectors till the sector is totally commoditised. Economists like Vyas (1994); Rao (1995); Mishra (1997) also envisage that the increase in the size of land would not ensure higher efficiency and due to severe population pressure agriculture should be viewed as safety net in the process of structural adjustment.

The review of literature in the preceding paragraphs reveals that there is no dearth of literature on the subject. The review is made in respect of theoretical perspective of the interlinks between agriculture and industry. The literature on the importance and role of agriculture is also synthesized. Latter came chronologically the literature on the pivotal position of land reform as a planned programme of agricultural development. This included land tenurial patterns and its connection with agricultural productivity and efficiency. Tenancy legislation as an important ingredient of
the broad proposal of land reform and ceiling on landholding as an instrument of tenancy reform is reviewed. The systematic review of all these established the objectives and rationale of the present study.

Although the review of literature shows no dearth of literature on the subject, very stray attempts were made to study the micro impact of the imposition of land ceiling on the beneficiaries. Thus, the present study is an attempt to fill up the gap in respect of the consequences of land ceiling and its micro impact on the farmers in the village level.

1.8. PLAN OF THE STUDY:

The present study has been divided into seven chapters.

**Chapter - 1** deals with the problem, objectives of the study, sources of collection of data, sample design, limitation of the study, review of literature and plan of the study.

**Chapter - II** make a highlight of the land reforms policy, in the theoretical perspective, in relation to the importance, concepts, objectives, issues in land reforms and ceiling on land holdings.

**Chapter - III** makes an analysis of the land tenure system prevailing in India and its historical background. The land tenure in Orissa, land reform in Orissa as well as the controversy with regard to the issues in ceiling implementation in Orissa.

**Chapter - IV** deals with the progress of land ceiling in Orissa. In this chapter, the ceiling laws and its working as well as
the achievements and limitations of ceiling laws in Orissa are also analysed.

**Chapter-V** examines the impact of ceiling in the sample district in respect of incentive to cultivate, employment and income generation, savings, access to institutional credit and social status and also a comparative analysis of the all India scenario in this regard.

**Chapter-VI** makes a review of ceiling and farm productivity across the states and the impact of ceiling on farm productivity in the sample district and reference is also made in the context of liberalisation.

**Chapter-VII** presents a brief summary of the findings and suggests measures and strategies to improve upon the status of the ceiling beneficiaries.