

Land Ceilings and Land Reform

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Any meaningful land reform without a land ceiling programme is a misnomer, while its presence is one of the main causes of the few reforms which have succeeded.

And yet in the light of India's past experience and current political realities major emphasis on ceilings now is not warranted. This is in line with the numerous problems obstructing its implementation, and the fact that what has been so thoroughly scrambled up with impunity cannot be unscrambled, especially at a time when the role played by the big owners in the new technology is deemed paramount in all manner of circles.

Apart from all of this, the author's reservations stem from the concern that the stress on ceilings could very well be at the expense of the more immediately promising concentration on the minimum programme of recorded rights of tenants or sharecroppers, security of tenure or rights to remain on the land undisturbed, fair land rentals, non-exploitative farm wages, and a considerably enlarged scope of land consolidation.

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ONCE again the land ceiling as an essential ingredient of land reform is in the news. On August 3 last year the Central Land Reforms Committee announced new guidelines for reducing the acreage an owner may keep. Their purpose is to widen the scope of land redistribution among the landless, and to introduce a measure of uniformity in the anticipated new land ceiling legislation. What the guidelines are and what are their likely consequences will be indicated elsewhere. Suffice to say here that on the face of it, if the primary aim of land reform is to be the narrowing of rural income inequalities and easing of rural tensions, the new proposals are a step in the right direction. On the other hand, the results of ceiling legislation in the past decade and the usual political realities still extant, argue against optimistic expectations. It cannot be excluded, therefore, that the considerable effort invested in formulating the new approach and inducing the states to enact appropriate legislation will not attain the stated goals. Barring drastic changes in politics and attitudes, the chances are that the guidelines will be remembered mainly for what they attempted to achieve. This is not a reflection on the issue involved, which is serious enough. Yet too great a priority is attached to land ceilings while the likelihood of implementing them are hardly better than in the past. This in the absence of a similar concern about reform measures of immediately more vital promise, leads this observer to the conclusion that, presently, land ceilings as a part of land reform in India appear as something less than a fruitful preoccupation. And it cannot be reiterated strongly enough that the suggested shift in priorities is induced only by what is immediately more urgent and just possibly more feasible in the circumstances noted here.

THE NEW GUIDELINES

The new guidelines are as follows: (a) nationwide, no owner can keep more than 10 to 18 acres of irrigated double-cropped land or 54 acres of dry land; (b) the permissible ceiling must apply to the family as a unit

rather than as in the past, in some states, to individual members of the family; the 'family' is defined as husband, wife and minor children. Where the family exceeds five, additional land may be allowed for each owner in such a manner that the total area allotted to the family doesn't exceed twice the ceiling limit; (c) the mentioned limit, especially of dry land, can be exceeded depending upon soil and climatic conditions; (d) existing exemptions in favour of mechanised farms, well-managed farms in general, etc. should be withdrawn; (e) exemption in favour of tea, coffee, rubber, and other plantation crops should be re-examined in consultation with the Ministries concerned and the state governments. Thereafter these and other types of examinations should be discussed with the Chief Ministers in order to formulate a national exemption policy.

The recommendations make no reference to compensation, but the Minister of State for Agriculture informed the Lok Sabha that he favoured 'reasonable' compensation but not the market value of the surplus land. This is not surprising in the light of past experience and a constitutional amendment relating to landed property. The reference is to the 1954 Constitutional amendment of article 31, which prior to that date guaranteed fair compensation for any State acquired property. Since then, compensation of such property, including land, can be and has become, nominal. In addition, another amendment, Article 31-A, has made land reform legislation immune from legal attack on the ground of infringement of Article 19 (the right to hold property). For this reason, if surplus land should become available following the application of the new guidelines, the compensation question as far as the states are concerned is anything but a serious problem. While this is not to say that the owners of surplus land under the already enacted ceiling legislation laws have not been paid, the payments in all instances have been well below the market value of the land. From the point of view of the big owners the damage was slight because they parted with little land and not of the best quality. If, on the other hand, the current preoccupation with the law ceilings goes beyond verbal intent and the bark becomes a bite, the big owners could be hard hit and would resist accordingly. Apart from the amendments mentioned above, under the proposed 25th Amendment of the Constitution, 'fair' compensation could be further watered down. If enacted, the central and state legislatures would be free of all legal challenge in respect of compensation for acquisition of property for public purpose, and surely, at least in theory, an owner of excess land couldn't expect more substantial payments than in the past.

Guidelines are only guidelines and whether, once translated into concrete forms, the future will treat them better than in the past is highly questionable. This presumption is based on the history of the ceiling movement from its inception more than two decades ago.¹ While the account of this experience presented in subsequent paragraphs is not encouraging, it is crucial to the understanding of what might be in store for the new attempt to place a new ceilings programme in the centre of India's agrarian reform efforts.

