Chapter - 7:
CONCLUSIONS AND SUGGESTIONS
7.1 SUMMARY ON THEORETICAL BACKGROUND

An economy can adopt measures to correct an unequal distribution of land in a variety of way to ensure egalitarian justice. A proper functioning of land market is an important means of mechanism for overall development of the economy. The study analysed the pertinent question as the how the land rental market deals with substantial inequalities in the ownership of land and what is the role of land policy of the government in such an unequally distribution of land ownership.

In Chapter 2, discussion has been made on land rental market within a theoretical framework. A landowner leases out his land to a tenant for cultivation with charges known as rent. The contract may in the form of a fixed rent tenancy, in which a constant sum is paid by the tenant to the landlord regardless of the output that he produces, or a share cropping tenancy, in which a share of the output that is relinquished by the tenant to the landlord as rent. To be specific, these are extreme forms and it has been observed several variations, such as, provision of risk sharing between the contracting parties or cost sharing of production inputs between the landlord and the tenant and the provision of credit as a part of the tenancy contract.
Share tenancy poses a puzzle. Economists such as Adam Smith and Alfred Marshall have argued for the superiority of fixed rent allows the tenant to retain the full marginal product of his efforts and, therefore, does not distort the tenants' choice on inputs. In contrast, share cropping lowers the marginal product of effort, or at least that part of it that accrues to tenant. Thus share cropping should be associated with lower land productivity, it should display what is known in the literature as Marshallian inefficiency. In fact this argument presumes that tenant inputs are unobservable.

The Economists belonging to classical, neo-classical and Marxian tradition, almost all economists have condemned share cropping as inefficient. If the share cropping proves to be inefficient institution how could it's continued over the wide areas of India which have been explained by some empirical studies. The empirical investigation on the issue of share tenancy also give puzzle picture. The available empirical evidence on the efficiency of alternative land tenure contract is mixed. Some studies do not find significant inefficiency of share tenancy and the distribution of case study results shows no significant evidence of Marshallian inefficiency of share cropping (Otsuka and Hayami, 1988). A lot of empirical studies have studies efficiency and inefficiency of share cropping in India and its neighbouring countries particularly after 1970 when through land reforms were executed in India. Several studies document the fact that share cropping has not adverse effects on inefficiency. However, no conclusive evidence has been provided by empirical research to prove inefficiency or efficiency of tenant farming and findings are mixed. Difference in factor
endowments, adoption levels of new technology, geographical location and many more factors have lead to believe that it is not necessary to believe in Marshallian inefficiency of share cropping as a proper result. Subsequent Chapters have brought to explore the typical tenancy contract in Barak Valley and to provide the empirical answers to a number of theoretically established propositions relating to the agrarian institution of tenancy using the field survey data from six ADO circles in Barak Valley. An attempt has also been made to provide an explanation of tenancy within a theoretical frame work by identifying the key variables factors determining the incidence of tenancy in the Barak Valley of Assam.

On the basis of the observations made in the preceding chapters, the major findings and conclusions are summarized below:

7.1.1 FINDINGS FROM THE MACRO LEVEL ANALYSIS

(i) Land and Land Holdings: As per the statistics of 1999-2000, net sown area of the region was 233.8 thousand hectares, which constituted 33.85 percent of the total reporting area of the region. According to the agricultural census of 1995-96, there were 1,91,733 holdings in the region. The average size of operational holdings in the region was 1.62 hectares, which was somewhat higher than the average 1.46 hectares for the state as a whole.

(ii) Area of Leased in: Tenancy is an important institution in the agrarian economy of Barak Valley of Assam. As per the statistics of 1995-96, out of the total operated area of 3,11,984 hectares, 14,593 hectares being 4.68 percent of total area in Barak Valley, was under tenancy. This figure was higher than the state as a whole, where it was 3.80 percent during 1995-96.
The percentage of wholly leased in area was 8.84 percent and partly owned and partly leased in area was 91.16 percent during 1995-96. The distribution of tenant holdings across size-classes, show that 4.09 percent of total leased in area was under the marginal group, 10.5 percent of total leased in area was under small group, 47.91 percent was under semi-medium group and only 7.62 percent of total leased in area was under large size group. A total of 88.12 percent of leased in land in Barak Valley region was under small and medium sized tenant during 1995-96.

