



Bharat Ratna Dr. B R Ambedkar (April 14, 1891- Dec 6, 1956)

Agricultural Holdings in India and the relevance of Dr. Ambedkar's Thoughts

by

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The present presentation focus on the state of land holdings in India over time with reference to the following:

- ❖ discuss the state of peasantry in contemporary scenario in India.
- ❖ highlights various dimensions of Bharat Ratna Dr. B R Ambedkar's "Small Holdings in India and their Remedies", published in 1918.
- ❖ concludes and tries surface the relevance of Dr Ambedkar' view in this regard.

Present State of Indian Peasantry

- ❖ The number of marginal operational holdings increased from 61.6% (1995-96) to 63% (2000-01).
- ❖ Small operational holdings also showed an increase from 18.70% (1995-96) to 18.90% (2000-01).
- ❖ Area operated small holdings increased from 18.80% to 20.18% points for the same period.
- ❖ An agricultural product might be sold at Rs 15 the actual producer may be receiving 0.50

❖ At the all India level of the per 1000 number of farmers households 920, i.e. 92%, are not aware of World Trade Organisation(WTO).

❖ At all India, level 40.6% per 1000 of farmer households do not like farming as a profession.

❖ On the question of farming being profitable or not at the all India level only 26.5% per 1000 of farmer households, consider it not profitable.

❖ In the states like Bihar, Jharkhand, Uttaranchal and West Bengal that 35.2%, 30.2%, 42.3% and 35.4% of farmers per 1000 of farmer households consider farming to be not profitable.

❖ At the all India level, 69.9% per 1000 of farmer households are not in the cover of cooperatives.

It is also a fact that the scope for area expansion has reached its peak. The hope lies in efforts to boost productivity.

The paper entitled, *“Small Holdings in India and Their Remedies”* by **Dr B R Ambedkar**, published in 1918 in the *(Journal of Indian Economic Society. Vol.I)* *“attempts to deal with the problem of the size of holdings as it affects agricultural productivity”*.

“..diminutive size of holdings is said to be greatly harmful to Indian Agriculture.”

Dr Ambedkar further adds ,

“ The evils of small holdings no doubt, are many. But it would have been no slight mitigation of them if the small holdings were compact holdings. Unfortunately they are not”.

“..small and scattered holdings have given a real cause for anxiety regarding our great national industry.”

“Comparative statistics go to swell this feeling by laying bare two noteworthy but equally sad facts regarding economic life in India;

(1) that it is largely an agricultural country ;
and

(2) that its agricultural productivity is the
lowest.”

*[Small Holdings in India and Their Remedies,
Dr Babasaheb Ambedkar Writing & Speeches. Vol. I.1971]*

“If it is said that Indian agriculture suffers from small and scattered holdings we must not only consolidate , but also enlarge them . It must be borne in mind that consolidation may obviate the evils of small holdings unless the consolidated holding is economic, i.e. an enlarged holding.”

“The problem of perpetuating such a consolidated holding will next demand the care of the legislator. It is accepted without question by many that the law of inheritance that prevails among the Hindus and the Mohomedans is responsible for the sub-division of land”

On the death of a Hindu or a Mohomedan his heirs are entitled without let or hindrance to equal shares in the property of the deceased”.

“Now a consolidated holding subject to the operation of such a law of inheritance will certainly not endure for long”. [*Small Holdings in India and Their Remedies, Dr Babasaheb Ambedkar Writing & Speeches. Vol. I, Part V.1971*]

“But how is the existing law of inheritance to be changed ?”

“To a farmer a holding is too small or too large for the other factors of production at his disposal necessary for carrying on the cultivation of his holdings as an economic enterprise. ***Mere size of land is empty of all economic connotation.*** Consequently, it cannot possibly be the language of economic science to say that a large holding is economic while a small holding is uneconomic. ***It is the right or wrong proportion of other factors of production to a unit of land that renders the latter economic or uneconomic***”.

[Small Holdings in India and Their Remedies, Dr Babasaheb Ambedkar Writing & Speeches. Vol. I, Part V. pp. 468.1971]

“...a small farm may be economic as well as a large farm; for, economic or uneconomic does not depend upon the due proportion among all the factors including land.”

“...*Professor Jevons view an economic holding from the standpoint of consumption rather than production. In this lies their error, for consumption is not the correct standard by which to judge the economic character of a holding. It would be perverse accounting to condemn a farm as not paying because its total output does not support the family of the farmer though as pro-rata return from each of his investments it is the highest.*”

“...The family of a farmer can only be looked upon in the light of so much labour corps at his disposal . It may well be that some portion of this labour corps is superfluous, though it has to be supported merely in obedience to social custom as in the case in India. But if our social customs compels a farmer to support some of his family members even when he cannot effectively make any use of them on his farm we must be careful not to find fault with the produce of the farm because it does not suffice to provide for the workers as well as dependants that may happen to compose the family..”

“..The adoption of such an accounting system will declare many enterprises as failures when they will be most successful. There can be no true economic relation between the family of the entrepreneur and the total out-turn of his farm or industry. True economic relation can subsist only between total out-turn and the investments.”