THE FIVE-YEAR PLANS AND THE CEILING

The ceiling idea in India is as old as the land reforms. The extreme mal-distribution of land, with nearly a quarter of the households owing no land at all and another one-fifth owning less than one acre each, provides ample reasons for the use of the ceiling as a means of redressing this imbalance. The ceiling question gave rise

to move debate than any other reform issue, for it did touch on the raw nerve of tampering with private property rights. But regardless of the arguments for or against ceilings, about which more later, they are part of all the Four Five-Year Plans. The first Plan initiated it by recommending that "Where land is managed directly by substantial owners and there are no tenants in occupation, public interest requires ... that there should be an absolute limit to the amount of land which any individual may hold." ² At the same time, the authors of the plan did not envisage that this measure would yield any significant acreage for redistribution. Thus, "if it were the sole object of policy to reduce the holdings of the larger owners with a view of providing for the landless or for increasing the farms of those who have uneconomic fragments, the facts at present available suggest that these aims are not likely to be achieved in any substantial measure." ³ Nevertheless, limits should be fixed taking into consideration "public interest, and not merely on grounds of individual rights or claims", or, "in terms of general principles rather than in relation to the possible use that could be made of land in excess of any limit that may be set." ⁴ The Panel on Land Reforms set up by the Planning commission in 1955 reaffirmed the ceiling principle on the grounds of satisfying the land hunger, reducing inequalities in land ownership and income, and providing greater opportunities for self-employment. It also asserted that, for the purpose of ceiling fixation, the *aggregate area* of all the members of a family should be the determining factor, and that compensation should in no case exceed 25 per cent of the market value of the land.

The Second Plan also echoed the idea of little excess land to be gained for distribution, but ceilings had to be established for reasons already cited, as well as for reasons of "social status", the feeling of a "sense of opportunity equal with other sections of the community", and the need to develop a co-operative rural economy, "for co-operation thrives best in homogeneous groups in which there are no large inequalities." ⁵ The Plan also went on record that a reasonable ceiling should equal "about three family holdings". and it was left to the state governments to decide whether the ceilings should apply on an individual or family basis. The Plan did not take a firm position with respect to compensation; this was to be decided by state governments, later on resulting in a bewildering variety of types of payments, which even a student of the problem finds difficult to disentangle. By the time the Third Plan has been fashioned, it was no secret that the ceilings programme was in great trouble. Yet, it did no more than lend its support to the position of the Second Plan, repeating the familiar arguments why limitation on holdings is essential. The Fourth Plan laid down no new guidelines or suggestions. Instead, it recorded much that was wrong with the programme; it noted that "even the legislation as it exists has not been pursued and implemented effectively."⁶ and emphasised the need "to review the provisions in the existing legislation in regard to level of ceilings, transfers and exemptions in the light of recent technological developments and social requirements and hasten the implementation of imposition of ceiling and distribution of surplus land to landless agricultural workers on a systematic basis."⁷

There are many striking features of the Plans *vis-a-vis* the ceilings. The first one is that whereas the agricultural part of the Plans justifiably stressed the rise in agricultural production, the ceilings have never been looked upon a means to the same end; the impression is one of treating the issue in a vacuum. Second,

and as a corollary of the first, the justification given for advocating the ceilings rests only on ideological rather than practical grounds as well. "Public interest" and "social justice" can be weighty considerations if derived from clearly stated considerations related to the realities of the agricultural structures, and more equitable distribution of farm income. So long as the advocacy is based on general principles rather than the possible use that could be made of the land in excess of any limit that may be set, vagueness was inevitable. Third, this vagueness expressed itself in the indecision of whether the ceilings should apply to individual holders of a family or to aggregate area of a family. Fourth, the Planning Commission as a body instrumental in laying down the main guidelines of the ceilings programme has recommended no penalties to check the inevitable implementation abuses; when they become all too obvious it was too late to do anything about them. Fifth, and very importantly, by constantly reiterating that this programme couldn't yield much excess land, it has demonstrated its own lack of confidence in the measure as a source of land to satisfy some of the requirements of the needy. Having made that assumption, and as will be pointed out later without substantial reasons to support it, the defence of the ceiling provisions had to be couched in rather loose terms, or as Dandekar and Rath have noted "with little conviction and less purpose."⁸

Lastly, when the Second Plan enjoined that "settlements on these [surplus] lands should, as a rule, be made on co-operative lines,"⁹ it obviously did not favour redistribution and the increase of the number of small farms, with their alleged inefficiency. In the light of the then ongoing debate on the agrarian structure it is probably fair to say that the statement reflected not so much concern about inefficiency as the prevalent mystique about co-operative farming as a step to socialism. Thus, "we do not recommend that the surplus land acquired should be generally used for the purpose of making uneconomic holdings economic and according to us should be... used for the purpose of co-operative joint farming."¹⁰ The character of the co-operative farms established in the wake of the ceilings was nothing as envisaged; those farms are essentially dummy institutions created by the big owners as one of the means to evade the basic provisions of the land reforms. The Planning Commission had not planned it just that way, but the outcome is an instance of verbalising an idea with insufficient content and drive behind it to justify it. The implementation results have amply lived up to the Planning Commission's own reservations about their negligible effect on the claimants of surplus land but for reasons not quite anticipated by the Plans. It is doubtful if they could have prevented such an outcome, but the treatment they accorded the issue didn't help matters either. However, what is relevant at this point as one looks towards the future are the state ceiling enactments and their implementation.