(iii) Are leased in and Terms of leasing: As regards the terms of leasing, census data 1995-96 reveals five different types of tenancy contract—fixed money, fixed produce, share produce, usufructuary mortgage and other terms. In terms of the percentage distribution of area leased in under different forms of tenancy, there was some variation in the pattern. The agricultural census of 1995-96 shows that 5.57 percent of the total area was under fixed money terms, only, 3.88 percent of the total area was under fixed produce terms, 39.55 percent of the total area was under share tenancy, 31.10 percent of the total area was under usufructuary mortgage and only 19.89 percent of the total area was under other terms. Among the various forms of tenancy, share cropping terms have been found (39.55 percent) predominant form in the agricultural economy in the Barak Valley region of Assam. However, the state as a whole fixed rent (21.68 percent) was found to be the dominant mode of tenancy during 1995-96.

(iv) Cropping pattern: Agriculturally, Barak Valley is virtually a rice monocropped region. During the period 1971-72 to 2004-05, the share of rice in total cropped area of the region fluctuated between 91.64 percent and
95.12 percent without showing any upward or downward trend. The seasonal growth of paddy was somewhat in contrast with the broad trends observed for the state as a whole. For the state as a whole, there has been a significant increase in the share of summer paddy during the period with concomitant decline in the share of winter paddy. Although traditionally, the Barak Valley region had a much higher share of summer paddy in total paddy area than for the state as a whole, there has been no further improvement in the share in the Barak Valley region as in the other parts of the state. Comparatively higher traditional share of summer paddy in the region can be attributed to the existence of large extent of low-lying natural depression and waterlogged areas suitable for the cultivation of boro paddy. However, the absence of the increase in the share of summer paddy area in the region corresponds to be due to lack of progress of the region in respect of irrigation infrastructure.

Among other crops grown in the region, the notable ones are rape and mustard, pulses, potato, sugarcane and vegetables.

(v) Growth in Area, Production and Yield of Rice: The estimated annual compound growth rate shows that the production of total rice (that is autumn, winter and summer rice taken together) registered impressive growth of 2.46 percent during the period of 1974-75 to 1999-2000. The growth in rice production was made possible mainly by growth in yield at the rate of 2.3 percent per annum, as area under rice did not expand significantly. Seasonwise the growth in output was highest in the winter rice crop. The production growth of 3.52 percent per annum of this crop was helped by impressive growth of yield at 2.75 percent but a slow growth
of area at 0.75 percent. In case of autumn rice, there was a negative growth of production caused by a large negative growth in area, which outweighed the positive growth of yield. In case of summer rice, there was a mild growth of production at the rate of 1.34 percent per annum, which was entirely contributed by growth in area, as the yield rate did not show any improvement.

Thus the pattern of growth of rice as a whole in the Barak Valley was similar to that observed in the state as a whole, seasonwise the pattern and composition growth was very different in Barak Valley and Assam as a whole. In the state as a whole, there has been an impressive growth in production of summer rice helped by growth in both area and yield. As mentioned above, similar growth in summer rice did not occurred in the Barak Valley region. In contrast to negative growth of production of autumn rice in Barak Valley, there was a significant positive growth in the area under this crop for the state as a whole. But the redeeming feature of the seasonwise growth pattern of Barak Valley is the much higher rates of growth in production and yield of winter rice compared to the state as a whole.

(vi) Comparative yield of rice in Barak Valley, Assam and all India:
The comparison of yield of rice in the Barak Valley region, the state of Assam as a whole and at the all India level shows that Barak Valley yield has been above the Assam yield for most of the years during 1977-78 to 2000-01, though former in general remained below all India yield. However, the yield in Barak Valley showed greater year to year fluctuation compared to the overall yields for Assam and for all India. The greater instability of
yield in the region corresponds to the fact that, in Barak Valley, paddy is still grown almost entirely under rain-fed conditions.

