
CHAPTER SIX: CONCLUDING OBSERVATIONS

The preceding two chapters attempted a broad sketch of the changes in the size of operational holdings both at the all level and at the level of states. In the final analysis, it is useful to present the results in a nutshell and account for the phenomenon. Future course of action may also be indicated broadly.

6.1 CHANGES IN THE AVERAGE SIZE OF OPERATIONAL HOLDINGS IN INDIA.

The average size of a holding in a country is a good indicator of the state of health of its agricultural economy. If it declines over a period of time, it would mean, on the average lesser area is available for cultivation to each operational holding. The changes in the average size of operational holdings as revealed by the NSS Rounds and Agricultural censuses are put in juxtaposition in Table 6.1.

Table 6.1

Changes in the average size of operational holdings
in India

Report	Average size of holdings (in hectares)
1. National Sample Survey = 8th Round	2.20
2. National Sample Survey = 16th Round	2.70
3. National Sample Survey = 17th Round	2.64
4. Agricultural Census = 1970-71	2.30
5. Agricultural Census = 1976-77	2.00
6. Agricultural Census = 1980-81	1.82

Source : Compiled from, Government of India, National Sample Survey, 8th, 16th, & 17th Rounds and Agricultural Censuses- 1970-71, 1976-77 & 1980-81, New Delhi.

The average size of holding increased from 2.20 hectares in 1953-54 (NSS 8th round) to 2.70 hectares in 1960-61 (NSS 16th round) but declined to 2.64 hectares in 1961-62 (17th round). From 1970-71 to 1980-81 it declined at a faster rate; it was 2.30 hectares in 1970-71, declined to 2.00 hectares in 1976-77 and further to 1.82 hectares in 1980-81. In brief, over a period of 27 years the average size of holdings declined from 2.20 hectares to 1.82 hectares revealing thereby a declining trend.

CHANGES IN THE AVERAGE SIZE OF
OPERATIONAL HOLDINGS IN INDIA .
(1953-54 TO 1980-81)

AVERAGE SIZE (IN HECTARES)