“If the total out-turn pays for all the investments no producer in his senses will ever contemplate closing his industry because the total out-turn does not support his family. This is evident, for though production is for the consumption it for the consumption only of those who help to produce . It follows, then, that if the relation between out-turn and investments is true economic relation , we can only speak of a farm as economic .”

“...i.e., paying in the sense of production and not in the sense of consumption .Any definition, therefore, that leans on consumption mistakes the nature of an economic holding which is essentially an enterprise in production.” *[ibid.]*

It was argued by Dr Ambedkar that productivity in agriculture can be increased by simultaneously expanding capital and capital goods and reducing labour to raise land and labour productivity.

“ The sponging off of surplus labour in non-agricultural channels of production will at one stroke lessen the pressure and destroy the premium that at present weighs heavily on the land in India. Besides, this labour when productively employed in agriculture and industrial sector will cease to live by predation and will not only earn its keep but will give surplus; and more surplus is more capital. In short, strange that it may seem industrialization of India is the soundest remedy for the agricultural problems of India.” *[ibid., p.477]*

“The value of farm lands decreases in exact proportion as the ratio of agriculture to other industries increases. That is , where all the labour is devoted to agriculture , the land is worth less than where only half of the people are farm labourers; and when only a quarter of them are so engaged the farms and their product are still more valuable. Manufacturers and varied industries thus not only benefit the manufacturers, but are of equal benefit and advantage to the farmers as well.” *[ibid., p.478]*

Element of similarity echo in the work on Nobel Laureate W A Lewis , *“Economic Development with Unlimited Supplies of Labour”*, *The Manchester School*, May 1954, when Professor Lewis analyzes the process of economic expansion in a dual economy composed of a “capitalist” sector and a non-capitalist sector.

What Dr Ambedkar elaborated in 1918 find reflexes in seventies:

‘.....the total impact of land reforms has been less than had been hoped for this there are several reasons. In the first place, there has been too little recognition of land reform as a positive programme of development, and it has been only too often regarded as extraneous to the scheme of community development and the effort to increasing agricultural production.’ (Planning Commission, 1972).

G Saibaba in his article stated, “Dr. Ambedkar’s ideas on agricultural development were based on industrial development. Institutional reforms which include land reforms and state socialism and state socialism are also *pursued* by Dr Ambedkar.....His ideas on land reforms were highly practical and original. Ambedkar presented data to show how the economic effect of idle labour. Thus, he advocated shifting of this idle labour to non-agricultural activities, where it is productively used. This means that industrialization of India is the soundest remedy for the agricultural problems of India..” *[Relevance of Ambedkarism in India, Editor K S Chalam, “Ambedkar as a Theoretician and Policy Maker”, G Saibaba, pp.92-93]*

C Sivarama Krishnarao opined “ A perspective of Dr. Ambedkar that had been the hallmark of our development strategy is: If small and scattered holdings are the ills, from which our agriculture is suffering, to cure it of them is undeniably to industrialise.” *[Relevance of Ambedkarism in India, Editor K S Chalam, article by C Sivarama Krishnarao , “Ambedkar’s Views on Small Holdings in India”. pp.121]*

“ Exploitative agriculture offers great dangers if carried out with only immediate profit and production motive.....Intensive cultivation of land without conservation of soil fertility and soil structure would lead ultimately, to the spring of deserts”.

[Agriculture Cannot Wait: New Horizons in Indian Agriculture. By M S Swaminathan. pp.18. 2005]

“..some of the theoretical foundations on economic development for developing countries, such as Arthur Lewis model of economic development with unlimited supplies of labour, models based on inter-sectoral linkage of labour and capital, developed in the 1950s and 1960s and also the theoretical principles underlying the strategy of planned economic development in India assumed a theoretical framework identical to that conceived by Ambedkar much earlier in 1918”

[“Development Planning: The Indian Experience”, Sukhamoy Chakravarty(1987) Delhi, Oxford University Press. Courtesy: Ambedkar in Retrospect: Essays on Economics, Politics & Society, Edited by Sukhadeo Thorat & Aryama. Pp.28. 2007]

“India is caught between two sides of pincers, the one side of which is progressive pressure of population and the other is limited availability of land in relation to its needs. The result is that at the end of each decade, we are left with negative balance of population and production and a constant squeezing of standard of living and poverty. The population pressure is giving rise to an army of landless and dispersed families as well. Nothing can open possibilities of making agriculture profitable except a serious drive in favour of industrialisation...”

[Dr.Babasaheb Ambedkar, Writings & Speeches, Vol.1, Government of Maharashtra, p477]

The deep rooted problem of land distribution, the problems arising out from the deeply imbibed law of inheritance and psychological affinity with the parental land and its distribution remain as well as the situation arising due to near exhaustion cultivable land is what Dr Ambedkar identified and categorically classified long back.

Does one need to elaborate more on the contemporary relevance of Dr Ambedkar's thoughts on this aspect?

Thanks