CEILING ENACTMENTS AND IMPLEMENTATION

The application of the ceiling programme had begun in Kashmir as early as 1948, and between then and 1961 or 1962 all states went on determining their own ceilings, compensations, exemptions and land priority allotments. At least in theory, ceiling legislations covered the entire country. Its purpose was to secure a maximum of excess land for distribution, but judging by the size of permissible retentions it couldn't

be achieved. The retentions, based on land classifications, were most generous regardless of how and to whom they applied. In Gujarat, for example, the permissible retention varied from 19 acres of perennially irrigated land to 132 acres of other types of land, per family; in Mysore from 27 to 216; in Rajasthan from 22 to 336; and even in Kerala with small holders predominating the range was between 12 and 15 acres. The same repeated itself in states where the ceiling applied on an individual basis. In Bihar, for example, each member of a family was permitted to hold 20 to 60 acres, in Madhya Pradesh from 25 to 75; in Andhra Pradesh from 27 to 324, and where a household exceeded five members, additional land was allowed at the rate of 6 to 72 acres per member; in Maharashtra from 38 to 126; in Orissa from 20 to 80; in Uttar Pradesh the ceiling level varied from 40 to 80 acres; in certain parts of Punjab and Haryana from 27 to 80 acres, while in some sections of the same states no ceiling on ownership was placed. In cases of double-cropped irrigated land the permissible retention is two-thirds that of the irrigated single crop land. This is as if to make certain that the owners of the best land would have little to part with.

Ceiling levels of this magnitude were in themselves a deterrent to the programmes success. This was compounded by legal and illegal land transfers both in anticipation and after the enactment of the ceiling laws, and on the top of that were the numerous exemptions, of which Tamil Nadu could boast of as many as 26; Uttar Pradesh 20; Kerala 17; Madhya Pradesh 19; former PEPSU area, now a part of Punjab and Haryana, 13; Maharashtra 11; and fewer exemptions in other states. Little wonder, then, that in the final analysis, there was little land to distribute. And even such as there was in principle was generally "spared" by government inaction. The following examples are worth citing. Between the early 1960s and the end of 1970, the states of Bihar, Mysore, Kerala and Orissa have not contributed a single acre of surplus land. In all of Andhra Pradesh only 1,400 acres have been taken over, and none distributed. The big state of Tamil Nadu contributed so little of declared and distributed surplus land that its performance is only marginally better than that of the non-contributors. The list can be extended, pointing in more or less the same direction. Kashmir, a relatively small state, is the one exception where all of the declared surplus land (190,000 hectares and the biggest contribution) was actually distributed. The same cannot be said about West Bengal; in this state surcharged with radical politics only 40 per cent of the declared surplus was distributed. Summing it up for India as a whole, by the end of 1970 the "declared surplus" was only 2.4 million acres and "area distributed" just half of that, or 0.3 of one per cent of the total cultivated land of India.

Small as these figures are, they must be treaded with caution. The presumption is that they are inflated, that the quality of some of that land is so poor as not to be worthy of distribution, that an undetermined acreage of the distributed land could fall into the category of wasteland, and that a portion of that land was vested in the states rather than acquired from owners under the ceiling programmes. Considering all the machinations typical of the so-called enforcement of the Ceiling Acts, it is far from clear that the landless have indeed received all of that million acres which make up the "area distributed".

The extreme complexity of the newly devised or refurbished land classification supposedly to meet the ceiling provisions is more or less matched by the compensation arrangements. What is common to the states in this respect is long-duration bonds bearing an interest rate of 2.5 to 4.5 per cent, and little cash. As already noted, the saving grace from the point of view of the owners is that what little land they disposed of was of poor quality and nominal compensation was no great loss to them. As to the ways of determining the price of the land, they are so numerous and intricate, with provisions and amendments chasing each other, as to defy description. It is best not to impose them upon the reader. This is true of most states, except Kashmir. When the ceiling law was enacted there in 1950, no national policy on ceilings had been in existence, and not did the Indian Constitution apply there till 1954. Faced with the problem of gaining widespread peasant support, the then existing Sheikh Abdulla's National Conference Government redeemed the promise of a far-reaching land reform by enacting and implementing a ceiling Act, which, among other things, provided for no payment for the surplus land. In the rest of India, the attitude of the policy-makers was not nearly as determined and was infinitely "softer" in respect to most points on which the ceiling legislation and enforcement rested. Looked at from the point of view of compensation schemes in the other states, they couldn't be carried out with such efficiency on account of the slap-dash financial arrangements and faulty administrative and accounting procedures. These explain why to this day there is little reliable information about what the states paid for the land and in what manner, what they still owe the owners and what they received from the relatively few who received some of that land.

Looking back, the entire ceiling episode was one of evasions by commission and omission. With deliberately poorly drawn enactments holdings had been fictitiously divided up among close and distant relations so as to make them appear under the ceiling; many owners did not bother even with such precautionary measures. Lacking a single punitive clause in the entire mass of legislation - with the exception of the ineffective one in Maharashtra - there was no reason why they should have. It made no difference whether the ceiling applied on an individual or family basis; there was no concern about records that would have established the bona fides of the owners subject to ceilings, or for that matter administrative arrangements worth mentioning. Enforcement was not a problem; there was little to enforce. In sum, while officially the states accepted the ceilings programmes, they rejected them in practice - and with results one might have expected.