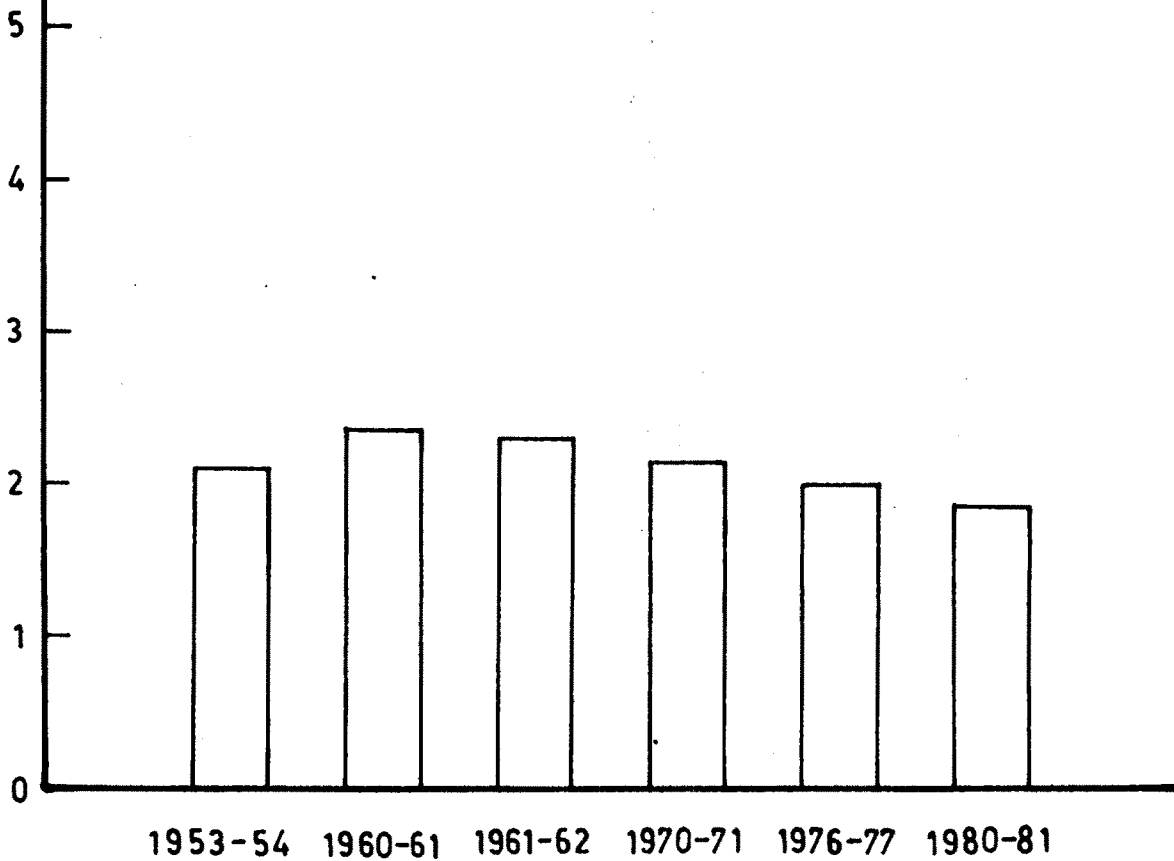


Table 6.2

Percentage distribution of number and area of land holdings in 1953-54 through 1980-81

Category of holdings and size group	National Sample Survey											
	8th Round (1953-54)		16th Round (1960-61)		17th Round (1961-62)		1970-71		1976-77		1980-81	
	Number	Area	Number	Area	Number	Area	Number	Area	Number	Area	Number	Area
Marginal (less than 1 ha.)	56.15	5.58	40.70	6.71	39.07	6.86	51.00	9.00	54.60	10.70	56.60	12.10
Small (1.0 ha. to 2.0 ha.)	15.08	10.02	22.26	12.17	22.62	12.32	18.90	11.90	18.10	12.80	12.00	14.20
Semi-Medium (2.0 to 4.0 ha.)	14.19	18.56	18.85	19.95	19.80	20.70	15.00	18.50	14.30	19.90	14.00	21.20
Medium (4.0 to 10.0 ha.)	10.22	29.22	13.45	30.47	13.99	31.17	11.20	29.70	10.00	30.40	9.00	29.70
Large (10.0 ha. & above)	4.22	36.62	4.74	30.70	4.52	28.95	3.90	30.90	3.00	26.20	2.40	22.80
All categories	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Note : Reference period : N.S.S. 8th Round -Major crop season 1953-54
 N.S.S. 16th Round -July 1960-June 1961
 N.S.S. 17th Round - Sept. 1961- July 1962

Source : Compiled from Government of India, N.S.S. 8th, 16th & 17th rounds and
 Agricultural census -1970-71, 1976-77 & 1980-81, New Delhi.

6.2 DISTRIBUTION OF NUMBER AND AREA OF LAND HOLDINGS FROM 1953-54 to 1980-81

In Table 6.2 the percentage distribution of the number and area under five categories corresponding to the NSS 8th round of 1953-54, 16th round of 1960-61, 17th round of 1961-62 and Agricultural Census of 1970-71, 1976-77, and 1980-81 are given. The size distribution of number of holdings and area of holdings has been classified into five categories, viz., marginal, (less than 1 hectare) small, (1.2 hectares), semi-medium, (2-4 hectares), medium (4-10 hectares) and large (10 hectares and above) on the lines of Agricultural Censuses. The trends in each can be noted.

6.2.1 Number of holdings

Marginal holdings :

With reference to 1953-54, the number of marginal holdings declined from 56.15 percent to 40.70 percent in 1960-61 and further to 39.07 percent in 1961-62. This trend was however, reversed in later years so that the proportion shot upto 51 percent in 1970-71, to 54.60 percent in 1976-77 and finally reached to 56.60 percent in 1980-81 thus returning to the 1953-54 position. It appears that the uptrend unleashed since the sixties would continue in future.

Small holdings :

The number of small holdings also exhibited trend similar to that of marginal holdings, in the initial decade.

Their proportion went up from 15.08 percent in 1953-54 to 22.26 percent in 1960-61 and further to 22.62 in the following year. Agricultural Census of 1970-71 registered a fall at 18.9 percent and the succeeding two censuses recorded a further fall at 18.1 percent and 18.0 percent respectively. Thus, the seventies have clearly marked a downtrend in this respect.

Semi-medium holdings :

The changes in semi-medium holdings were on parallel lines with those in small holdings involving an uptrend in the fifties and downtrend in the sixties and seventies. Their share shot up from 14.19 percent in 1953-54 to 19.80 percent in 1961-62 and then ultimately slashed down to 14 percent in 1980-81, that is, slightly below the 1953-54 position.