(vii) **Area under HYVs and use of Soil Nutrients:** As per statistics of the Directorate of Agriculture, Government of Assam, by 2002-03, the acreage under high yielding rice varieties got extended to 53.42 percent of total area under rice in the region. Going by the rate in terms of proportion of rice area under HYVs, Barak Valley stands ahead of state as a whole but somewhat behind the country as a whole.

In 2002-03, the fertilizer consumption per hectares in the region was 2.18 kg. compared to 39 kg. in the state as a whole. Thus, in case of fertilizer consumption too, the region was ahead of the state as a whole but lag very much behind the country as a whole.

(viii) **The State of Irrigation Infrastructure:** Date relating to the period 1990-91 to 2000-01 shows a grim state of irrigation infrastructure in the region. Irrigation potential created till 2000-01 comes up to only 4.09 percent of the gross cropped area of the region. A large part of this meager irrigation potential even remained unutilized in most of the years. Thus actual area irrigated as percentage of gross cropped area fell from 1.73 percent in 1990-91 to only 0.80 percent in 2000-01. In contrast to the Brahmaputra Valley of Assam, there has been practically no growth of privately owned tube well based minor irrigation. Nor is there any major or medium irrigation scheme under operation in the public sector. The government owned irrigation system in the region consists mainly of river water based Lift Irrigated Scheme (LIS), which fall in the minor irrigation category.
Due to the practically non-existent irrigation, the farmers in the Barak Valley region are not in a position to use the HYV – fertilizer package extensively in the rabi season. Thus, the farmers have to use the seed-fertilizer technology mainly under the rain-fed condition in which application of fertilizer entails greater risk than under controlled watering by irrigation. In light of these infrastructure related constraint, the farmers of the region appears to have done well in not only putting a greater proportion of their rice acreage under HYVs but also by applying chemical fertilizer at a significantly higher dose. The farmers in Barak Valley are thus clearly constrained by the poor state of irrigation infrastructure in the region. However, deficiency of irrigation is not the only the reason behind backward nature of agriculture, the other factors such as, institutional credit system, non-suitability of available technology package of good part of cultivated area and insecurity of the tenants as the constraints on agricultural development of the region.

7.1.2 FINDINGS FROM THE FIELD STUDY

(i) Agrarian characteristics of the sample farm location: Agriculture has been found to be the dominant economic activity among the sample farms in all the villages of the six ADO circle. Of all the ADOs circles, Salchapra and Banskandi have been found better economic base with diversified occupations of the household members. Compared to agriculture, permanent job outside the villages are generally considered as quite attractive in the sample villages.

The dominant practice of agriculture in the sample villages is characterized by the institution of tenancy. Although paddy, pulses, rape
and mustard, vegetables (both kharif and rabi) etc. are grown in the sample villages, the tenancy have been observed mainly in paddy cultivation. Ahu, Sali and Boro are the three important varieties of paddy. It is grown almost throughout the year in the three seasons, Ahu's harvested in autumn season (August/September), Sali is harvested in the winter (December/January) and Boro is harvested in summer season (April/May). The sample farms in all villages have been cultivating of all three crops. Most of the farmers followed single cropping pattern. Though insignificant, the incidence of double cropping is observed both in Salchapra and R.K. Nagar circle. The low incidence of double cropping is due to the fact that agricultural practices in the sample villages are traditional in nature. It depends mainly upon rainfall and there is neither irrigation infrastructure nor flood control arrangements. The degree of mechanization has been almost insignificant.

(ii) Extent of Tenancy: It has been found that the distribution of land, inter-alia, is one of the major determinants of the size and nature of the lease markets. Small farmers predominantly lease in land while the medium sized farmers lease in as well as lease out land. Both the traditional tenancy (big lessor and small leasee) and reverse tenancy (small lessor and big lessee) co-exist on a widely different scale in our sample villages.