What the size of the surplus land might have been under more propitious circumstances is another story, though difficult to quantify. The explanation lies in a plethora of statistical problems resulting from under and over estimation, faulty definitions of the farm categories involved, and the general inadequacy of the pertinent data. This didn't, however, preclude some rough estimates. Alluding to these complications, a well known student of the problem, Raj Krishna, wrote as follows:

"Still, for what it is worth, the Planning Commission's estimate of the surplus area for eighteen (pre re-organisation) states on the basis of these data, may be noted. (Four big states are excluded). The

commission found that if ceilings are fixed at thirty acres, 14 per cent of the area owned (36.7 million acres) would be available as surplus. This would be 90 per cent of the area required to give every landless family a minimum basic holding; or 42 per cent of the area required to increase sub-basic holdings to basic holdings; or 29 per cent of the area required for both these purposes. The basic holding was assumed to be 2.5 acres for one state, five acres for seven states and ten acres for ten states. These figures would seem to reveal the prospects of satisfying the land hunger in India to be much brighter than they really are.”¹¹

Raj Krishna further noted that “the over-reporting of personally cultivated land appears to have inflated the sown area of surplus land”¹² but the error doesn’t explain the low volume of the surplus land actually recorded or distributed. There is another bit of evidence leading to the same conclusion. In an exercise on the same subject, and assigning ceiling to each state ranging from 7.5 to 30 acres – and 50 acres to Rajasthan - Dandekar and Rath estimate a probable surplus area of 42 million acres.¹³ These are low ceilings compared with those allegedly applied. But different though they are, and assuming that the total estimated land-yield errs on the high side, and apart from the quality of land that might have been distributed, reasonably conceived and implemented ceiling levels are bound to yield many times the surplus acreage attained thus far. Despite this prospect, the authors opt against the ceiling for reasons explained, among other things, in the section following.

The past experience raises a fundamental question: Are ceilings necessary? The answer is in the affirmative when looked at the agrarian reforms with a land distribution component. This condition can make the difference between success and failure for the recipients of such land, especially if accompanied by adequate resources to work that land. India’s poor record is no proof that the ceiling idea as such is too wanting to be useful. An examination of its pros and cons show that, on balance, it has merit within the context of India’s agricultural structure. On both sides of the fence the arguments are numerous and varied, and before they are summarised it is well to remember that in India, as elsewhere, the ceiling question is an important ingredient of any agrarian reform where land redistribution is one of its principal aims for reasons not only ideological.

At the bottom of the ceiling advocacy are the well-known inequalities of the Indian agricultural structure and the increasing dependence upon land for a livelihood by more than 70 percent of the population. As a result of higher land values and profitability brought about by the new farm practices, it is much more difficult to come by more land even at a market price. At the same time, due to “neutrality to scale” introduced by the same practice even small owners can make such holdings more productive and more income yielding. But the latter is only a minor argument for a ceiling programme. The more telling argument is the fact that in Indian conditions with all too narrow an industrial base, ownership of land, or for a tenant to remain secure on the land, is the minimum security an underprivileged farmer can look forward to, This is the principal economic justification of the ceiling.

The main argument against the ceiling rests on the anticipated increase in the number of small, uneconomic and inefficient holdings and the presumed ultimate decline in agricultural production. These fears are probably exaggerated mainly because most of the cultivated land of India is not in single blocks but in pieces scattered all over the lot. Perhaps more often than not a tenant or a share-cropper recipient of a "surplus" plot of land is likely to cultivate the same land rather than add another holding. The established pattern of cultivation undergoes little change; the vital change occurs only with the change in the title to the land. The real contention, however, is that small holdings are less productive than the bigger ones. The successful productivity result of the small size farming in Japan and Taiwan following the implementation of the most drastic of ceilings tend to be discounted by opponents of such measures on the ground that these countries are "different", not comparable with India. In the circumstances, the Farmer Management Studies in India, beginning some 15 years ago, are a surer guide for the purpose of this discussion. Their results can be summarised by saying that the gross output per acre is higher on the small farms and that productivity per acre decreases with the size of holding. This is explained on the ground of the almost total dependence of the small farm on "family labour" compared with the cost of "wage labour", a controlling factor on large farms. If note is also taken of the old adage that the psychological factor of ownership "turns sand into gold", the validity of the conclusion cannot be disregarded.

This notwithstanding, the farmer with an acre or two can be made viable only if he, too, is supported by a network of governmental and other institutions disseminating technical knowledge and feeding the economics of scale with credit, other essential inputs, price supports and marketing facilities. In other words, this presupposes a deliberate shift of a share of state investments in the direction of those who need them most. In that event, the argument that the new owners would find themselves without adequate capital to operate their farms would lose much of its force. If on the other hand, they were to be faced with nothing more than the ceiling land, even a generous allocation of such land cannot be looked upon as the panacea it is supposed to be. They might wind up with no land through the familiar cycle of borrowing at usurious rates, mortgage and foreclosure.

No discussion of this subject can avoid reference to its most recent examination by Dandekar and Rath in their well-known "Poverty in India". Regardless of whether one agrees or disagrees with this or that part of the analysis, the work as a whole has the great merit of being much more than just a timely reminder of India's problem of problems. The treatment of the ceiling question, for example, leaves something to be desired, but what the authors have to say in this regard is worth recounting.