Medium holdings :

Similar to the semi-medium holdings was the behaviour of medium holdings the share of which went up from 10.22 in 1953-54 to 13.99 in 1960-61. The decline set in the later years ultimately brought down the share to 9 percent in 1980-81 which was lower than 1953-54 percentage.

Large holdings :

The proportion of large holdings increased slightly in 1960-61 and declined marginally in 1961-62. This declining

tendency continued in 1970-71, 1976-77 and 1980-81. The 1980-81 position of large holdings (2.4 percent) was much lower than the 1953-54 position (4.22 percent).

On the whole, the NSS data has revealed a declining trend in the proportion of the number of holdings in case of marginal holdings alone and pari passu an uptrend in case of all other size-groups. Agricultural Census data, on the other hand, has pointed out exactly opposite picture in which there has been an increasing trend for marginal holdings as against decreasing trend for rest of the size categories. Possible explanation for this phenomenon can be increasing man-land ratio under increasing pressure of population as well as consequences of land reform programmes. In latter case, people managed to escape the new legislations that came in the nineteen fifties by manipulating land records and by attempting partitions on paper only. These endeavours and other measures under land reforms must have got momentum since the sixties.

6.2.2 Area of operational holdings

Marginal holdings :

The proportion of area of operational holdings under marginal holding consistently increased in 1960-61, 1961-62, 1970-71, 1976-77 and 1980-81 and it became almost double in the period from 5.58 percent in 1953-54 to 12.10 percent in 1980-81.

Small holdings :

The proportion of area of operational holdings under small holdings increased in 1960-61 (12.17 percent) and in 1961-62 (12.32 percent) but marginally declined in 1970-71 (11.90 percent). It again increased to 12.80 percent in 1976-77 and 14.20 percent in 1980-81.

Semi-medium :

The proportion of area of operational holdings under semi-medium size also changed similar to the small holdings showing an increase upto 19.95 percent and 20.70 percent in 1960-61 and 1961-62. It slumped to 18.50 percent in 1970-71 but recovered to 19.90 percent in 1976-77 and further to 21.20 percent in 1980-81. So that in 1980-81 the percentage area of operational holdings under semi-medium size remained on higher scale than 1953-54.

Medium :

The percentage area of operational holdings under medium size exhibited an increasing trend over 1953-54 to 1961-62 and by and large a constant trend thereafter with the result, however, that the percentage of 1980-81 (29.70 percent) was marginally higher than that in 1953-54 (29.22 percent).

Large :

The percentage area of operational holdings under large size revealed a downtrend through out the period under consideration. The change is conspicuous as the share of 36.62 percent in 1953-54 slumped to 22.80 percent in 1980-81.

In sum, it appears that over the entire period from 1953-54 to 1980-81, on the whole, the percentage of area under marginal, small and semi-medium, sizes had an increasing trend, that under medium size had a constant trend while that under large size had a declining trend.

6.2.3 Number and area of holding

Now a consolidated position of trends in number and area can be presented briefly. In case of marginal land size, though there was downtrend and later on an uptrend in the number of holdings, there was a continuous uptrend in the area covered. With small sized holdings, though initial uptrend throughout. For semi-medium size, though the number of holdings passed through uptrend and downtrend, area covered had an overall uptrend. Medium size holdings exhibited overall declining trend for the number of holdings but a very moderately upward slanting trend for the area. Finally, both the number and area of large-sized holdings had a conspicuously declining trend. All this brings out the inference that the number and area of land under the first three categories, namely,

marginal, small and semi-medium were swelling over the period by a contraction of those under medium and large sizes.

6.3 CHANGES IN THE AVERAGE SIZE OF OPERATIONAL HOLDINGS IN DIFFERENT STATES

In Table 6.3, the average size of holdings in different states in India corresponding to the National Sample Survey 16th and 17th rounds and Agricultural Censuses of 1970-71, 1976-77 and 1980-81 is given. In 16th round (1960-61) the average size of holdings in India was 2.70 hectares, the states above the all-India average size were Rajasthan, Gujarat, Karnataka, Madhya Pradesh, Maharashtra and Punjab, and below the average were Assam, Bihar, Jammu & Kashmir, Tamil Nadu (Madras), Uttar Pradesh, Kerala, and West Bengal. Andhra Pradesh equalled the national average. Rajasthan had the highest size (5.61 hectares) and Kerala the lowest (0.80 hectares).