(iii) Pattern of Tenancy: There exist four different tenurial categories of farmers in the sample villages. (a) Pure tenant cultivators (b) Owner-cum-tenant cultivators (c) Owner-cum-landlord and (d) Owner operator. Tenurial categories of households, according to their farm size, indicate that there are considerable disparities in operational (own) land among different tenurial categories of farmers. It is interesting to note that both pure tenant
and owner-cum-tenant cultivators are concentrated in small and medium size group. Further, a very high degree of concentration of landed property has been found between the pure landlord and owner-cum-landlord households. Taking average operational areas as an index of economic status, it has been found that owner-cum-landlord group is economically most powerful class among while the pure tenant households hold weakest economic position. The persistence of pure tenants as an important category indicates not only the classical pattern but also shows their dependent position in the land lease market.

(iv) Recorded and Unrecorded Tenants: It has been found that in our sample villages, 84.13 percent of the total operated area leased in by unrecorded tenants. The average leased in area of 0.85 hectares of unrecorded tenants is higher than the average leased in area of 0.72 percent of the recorded tenants. The majority of the recorded and unrecorded tenants belong to the status of poor tenants and lower middle tenants and only a small fraction among them belong to the status of upper middle tenants. Thus, it seems that lack of legal rights does not place the unrecorded tenants in an adverse situation with respect to the area leased in.

(v) Form of Tenancy: In our sample villages, 94.8 percent of the unrecorded tenants have leased in share cropping terms whereas 43.13 percent of the recorded tenants have leased in on share cropping terms. There is thus a close correspondence between share cropping and unrecorded tenancy. Persistence of share cropping in our sample villages, is due to the fact that: (a) the agriculture in the sample villages depends
mainly on rainfall and there are fluctuations in the occurrence of rainfall. Occasionally, the excessive rainfall causes flood and scarcity causes draught. In such an uncertain condition of cultivation, share cropping provides adjustment for failure of harvests and fluctuations in the price level, (b) Share cropping contracts in many cases include an implicit loan from the landlord in the form of rent being postponed until the harvest, and (c) the advantage of cost sharing is easier to achieve under share contract than under fixed rent contract.

(vi) Terms of lease: The most common practice of share cropping, found in the sample villages, is that the owner gets fifty percent of the output. This mode of crop sharing is known as Bhag Chash which is again two types - (a) The share cropper did not meet the input share and he received half of the share of the gross produce, and (b) Both the landowners and the share cropper shared the input and produce equally. The first pattern is very favourable for the share croppers and closely conform to the statutory norms of payment of fair rent and the norms advocated by the Central Government. The second pattern is unfavourable to the share croppers and they are paying exploitative rents.

In our sample villages, it has been found that 73.21 percent of the share cropper gets half the gross produce without shared by landlords. It was dominated unrecorded tenants, because bulks of whom were also informal, and share cropping contracts are generally verbal in nature. Most of the unrecorded tenants have shorter duration of working with the same land owner. Thus, the question of conferring legal status of occupancy
tenants to the unrecorded ones is an important task of tenancy reforms in the state.

(vii) **Cost sharing contract**: The cost sharing contract under share cropping has not yet been popular in the sample villages. Tenants till supply all labour, bullocks, implements as well as seeds, fertilizer, pesticides etc. while the landlords provide land. In general, the tenants use their own draught animals to plough the leased in land. The use of tractor or power tiller for ploughing is still an exception rather than a rule in the sample villages. The tenant, who does not have any bullock or cattle, hires it from the landlord under *Fane System* is the usually five mounds (2.5 quintal). Seeds and other input costs are usually borne by the tenant (in 68 percent of the cases). Landlords in the sample villages have also come forward to participate in the cost sharing arrangements (in 16.52 percent cases) with equal sharing with the tenants. The use of fertilizer, manure and pesticides is yet to be popular in the sample area. It is almost customary for a tenant to supply farmyard manure in the rented and without any compensation from the landlord. In fact, the manure which generally applied as fertilizer comes as by-product of the bullock or cattle which is used for ploughing the land. Of course, sometimes landlords supply the farmyard manure subject to its availability in his house. It is to be noted that the close co-operation between the landowners and the share croppers has resulted in equal sharing of costs and output (ideal lease) in some cases. With the growing commercialization and modernisation of agriculture, landlords have been increasingly sharing the costs of modern inputs- fertilizer, pesticides, HYV seeds, etc. An estimate of total paid out costs
reveals that the ‘traditional lease’ where tenant bears the entire costs of ploughing the total output and the ‘ideal lease’ where the tenant and owner share equally both the output and the costs of production, co-exists in our sample villages.