Though supporters of agrarian reforms, they find no justification for ceilings, except in a few exceptional instances. Having considered a ceiling model of their own making, in Kerala and Tamil Nadu "All rural households will have some to cultivate... but 40-45 per cent will have just half an acre each"¹⁴. If similar reduced ceilings are applied nationwide the same proportion of cultivators in various states would have holdings from 0.5 to 2.5 acres, Rajasthan being the only exception with 5 acres, and much of it poor land.

Though not a precise exercise, the conclusion of these authors is that there is not enough land to raise the existing smaller holdings above these levels, and that to provide land for the landless would mostly increase the number of uneconomic, non-viable holdings.

In making their judgment the authors rely on a number of other considerations: the poor quality of the land the ceiling-beneficiaries would get; inadequate resources to develop it; absence of any assurance that the ceiling will be implemented more successfully in the future than in the past; and for these reasons the denial of the proposition that since the Green Revolution is "neutral to scale" small holders could also benefit from this new impetus. These being the premises, and stressing the socially desirable and profitable development of the new agricultural strategy with the larger owner-cultivators as its main pivot, the ceiling notion of a decade and more ago no longer applies. The authors concede an undefined selective ceiling,

"But any drastic lowering of the ceilings and redistributing the surplus land to the landless workers will serve no useful purpose. Firstly, it does not meet the problem of rural poverty. Secondly, it is not a feasible solution in the sense of one which can be maintained in the face of economic forces operating in an economy with private ownership of the means of production. Thirdly, it nullifies the major impetus which the recent technological advances have given to agricultural development in the essence of this impetus is opportunities for farm businesses to grow. The new technological advances have made owner-cultivation in sizeable farms a distinctly profitable proposition... such farms may be regulated by registering them as farm business and bringing them under suitable labour and taxation laws. But subject to such regulation... they will grow by absorbing small uneconomic holdings and by mechanisation of their operations. This should be recognised as legitimate and desirable because it will lead to an organisation of agriculture into not only viable but profitable units with capacity for capital accumulation and development."¹⁵

In the same exhortation of India's new up-and-coming farm structure Dandekar and Rath allude to its regulation "within the limits of accepted ceilings"; it is not clear what this reference is about, but, in the main, they are done with ceilings. They assume, too, that while agriculture's new shape in the making will increase employment in some farm areas, "on balance the employment in agriculture will decline. Certainly something will have to be done to these people thrown out of agricultural wage employment", and that "it is important to recognise that their number will grow rather than [decline]".¹⁶ That "something" is a more equitable distribution of the national product through the mounting of a massive rural works programme, calling for an annual outlay of Rs. 800 Crores. There is no disagreement that the practical application of some such scheme is long overdue, but there is the unanswered question where so vast a sum of money will come from, not to speak of the administrative problems of mounting so large a programme. Presently it doesn't appear politically feasible to raise through taxation from the well-to-do sector even a portion of such resources. But even if it could be accomplished, the problem of rural unemployment is so huge and intractable that the wisdom of putting all the eggs in this particular basket may be questioned. A ceiling

programme could be another basket, contributing to the sharing of the very same national product the authors are talking about.

Dandekar and Rath also note that "*the problem of poverty cannot be solved by redistribution of land to everyone who needs it*" (italics added).¹⁷ The validity of this statement cannot be denied, but it must be tempered by the fact that it has not been the intention of the land reforms to satisfy every landless; its main purpose was to ameliorate wherever possible the worst consequences of admittedly difficult conditions, land ceiling being part of the overall approach. In the attempt to strengthen the case for the new agricultural strategy, "Poverty in India" underestimates the fact that in a country where land hunger is a byword the line of demarcation between a viable and non-viable holding is thinner than it appears at first glance. For those who might get an acre or two of land it could spell the difference between abject poverty and something approaching subsistence. The more so if it is assumed, as it must be, that given certain resources as part of the reform, the benefits of the new technology can apply to large and small holdings alike. To be sure, not all of the land-starved would come in for a share, but this is in the nature of things of too many people on too little land.

This is the reason why the best of land reforms, however well implemented, does not offer a final solution to all of the landless. But it must be stressed that even a partial solution is of inestimable value to multitudes of underprivileged who must look for a living within the confines of the agricultural sector. At a recent seminar on employment opportunities¹⁸ C. Subramaniam, Minister of Planning, correctly noted that industrialisation would not solve the problem of unemployment. Thus, he observed that during the first half of 1971-72, additional placements in industry showed a small increase of 1.1 per cent, while at the same time he expressed the fear that it might be even less during the second half of the year. He concluded that the majority of the workforce will have to seek employment in agriculture, and this is in a good measure what the manifold aspects of agrarian reform are still about. And, more specifically, just as expansion of the Green Revolution can be an additional source of rural employment, the same may be said about security of tenure and ownership readjustments via a ceiling programme.

As noted earlier, the problem doesn't lie in the economic and social defects of ceilings as one of the measures to improve the lot of some of the poor, but how to translate it into action. Dandekar and Rath correctly and repeatedly stress that ceilings in India have not proved to be politically acceptable. It is this consideration more than any other that gives one pause about another round as recently proposed by the Central Land Reform committee.