According to the National Sample Survey of 17th round the average of a holding for the country was 2.64 hectares. The states above the all-India average size were Andhra Pradesh, Karnataka (Mysore), Madhya Pradesh, Maharashtra, Gujarat, Punjab and Rajasthan, and below the average were Assam, Bihar, Jammu & Kashmir, Tamil Nadu (Madras), Uttar Pradesh, Kerala, Orissa and West Bengal. Rajasthan (5.58 hectares) and Kerala (0.75 hectares) continued to hold the top and bottom positions.

Table 6.3

Changes in the average size of operational holdings in
different states from 1960-61 to 1980-81

State	(in hectares)				
	National Sample Survey		Agricultural Census		
	16th Round	17th round	1970-71	1976-77	1980-81
Andhra Pradesh	2.70	2.89	2.51	2.34	1.87
Assam	1.68	1.47	1.47	1.37	1.36
Bihar	1.63	1.53	1.52	1.11	0.99
Gujarat	4.87	4.51	4.11	3.71	3.45
Haryana	N.A.	N.A.	3.77	3.58	3.52
Jammu & Kashmir	1.57	1.43	0.94	1.07	0.99
Karnataka	3.91	4.13	3.20	2.98	2.73
Madhya Pradesh	4.10	4.01	4.00	3.58	3.42
Maharashtra	5.31	4.67	4.28	3.66	2.95
Tamil Nadu	1.58	1.50	1.45	1.25	1.07
Uttar Pradesh	1.87	1.80	1.16	1.05	1.01
Kerala	0.80	0.75	0.69	0.49	0.43
Manipur	N.A.	N.A.	1.16	1.12	1.24
Meghalaya	N.A.	N.A.	1.69	1.74	1.74
Nagaland	N.A.	N.A.	5.40	7.61	7.41
Orissa	1.87	1.99	1.89	1.60	1.59
Tripura	N.A.	N.A.	1.02	1.25	1.08
Himachal Pradesh	N.A.	N.A.	1.53	1.63	1.54
Punjab	4.54	3.87	2.89	2.74	3.79
Rajasthan	5.61	5.58	5.46	4.65	4.44
Sikkim	N.A.	N.A.	N.A.	2.56	1.94
West Bengal	1.58	1.56	1.20	0.99	0.94
All India	2.70	2.64	2.30	2.00	1.82

N.A. = Not Available

Note : Reference period = NSS 16th Round = 1960-61
= NSS 17th Round = 1961-62

Source : Compiled from Government of India, National Sample Survey
16th, 17th rounds and Agricultural Censuses of 1970-71,
1976-77 and 1980-81, New Delhi.

As per the Agricultural Census of 1970-71 the average size of holding for the country was 2.30 hectares, the states above the all-India average were Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Punjab and Rajasthan, and below the average were Assam, Bihar, Jammu & Kashmir, Tamil Nadu, Uttar Pradesh, Kerala, Manipur, Meghalaya, Orissa, Tripura, Himachal Pradesh and West Bengal. Rajasthan and Kerala maintained their top and bottom positions.

According to Agricultural Census of 1976-77 the average size of holding in India was 2 hectares. The states above the all-India average were Andhra Pradesh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Punjab, Rajasthan and Sikkim and below the average were, Assam, Bihar, Jammu & Kashmir, Tamil Nadu, Uttar Pradesh, Kerala, Manipur, Meghalaya, Orissa, Tripura Himachal Pradesh and West Bengal. The top position was conceded to Nagaland (7.61 hectares) while Kerala continued to be at the bottom (0.49 hectares).

It is reported in the Agricultural Census of 1980-81 that the average size of holding in India was 1.82 hectares. The states above the all-India average were, Andhra Pradesh, Maharashtra, Nagaland, Punjab, Rajasthan and Sikkim and below the average were Assam, Bihar, Jammu & Kashmir, Tamil Nadu, Uttar Pradesh, Kerala, Manipur, Meghalaya, Orissa, Tripura,

Himachal Pradesh and West Bengal. Nagaland and Kerala maintained their highest and lowest positions with 7.41 hectare and 0.43 hectare respectively.

From the above given details it is clear that in the twentytwo states under study from 1960-61 to 1980-81, Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Haryana, Nagaland (for the last two states information is available only from 1970-71) and Sikkim (data available from 1976-77) were above the average size of all-India and the remaining states (Assam, Bihar, Jammu & Kashmir, Tamil Nadu, Uttar Pradesh, Kerala, West Bengal, Manipur, Meghalaya, Orissa, Tripura, Himachal Pradesh (for the last five states data is available from 1970-71) were below the average size of all-India. Furthermore, among all the states, Rajasthan maintained the top position till 1970-71 but later on it was relegated to second position by Nagaland, Kerala, however, continued to hold the bottom position all the while with average size less than a hectare.