(viii) **Decision making:** The freedom of the tenant in the lease market is in no way restricted. A tenants in our sample villages get enough liberty in decision making regarding which crops to be grown, which seeds to be used, fertilizer application, timing of sowing and such other matters. A tenant’s performance is automatically reviewed in every season in terms of the total production in the leased in land. In the absence of perfect market for the factors of production, the dependency relationship between the landlord and the tenant has been observed as a sort of partnership.

(ix) **Informal credit arrangement in the sample farms:** It has been found that the share cropper faces a special problem of having no access to the institutional credit of any kind. Since the credit institutions usually offer loans to the farmers against their land as security, the share croppers have no or little land to offer do not get any credit augment their working capital. In our sample villages, tenants are deprived of the benefit of receiving the institutional credit. Again, the tenant families do not prefer to take loan from the village money-lenders because of their exploitative terms. For the asset less tenant without access to an organized credit market, the tenancy contract itself can serve as a kind of collateral for credit transactions with the landlord. Further for the poor tenant, it is possible to show the standing crop for raising credit from the village traders for their daily necessities. A commonly observed feature of poor agrarian economy
of Barak Valley region of Assam is the persistence of the institution of share cropping together with an informal credit arrangement.

The farmers in the sample villages use credit mainly for consumption purposes. The mode of informal credit transactions are of various types - kind to kind, cash to kind, cash to labour - each having different terms and conditions. The contractual term becomes more stringent with the increasing amount of credit. Important features of credit market in our sample villages are: (a) There are variations in the credit contracts on the basis of terms and conditions, other than the rate of interest. (b) The multiple credit systems of loans co-exist. This co-existence is the manifestation of the varying bargaining powers of the lenders and the borrowers in the agricultural credit market and reflection of imperfection not only an agricultural credit market but also in the other agricultural markets such as labour market, commodity market, land lease market, etc. The extension of loan in paddy for instance, and repayment of the same in terms of labour services, implies that credit market, commodity market and labour markets are all interlinked.

(x) **Usufructuary Mortgage:** Usufructuary mortgage system i.e. land interlinked mortgage is widely practiced by the farmers in our sample farm under three different forms. Under usufructuary mortgage, usually, tenant given a loan to the landowner against a mortgage of loan which he can cultivate until the loan is prepaid. Another form of mortgage is known as *Pikas* system: Under which the tenant pays rent to the land owner in advance and enjoys rights of cultivation on the land for a specified number of years after which the land has to be returned to the owner without
having to make further cash payment. The third type of usufructuary mortgage is the *khat bandhak* in which ownership of land passes automatically to the mortgage, if the principal is not repaid by the specified time. Under the system of usufructuary the creditor cultivates the land in lieu of interest on a loan until the landowner repays the loan. The mortgage lender may lease the land back to the mortgagor, or to the third party instead of cultivating it himself. When leases it out to the mortgagor, the owner becomes tenant in his own land, this is the phenomenon that is very common in our sample villages.