Relevant to this discussion is B.S. Minhas' searching exposition of rural poverty in India. Assuming certain levels for certain group of farmers, the excess area available for distribution might reach the not inconsiderable total of 43 million acres.¹⁹ If distributed, the per capita ownership would go up "to 0.54 acres only."²⁰ This is not all that small, for the total per family would amount to about 3.5 acres. Minhas accepts his redistribution scheme only conditionally, for a number of reasons. In the first place he, too, contends that "it

is certainly arguable whether or not, in the prevailing circumstances, the proposed redistribution policy is politically implementable".²¹ Secondly, Minhas doesn't believe that, even if implementable, "it will by itself make a big dent on the problem of rural poverty in the sense of a considerable reduction in numbers below the poverty line".²² This, despite the fact "that the economic position of a large majority of them would be far better than their pre-land-reform situation".²³ Finally, and as a corollary of the above, the overall conclusion of the author is this: "We have shown that, by itself, radical land redistribution policy, which has been considered feasible in this paper, would not be able to solve the problem of object poverty in 1970. The size of the cake is small, and the claimants far too many."²⁴

Unlike the Dandekar-Rath position, Minhas is for a ceiling programme as a part of a more comprehensive effort aiming at rehabilitation of the country's rural economy. "My contention", he writes, "is that without a base [and enabling] size of land redistribution which assures around one-half acre of land per capita, almost all the 27 million families, with almost 110 million people, who own 20 million acres of land, will not be able to have a minimum level of living".²⁵ Minhas is against a ceiling programme only if the latter is carried out "by itself". Here Minhas emphasises above all a programme of massive land consolidation, followed by a rural public works effort, and not one, to be sure, of "digging holes and filling them up". All this, and much else left unmentioned, as an integral part of a land redistribution policy, or the practical expression of a "realistic radicalism" as distinguished from "political demagoguery". Only by acting thus, "an immediate shift towards and sustained application, over the next 10-15 years, of the strategy of rural resource development suggested in this paper could transform Indian agriculture into a very productive sector".²⁶

The attitude of the states being the most inhibiting factor in mounting any effective ceiling programme, it calls for further comment. For the moment, we revert briefly to the Committee's new guidelines.

As already outlined, from the point of view of the promoters of the scheme it is an improvement over the existing one on two counts. The guidelines have been drawn up with an eye of maximising the surplus acreage for redistribution. With the sole exception of West Bengal, a state-wide comparison between "then" and "now" makes this clear. This is theoretically so and it can be a boom or a bust depending upon the final outcome. The current permissible retentions are far from the last word on this aspect of the problem. There will be many a slip in the process of trying to induce the state Chief Minister to accept this or that ceiling level. The reference is to *formal* acceptance, to begin with; the *political* acceptance, or acceptance without mental reservations, is another matter altogether. The second favorable aspect of the guidelines, and again in theory at least, is that regardless of ceiling level it must apply on a family basis only. If effectively carried out it would eliminate illegal transfers to all and sundry, including that famous West Bengal case in which a favourite horse also figured as a land-recipient. Other points in its favour is that all of the land of a family is essentially a single operational holding, investment decisions are made jointly, and work-animals and farm equipment

also are owned jointly. But as far as the owners are concerned, the two principal points leave everything to be desired and the same goes for consumption.

This merest beginning of a new variation on an old scheme has a sense of unreality about it, especially if the past experience is a prelude to the future. The same would hold if the Committee had gone to the trouble of spelling out the main principles into such chapter and verse as the approximate surplus acreage the scheme might yield, the order of priority of the land-claimants, repayment for the land, the variety of supporting measures for securing the success of the scheme, and above all the possible ways and means of overcoming the negative reaction of the states to any such scheme. One can go so far as to say that the same is still true of Tamil Nadu and West Bengal though they have recently reduced their ceiling levels. Kerala which acted similarly may just prove an exception - but only just - because it is a Communist government state. And the same might very well apply if every state followed in the footsteps of the states just mentioned. The reason for the skepticism about formulation of proposals on the one hand and their realisation on the other is worth repeating. In the entire history of the agrarian reforms of India no state ever proclaimed publicly its opposition to such measures. At least in the open none favoured sin. Accepting proforma and largely rejecting in practice has been the *modus operandi* all along.

What is there, then in the current picture that would be conducive to a topsy-turvy even if the ceiling levels are more modest than those presently suggested, or that the elimination of exemptions be less stringent? Nothing encouraging judging by a few straws in the wind. In early 1970, on a visit in Eastern UP the "taluka" offices were overworked selling stamps for registering new land deeds or fictitious sales in the wake of rumours that the ceilings might be lowered. West UP probably behaved similarly. More recent events in Maharashtra tell the same story. A newspaper account runs as follows:

"Already the rich farmers in the state have taken full advantage of the Chief Minister's notice that legislation will soon be enacted to usher in the reforms and make the family, instead of individual, the basis for new ceilings. Thousands of acres of agricultural land are said to have changed hands in the past week or two; according to one report, nearly Rs. 2 lakhs worth of stamp papers have been sold during this period in some districts for recording sale of gift deeds. What is more, the sleepy district officials, who normally take months to register such transfers, have suddenly turned into fiends for work and are actively helping rich farmers".²⁷

None of this is surprising. It is part of a well-established custom and the likelihood is that there probably are as many similar Maharashtras as there are states - an exception or two notwithstanding.