One points needs to be noticed in this context. The states in which the size of holdings has all the while remained above the national average mostly happen to be the ones wherein agricultural production has been substantial and has formed the major chunk of the national output. Among the states having land size below the national average, the contribution

of Uttar Pradesh, Tamil Nadu, West Bengal and Kerala to the national agricultural output is also significant, no doubt. Here comes, therefore, the issue of relationship between the size of operational holding and productivity of the land. When states having average size of land holdings above or below the national average have shown their capacity to produce substantial output, effective use of the latest technology assumes more importance than the actual size of holding.

6.4 CAUSES FOR DIMINUTION OF THE SIZE OF HOLDINGS

The foregoing statistical details have revealed that a persistent diminution of the average size of operational holding has been a national phenomenon occurring in every state with occasional exceptions here and there. It is necessary, therefore, to account for the development. Major factors are enumerated below.

1. Pressure of population

India has been facing a problem of its fast growing population which has shot up from 36 crores in 1951 to 68 crores in 1981. This nearabout doubling of the population within three decades has obviously increased the pressure of people depending on agriculture. Consequently, with every increase in population, land got divided and sub-divided among a large number of people thus lowering the average of holdings through time.

2. Decline of Joint family

In the past the joint family system kept the size of farms intact, despite the rise in the number of family members from generation to generation. But now this system is breaking up fast under the influence of new employment opportunities, education, western thoughts, etc. As a result with division of the family the grown-up successors desire to manage their own farm share independently to avoid family bickerings and litigations. A small independent farm is preferred to a large joint farm.

3. Law of inheritance

According to the laws of succession, all sons and daughters are entitled to an equal share in the ancestral property. As a result, even large agricultural estates get divided and sub-divided with every generation. Importantly, very often the successors insist on dividing equally, within feasible limits, every separate piece of land and thus contribute to emergence of fragmented holdings.

4. Attachment to land

In India the possession of land is considered a matter of prestige, social status, and security. Therefore, people stick to land however small may be the size of land. As a result, nobody leaves his share; instead, he insists

on taking his part and retaining it, leading to splitting up of land into small pieces.

5. Crop-sharing

Large number of landowners in India do not cultivate land themselves, but get it cultivated by others on the basis of crop-sharing. In making such arrangements, landlords do not give the entire land or even a big chunk to any one. Instead they lease it to many tenants, each one getting a small piece. This he does to keep his troubles to the minimum and also to escape the legal traps. In these cases the size of land becomes small in the operational sense without the ownership being affected.

6. Indebtedness and the money lender

It has been seen that quite often the farmer, under heavy debt, sells part of his land to pay off his debts. Again, it has been found that the moneylender traps the illiterate farmer into taking loans with the sole aim of getting hold of his land which in turn, affects the size of holdings.

7. The decline of handicrafts and village industries

Another important and historical factor for the small sized holdings in the country is the decline of village handicrafts. The handicrafts had provided employment and a

source of livelihood to the artisans. Owing to competition from machine-made goods, the artisans were forced to leave their occupations and fall back on agriculture. This has also lead to reduction in the sized of holdings.

8. Land reforms programme

As a measure of institutional reforms in agriculture, land reforms programme was initiated since the First Five Year Plan. It has caused long-standing consequences on the agrarian structure of the country. Tenancy reforms were aimed at security of tenure to the tenant and fixation of rents. In practical life, however, the landlords anyhow ejected many of their tenants by allotting them a small portion of the total holding. Even the law permitted this kind of compromise to bring an end to the tenancy practice. By this process, the tenant-at-will was made owner of the land but of a small piece of land. Another measure was ceilings on land holdings. Surplus land over and above the official ceiling was acquired by the government and redistributed among small and marginal farmers and landless labourers in small bits. At the same time, to escape the surrender of surplus land above ceiling, large landholders effected family partitions mostly on paper as also benami transfers of such land, so that for the purposes of land record the number of holdings increased with each holding size remaining below the ceiling limits.

9. Redistribution of reclaimed land

Agricultural development programme through Five Year Plans envisaged reclamation of waste land for cultivation purpose to meet the country's demand for higher agricultural production. Such reclaimed land was redistributed in small pieces to the small and marginal farmers and landless agricultural labourers. Hence, the number of small and marginal holdings increased sharply.