(xi) The Relative Productivity Efficiency of Owner and Tenant Cultivation: The relative efficiency of the two types of cultivation, namely, owner and tenant cultivation has been examined. Empirically we have tested the hypothesis of the differences in the levels of inputs use for owner cultivators and tenants' cultivators. The crop wise testing of the differences in productivity in owned and tenanted land has been carried out for all sample households. Our empirical result shows that there is no significant difference in the productivity between the tenants operated farms and self operated farms. Of course, there are little inter-village variations to these results and thus, it would not be wise to treat the whole, community of share croppers as efficient or inefficient in the use of land under cultivation. An attempt has also been made to provide an empirical explanation of this equal efficiency argument. The terms and conditions of share contract particularly the duration of lease, the nature and frequency of eviction, the cropping intensity, the number of agricultural workers, utilization of draft power, particularly bullock or cattle are some of the factors which have
been used to explain the relative productive efficiency in owned and sharecropped farms. Some of the other findings of the study are the following:

(a) It has been found that the tenant, in our sample farms, enjoy considerable autonomy in decision-making. Thus restrictions on decision-making that usually lead to disincentive effect to the tenant have not been found in the sample farms. On the other hand tenants performance on the leased in land is reviewed in every season in term of total production. Further, the landlord has full autonomy to evict inefficient tenant and retain the efficient one. As job market is restricted outside agriculture, this insecurity pushes the poor tenants to show better performance or at least equal performance compared to owner cultivation (b) It has been found that share cropper has less land for cultivation than his counterpart owner cultivator. Since other job opportunities are very limited in the villages, it is likely that the share cropper have used more family labour in their cultivated land than that done by the owner cultivators. Tenants have less access to other forms of income, and have, therefore, channeled more effort into the production of rice in order to extract the maximum output from the share cropped land (c) Tenants have used greater number of bullock or cattle per bigha of land compared to owner cultivators and, this difference is highly significant.

Thus, the tenants uses more labour and bullock or cattle power per bigha of land, but output per bigha is not significantly different in the owner and share cropped farms. Three reasons are provided in this regard on the basis of field survey observations, (a) the land leased out is mostly of
poor quality whose productivity is, in general, low (b) the interlinked credit and the consequent threat of eviction is the cause of default in repayment which induce the poor small and less tenants to work hard and this results in at least equal efficiency of share cropping vis-à-vis owner cultivation. (c) A tenant by his status is in a disadvantageous position compared to the owner cultivator in so far as his access to monetized input are concerned as such even after all his efforts output per bigha on tenant cultivated holdings may not be larger than the output on owner cultivators.

Therefore, tenancy per se has not hurt the productivity in our sample area and thus, it cannot interpreted as necessarily detrimental to development.

In the presence of factor market imperfection, an extended version of Bliss and Stern (1982) model has been considered to provide an explanation of tenancy in our study area. It has been hypothesised that tenancy arises because of the discrepancy in owned area and desired cultivated area. Following adjustment mechanisms both partial adjustment model and perfect adjustment model have been tested empirically with the observations of sample households. Like Bliss and Stern (1982), in the present study the desired cultivated area has been considered as a function of family labour, value of farm assets and machineries, human capital factor (educational background of the farmer), extent of irrigation infrastructure and the extent of low land in the total operational holding. Irrigation infrastructure and the extent of low land are some of the new variables that have been incorporated in the Bliss and Stern model. Both partial and perfect adjustment model have been tested empirically with the observation
of field study. Simple regression model have been used to explain variations in land leased in by sample farm household in terms of differences in their resources endowments both family and human resources. OLS method has been used to estimate the parameters. The study identified family resources particularly, the number of agricultural workers, level of education, the owned land and irrigation infrastructure as determinant factors in leasing decisions of the farm households. The adjustment difficulties in farm assets particularly bullock or cattle and family labour necessitated the adjustment in farms land by way of leasing. Thus, share cropping in our study area have been viewed as partnership in which the partner provides the factor inputs in which it is better endowed. In other words, tenancy acts an adjustment mechanism to reduce the extent of imbalance between the area of land that available farmers assets and family labour are able to cultivate and the area of land actually owned. On the other hand, the development of human capital seems to create an inherent preference towards non-farm among farming families which makes self cultivation less attractive and in turn, influence the extent of tenancy. The landed family with higher level of education intends to lease out land. On other hand, poor and less educated farmers intended to lease in more land in the absence of alternative income opportunities. Thus tenancy arises because of the adjustment in owned and desired cultivated area.