Barring a political change of heart in state legislatures, the answer to the question is negative, and surely negative in the states, where the success or failure of a programme is determined. A positive acceptance of any new ceiling programme would call, first of all, for the detection and abrogation of all the so-called legal and illegal transfers of land, as well as the acknowledgment on the part of legislator and

administrators at all levels that for most part the ceilings programmes of the past were essentially make-believe affairs. The radicalisation of Indian politics in the guise of nationalisation of certain economic types of activity, constitutional amendments as a means to these ends, and the "leftward" thrust of the country's political parties - all these are undeniable. But the radical trend thus often proclaimed is far from a practical demonstration that the issues discussed are met head on. In agriculture, where poverty is particularly massive, there is not very much to point in that direction, though it cannot be denied that the Green Revolution is improving the condition of a number of farmers, and not only of the big ones. The financial position of the states and of the Union government could be measurably improved by taxing the admittedly very much undertaxed richer agricultural sector. It is symptomatic, however, that all such proposals die aborning under the solid opposition of the great majority of the very same state politicians. Yet taxation of this sort similar to that already levied upon the urban rich would not be nearly as debilitating as a ceiling programme effectively carried out. All this is briefly aired to raise the question *not whether a ceiling programme is necessary but whether it could be carried out.*

Despite all the "negativism" afflicting the ceiling question it would be on the plus side if the states enacted ceiling legislation once again even if with no intention to go beyond that. This seems less futile an exercise than might appear at first glance. The suggestion is also part of the past experience and the justification for it is this: however emasculated such enactments proved to be, their presence on the statute books slowed down the concentration of large holdings in relatively few hands. Without the recognition that such laws exist, the concentration would have been greater still. This is not mere theoretical musing. Many big owners who both successfully evaded the ceilings and acquired additional land have been uneasy about further acquisitions despite the promise of greater enrichment created by the "Green Revolution". A visit in the countryside makes this quite clear. The big owners betray concern about holding on to some of the land they managed to conceal. They have gotten away with it, but the uncertainty that this state of affairs is not "for ever" is there just the same. This must be attributed to the deterrent, or fear, exercised by the existing legislation and, more recently, by raising the subject once again. While not a positive attribute, the ceilings have not been without their indirect use. The small blessings must be accepted for what they are.

CONCLUSION

For reasons stated, the writer of this note is for a ceiling programme. In a real sense, any meaningful reform without it is a misnomer, while its presence is one of the main causes of the few reforms which have succeeded. And yet in the light of India's past experience and current political realities major emphasis on ceiling now is not warranted. This is in line with the numerous problems obstructing its implementation, and the fact that what has been so thoroughly scrambled up with impunity cannot be unscrambled, especially at a time when the role played by the big owners in the new technology is deemed paramount in all manner of circles. **Apart from all of this, our reluctance stems from the concern that the stress on ceilings could very well be at the expense of the more immediately promising concentration on the minimum programme of recorded**

rights of tenants or sharecroppers, security of tenure or their rights to remain on the land undisturbed, fair land rentals, non-exploitative farm wages, and a considerably enlarged scope of land consolidation.

Enough has been said why the "minimum programme" deserves top priority. Admittedly, the obstacles that stand in the way of a ceiling programme apply also to the still unresolved tenurial measures. The latter however do not curvy the same "bite" the former does. The minimum can no longer be denied for what it spells out immediately and as a prelude to any ceiling programme to come. If the political policy makers are in earnest about any of these issues, they should, for once, take to heart Prime Minister Gandhi's injunction that "it is time to face the facts". This is the understanding that there no contradiction between the steady progress of the new technology and those elementary and persistently denied rights of the underprivileged peasantry. Nor is there a contradiction between an expanding new technology and a ceiling programme. This holds in both instances in a country like India in quest of a more equitable distribution of farm income and rural stability. The only reason we underplay the land redistribution question at the moment is the absence of a climate that might yield positive results within a relatively short time. it is for this very reason that preoccupation with it now might also detract from, it not smother altogether, the effort to get on with the long overdue minimum programme.

If this were to happen and the status quo remains unbreached, agricultural production will nevertheless continue to rise under the impact of the new farm practices. But a more equitable and widespread distribution of income commensurate with the increased production need not be anticipated. The time has long since past when economists equated a rising GNP and per capita income with a more just distribution of the national product. This doesn't apply to many a country, and this is especially true in India where non-agricultural jobs are in short supply and the only prospects of betterment lies in a more secure and productive relationship to the land, which is the real meaning of the "minimum programme" and/or of the ceiling programme. It is true that not every land cultivator, particularly the totally landless, stands to benefit from it, but large numbers of them would. When this ground has been laid with a reasonable degree of effectiveness, a ceiling programme could be initiated with a much greater chance of success than in the past. Even then, agrarian reform will not provide land for all striving for it. The cake is indeed too small. "Final solutions" in Indian conditions of ever rising numbers pressing on the land are highly questionable and probably not attainable. What matters, therefore, is amelioration of existing conditions which these programmes could bring about, preferably in consonance with each other.