10. Bhoodan Movement

The non-official Bhoodan Movement piloted by Acharya Vinoba Bhave aimed at a redistribution of landed property through voluntary gifts of land. Normally, the big landowners parted with a portion of their land under social pressure caused by the movement. Moderate-sized pieces of such lands were then transferred to the landless labourers thus swelling the number of small holdings.

11. Unsatisfactory progress of consolidation and cooperative farming

The land reforms measures involved a very ambitious programme for consolidation of existing uneconomic holdings. In practice, the activity was pursued at a slow pace due to legal problems faced in the process as also tough resistance from the people. Therefore, the pace of reduction in the number of small holdings through consolidation always remained

less than that of increase in the number of smaller holdings through other developments.

Similarly, development of cooperative farming was another facet of the land reforms programme. This measure also aimed at making small-sized holdings operationally economical through preferably cooperative joint cultivation. But for various known reasons the small cultivators did not adhere to this kind of activity and preferred to be associated with service cooperative societies. Most of the small landowners thus continued to struggle with their small piece of land.

6.5 LINES OF IMPROVEMENT

The cultivation of small holdings poses a variety of problems. It reduces the productivity and production. It may not employ the basic infrastructure that the farmer has to maintain to carry on his agricultural operations. For example, a pair of bullocks, a plough and other implements may not be utilised to their full capacity through out the year. Income from the tiny plots is not even adequate to meet the costs of bullocks and the cultivator. Generally speaking, all fixed costs bear a larger proportion to the value of the product with every diminution, after a certain point, in the size of the holding. There is great waste of area in small holdings; a great many more hedges, paths, etc. are required and the total area wasted in this manner is very considerable. The

employment of labour saving devices such as tractors, threshers, winnowers, etc., is impossible for the small holder unless there is some form of co-operation or union efforts and resources which, however, is not easily achieved. Thus the small size of a holding neither leaves the necessary opportunities nor the incentives to make the process of agricultural activity an economical one.

To make the size of holding suitable for operational efficiency, it is of utmost importance that the size of existing small holdings be increased. Of course, the extent ~~to~~ to which it should be raised depends upon several factors which differ from place to place. It may be that all the small farms cannot be increased in size in view of the overall scarcity of land in the country. In that case the aim should be to raise the size of maximum number of uneconomical farms. Towards this, several measures can be suggested.

1. Under the policy of ceiling, the surplus land available should be used to increase the size of holdings of those whose farms are uneconomic in size.
2. Land available through reclamation should be used for increasing the size of holdings wherever possible. Otherwise, tenant cooperative farming system be adopted for such land.
3. Besides increasing the size, it is necessary that further sub-division and fragmentation of holdings be prevented. This

requires modifications of existing laws of inheritance in such a manner that holdings of minimum size are not allowed to be sub-divided in all the states.

4. Restrictions should be made on purchases and sales of lands which result in reducing the size of holdings.
5. Population control will also help in preventing the fall of size of holdings.
6. The country should provide for withdrawing farmers having tiny holdings from the work of cultivation to some non-agricultural work. This will necessitate the establishment of agro-industries, and small scale and cottage industries in each village to find work for such agriculturists. The land thus released can be joined with other tiny pieces to make them operationally viable farms.
7. The work of consolidation should be made compulsory in all the states and given momentum.
8. It should be made obligatory for those whose holdings do not come up to the size of economic holdings to join cooperatives. Here very small farmers can pool their lands and operate more efficiently. These farmers will continue to be owners of their land, and will share the surplus produce as per their contribution of the land.

Despite these suggestions, the task of reducing the number of small holdings comes up against certain difficulties.

Broadly speaking, these are of two types. In the first place, the Indian farmer, through centuries, has been so wedded to land that its possession is a part of his existence. Culturally, socially and economically, he feels the necessity of keeping the paper ownership. Secondly, the farmer finds himself surrounded by an atmosphere where he sees that it is the power of private property that rules supreme, with no alternatives open to him, he is not inclined to part with his land howsoever small it may be for the sake of any organisation. Therefore, the problem of increasing the size of small sized holding can be solved by the measures which would prepare the small holder to adopt the directions. Changes in legal provisions, notwithstanding this, are badly needed. Implementation machinery also needs to be geared fully to the task undertaken since the launching of the process of planned economic development in the country.