7.2 CONCLUSION AND SUGGESTIONS

The development of agriculture is directly related to the resource use efficiency. However, resource use and productivity in agricultural
production is largely influenced by a number of factors. Tenancy is identified as one of the factors influencing the resource use efficiency. In rural economy of Barak Valley region of Assam where the factor markets for labour, credit and managerial skills are highly imperfect and households try to gain access to these non-marketed resources in a contractual arrangement. In fact in such an agricultural setting of tenancy acts as an adjustment mechanism to reduce the extent of imbalance between the area of land that the available family resources are able to cultivate and the area of land actually owned.

The poor state of agricultural infrastructure, especially of irrigation, extension service and institutional credit system, non-suitability of available technology package to good part of cultivated area that are the major constraints in the agricultural development in the region. In such an underdeveloped agriculture the underdeveloped agriculture in Barak Valley is largely dominated by share tenancy an institution that is not necessarily detrimental to development but has been serving many useful functions, and thus its practice can not be stopped from practical point of view. The share croppers in Valley faces the problem in applying modern inputs, as they do not have any access to institutional credit facilities. They enter into informal credit contracts with the landlords or village traders or other terms, often with unfavourable terms and conditions. Even if, the landowners share the costs equally in some cases, the share of the costs are deducted from the share of the output after harvest. The share croppers in most cases have to bear the entire costs. Unless the credit facilities are extended to them or it is made mandatory by enforcing legislation on the
land owners to pay a part of the costs its of cultivation, in advance, the share croppers will remain handicapped in increasing productivity. The inability of the sharecroppers to get an access to credit facilities will not only affect the introduction of modern inputs on the share cropped land but also have effects on the land they owned. The inability to finance adequately the costs of better farming practices will greatly reduce the chances of achieving the over all increase in agricultural productivity in Barak Valley of Assam. If adequate credit facilities can be made available to the majority of the farmers particularly to the poor farmers to do it because of the non-availability of working capital, there may greater adjustment in the owned land and desired cultivable land through tenancy operation and this may promote greater equity in the distribution of operational land.

Moreover, in Barak Valley, as in the state of Assam as a whole, low lying plots prone to frequent flooding and prolonged water logging is fairly common. The HYVs of rice being relatively shorter in stature, many tenants unsuitability of these varieties for low lying areas prone to flooding and water logging. In such areas the traditional varieties continue to be the only option as per as the choice of varieties are concerned. This practices reduce the overall agricultural productivity in the Barak Valley for the tenants. If the flood control measures are effective the majority of the farmers particularly to poor farmers who desire to cultivate more land but unable to do it because low-lying areas prone to flooding, cause enormous loss of crop. There may be greater adjustment in the owned land and the desired cultivable land through tenancy operation and this brings the distribution of operational holding. The availability of irrigation infrastructure lead to a
significant positive impact on the rate of consumption of fertilizer in farms and also farm’s decision regarding adoption of mechanized ploughing, practice of HYVs. If the irrigation infrastructure are extended the majority of farmer’s desired to cultivate more land. There may be greater adjustment in the owned land and desired cultivated land through tenancy operation and that this may promote equity in the distribution of operational land.

However, tenurial conditions by no means is universally perfect in the background of agriculture in the Barak Valley. Market imperfections, feudal relationship and unequal economic power in some cases have resulted in oppressive tenurial conditions in the state. In order to remove the present fictions of the rural economy and to pave for a healthy and vigorous development of agriculture as well as protection of tenants in Barak Valley of Assam, the following policy measures have been suggested,

(i) Institutional credit facilities are to be extended to the tenant cultivator and small farmers. This will reduce their dependence on informal source of credit with orbitant rate of interest.

(ii) It should however, be feasible to eliminate the interlocking of the process of social networks and infrastructure of agriculture. The economic status of the tenants cultivators can be improved by providing them adequate irrigation or flood control facilities with regulated tenancy operation.

(iii) Provision of input cost need to be shared by the lessor on the basis of cost of production in proportion of the area rented in by the tenant. This will encourage the modernization of agricultural practice.
(iv) The lessor should not impose any additional responsibilities to the tenant other than works and operations in the tenant operated land. The tenancy legislation must be made effective in rural Assam.