Whether singly or in unison progress along whose lines is predicated above all on the kind of shift of political forces which in the economic sphere enlarges the area of complementarity between growth and equity. And the question now as on previous occasions in but one: is this kind of a shift-taking place in present-day India? The answer depends upon bow much one taken on faith well-intentioned pronouncements as action-guides, or must one rely on seeing-is-believing as the only criterion. Between the two there is a wide gulf differently interpreted by different observers. An extreme example of opinion that the

more things change the more they remain the same is the following statement, reflecting on the character of political climate before and after the Congress split, which culminated in the 1971 elections. Says the writer:

"The pressure groups are the same. Even today the strength of the party lies in the solid support from the landlords, traders and businessmen. This [is] more so at the state, district and lower levels. The men, their attitudes, their interests, their ideological training as well as their modus operandi are exactly the same. Nothing has really changed".²⁸

We do not believe that "nothing has really changed". Social and political changes India has been undergoing are perhaps less pronounced than the physical ones, the changes are there nevertheless even if they haven't gone yet far enough to ease the solution of the problems discussed here. The fact of life is that from acquisitiveness to sharing is a long way, in India as elsewhere, but the often-stated commitment of the national leaders to the welfare of lower income groups cannot be disregarded. Germane to this are recent election trends away from the undisputed vote control formerly exercised by the "all-in-all" of the village community. Cynics may scoff at this, but it is a portent of the day when the under-privileged will vote only for those who vote for their interests. But will there be time enough? For if the changes are overly slow, inevitable questions come to mind: will the contradiction between "saying" and "doing", specially in the states, be resolved or greatly watered down in good time? Will there be time enough for the ceiling question and the rest of the unfinished business of agrarian reform to be dealt with in earnest, i.e., "with social and political compulsions", if necessary? Will fairer income distribution (growth with distributive justice) gain its head in time so as to preclude tensions arising from unfulfilled anticipations? In sum, and to paraphrase one writer, will radicalism in ideology be suffused with radicalism in policy and action before it is too late?

If substantial changes over a considerable time-space are indeed protracted, conventional wisdom suggests that a depressed peasantry would be tempted to redress its condition in its own drastic way, with economic and political consequences to match. We do not anticipate such an upheaval in the foreseeable future, partly because peasant awakening on its own has a long way to go yet, and partly because an organised peasant movement is slow in emerging. It would be a grave error of judgment on the part of bigger owners and their supporters to bank on these conditions as an insurance against a long overdue overhaul of the agricultural structure of India. For come it will, because unfulfilled needs have a way of injecting their own dynamic change and situations which have been long static. The only question is whether the change will take place in good time, within the due process of law, or in circumstances when an actively disgruntled peasantry takes the law into its own hands. Only a stitch in time -- and a bird in hand -- can ally such prospects.

Notes

1. For an overview of this history of the ceiling legislation the writer is greatly indebted to P.S. Appa (Joint Secretary and Land Reforms Commissioner) for his study of "Ceiling on Agricultural Holdings", Published by Ministry of Food and Agriculture, April 1971.
2. First Five-Year Plan, Page 190
3. *Ibid*, Page 187.
4. *Ibid*, Page 187-88.
5. *Ibid*, Page 129
6. Fourth Five-Year Plan, Page 179
7. *Ibid*, Page 180
8. V. M. Dandekar and Nilakantha Rath, "Poverty in India", Indian School of Political Economy, 1971, Page 77
9. Second Five-Year Plan, Page 204.
10. "Report of the Congress Agrarian Reforms Committee" (New Delhi: All India Congress Committee, 1951, Page 24) quoted by Raj Krishna, in "Some Aspects of Land Reform and Economic Development in India", Land Tenure, Industrialisation and Social Stability", Marquett University Press, 1961, Page 236-3237
11. Raj Krishna, *op cit*, Page 228-229
12. *Ibid*, Page 229
13. V.M. Dandekar and Nilakantha Rath, *op cit*, Page- 81.
14. *Ibid*, Page 82.
15. *Ibid*, Page 88.
16. *Ibid*, Page
17. *Ibid*, Page 86
18. Kamani Foundation, Bombay, November 1971
19. B.S. Minhas, "Rural Poverty, Land Redistribution and Development Strategy" *Indian Economic Review*, April 1970, Page 111.
20. *Ibid*, Page 112
21. *Ibid*, Page 112-113
22. *Ibid*, Page 113
23. *Ibid*, Page 113
24. *Ibid*, Page 113
25. B.S. Minhas, "Mass Poverty and Strategy of Rural Development in India", Economic Development Institute, International Bank for Reconstruction and Development, March 1971, Page 7-8
26. B.S. Minhas, "Rural Poverty, Land Redistribution and Development Strategy", *op cit*, Page 125
27. "Scandalous", Editorial, *The Times of India*; November 29, 1971.
28. S.K. Goel, "Industrial Stagnation - Cause and Remedy", *National Herald*, September 22, 1971.
29. P.C. Joshi, "Agricultural Policy", *Seminar*, July 1971