(v) The oppressive tenancy contracts must be made under control by introducing a new reform package including a massive drive of the recording of rights to the tenants.

Incidentally, legislations for tenancy reforms are already in existence for quite sometime. The Assam Adhiaar Protection and regulation Act, 1984, for instance, seems to have enough provisions to protect the interest of the sharecroppers by fixing the maximum rent paid by them. Share croppers are required, according to the provision of this Act, to share their principal crop only, which should provides some incentive to them to raise additional crop too. Ejecting adhiars was also made more difficult (Goswami, 1986). But despite the provision of the act sharecroppers are still exploited by landlord. Though tenancy reforms have been recognized as one of the principal goals in the five year plan documents, only a very few states in the country have successfully implemented such reforms1. In this context the Crash Programme in the state of West Bengal popularly known as ‘Operation Borga’ may be cited2. The ‘Borga’ programme in West Bengal Reforms Act, 1955, thus safeguarding tenant farmers interest in sharing of crop vis-à-vis cost of cultivation with the landowner. Even today, there is doubt whether the tenants recorded under Operation Barga are more efficient than their counterparts, the unrecorded tenants. One hand, Chanda and Bhaumik (1992) based on their study on Operation Barga concluded that the programme has not adversely yielded any benefit on productivity.
But, Pal (1995) has shown that the programme has had a depressing effect on productivity because bargadars lacked entrepreneurial ability and supporting facilities. “This led to a vicious circle of lower investment, lower productivity and meager returns for investment and resulted in inefficiency, lower productivity and inequitable income distribution” (Pal, 1995). Despite these programmes similar to Operation Barga and implement them is credible. The programme is shown to contribute to human development, by lowering birth rate, death rate and infant mortality rate and improvement in literacy rate. It also aided in a reduction in poverty. Thus, the Operation Barga programme brought about remarkable changes in the society (Dasgupta, 1995, Parthasarathy and Murty, 1995). Close on the heels of this reform programme came the Panchayat Raj system. “The pro-poor bias in Panchayat composition in this state is a direct consequence of the land reform programme undertaken in the state. Perhaps a lesson for the other states that Panchayat system alone would not deliver for the poor, unless its composition is changed by way of land reform (Dasgupta, 1995). Considering the loopholes of operational barga programme, a new reform policy package must be taken up in Barak Valley taking the positive aspect of operation barga programme so that the provision of the legislation to protect the interest of tenants farmers can be enforced in letter and spirit.
The need of tenancy reforms was recognized at the time of independence and has been reiterated in a succession of five-year plans. Four important guidelines laid down in the five years plans for the reform of tenancy were - (i) The rent should not exceed the level of one-fifth to one-fourth of gross products. (ii) The tenant should be accorded permanent rights in the lands they cultivate, subject to limited right of resumption to be granted to the landowners. (iii) In respect of non-resumable lands, the landlord - tenant relationship should be ended by conferring ownership rights on the tenants. (iv) Abolition of tenancy by law in most states, except for certain categories of people.

In case of fixation of rent, Punjab, Haryana and Andhra Pradesh achieved the targets prescribed in the five-year plans, while except in West Bengal, sharecroppers, by and large beyond the benefit of tenancy reforms (Throat, 1997).

The tenants in West Bengal could not be protected from the illegal extortion and eviction by the landlords because the tenancy arrangement was often oral in nature with no legal validity. In order to protect the tenants, there had been a provision in West Bengal Land Reform Act 1955, such that tenants could record their names with the land records department of the government so that they could get legal protection in case of eviction. The land records department did not take the recording business seriously till the Left Front Government in the state took up a ‘Crash programme’ in West Bengal Land Reforms Act, 1955, the produce of any land cultivated by the borgadar shall be divided as between the borgadar and the person whose land he cultivates (a) in the proportion of 50:50, where plough, cattle, manure and seeds necessary for cultivation are supplied by person owing to the land (b) in the proportion of 75:25 in all other cases’ (Khasnabis, 1994).
REFERENCE:


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