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A COMPARATIVE REVIEW OF FIVE LAND REFORM STUDIES SPONSORED BY THE RESEARCH PROGRAMMES COMMITTEE*

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1. TENANCY PRACTICES

(i) *Legal Provisions*

The abolition of intermediaries was expected to bring the actual cultivator into direct relationship with the State, so that there would be only two interests on the land, namely, the government and the owner cultivator. Since sub-leasing as a tenancy practice was an intractable problem, special provisions had to be made in some States to restrict the practice. According to the U.P. Zamindari Abolition Act, one could sub-let land to a recognized educational institution for purposes connected with instruction in agriculture. Sub-letting was also allowed in case the land holder was (1) an unmarried divorced or separated woman widow or one whose husband was physically and/or mentally infirm, (2) a minor, (3) a mentally and/or physically infirm person, (4) a *bona fide* student under 25 years, (5) a person in defence services or (6) a person in detention or imprisonment. While the Act restricted sub-letting it had provided for a kind of "arrangement whereby a person was entitled to a right merely to share in the produce grown on the land with a tenure holder in the actual performance of agricultural operations."[1] This amounted indirectly to a system of share-cropping. In Rajasthan, the *khatedar* tenant was permitted to sub-let the land for a maximum period of five years, but to give a further lease or sub-lease a gap of two years was insisted upon. The exemptions against restrictions were by and large the same as in Uttar Pradesh. It was also provided that members of scheduled caste/scheduled tribe could sub-let land to members of such tribes or castes, and not outside.[2] The provision against sub-leasing in Hyderabad was more sweeping. There was a general prohibition of any leasing after three years from the commencement of the Hyderabad Tenancy and Agricultural Lands Act 1950. Under certain circumstances leases could be made but they were to be for a period of five years and be automatically renewable for a further five-year period, unless legally terminated. After the three-year period only a minor, or a female, or a person permanently incapable of cultivation by reason of any physical or mental infirmity or one temporarily prevented from cultivating land was allowed to lease out land. At the time of the survey or at the time of enforcement of the intermediary abolition measures there were no restrictions on sub-leasing and other tenancy practices in Saurashtra and Andhra. In examining the findings of the survey, it would be helpful to keep in mind the differences in this respect in the different States studied.

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* The first part of this review was published in the January-March, 1968 issue of this *Journal*. The five studies reviewed are : (1) Economic and Social Effects of Zamindari Abolition in Andhra by B. Sarveswara Rao, (2) A Study of Land Reforms in Uttar Pradesh by Baljit Singh and Shridhar Misra, (3) A Study of Land Reforms in Rajasthan by Dool Singh, (4) Effects of Land Reforms in Saurashtra by R. R. Mishra, and (5) Economic and Social Effects of Jagirdari Abolition and Land Reforms in Hyderabad by A. M. Khusro.

1. Baljit Singh and Shridhar Misra : A Study of Land Reforms in Uttar Pradesh, Oxford Book Co., Calcutta, 1964, p. 77.
2. Dool Singh : A Study of Land Reforms in Rajasthan, Pilani, Rajasthan, 1964, p. 71.

(ii) Findings

The data showed that in Andhra leasing-in was practised mostly by small holders. Pure rent receivers amounted to 5.5 per cent of the total households in 1946-47. Though this percentage rose to 6.1 in 1954-55, the area held by them declined slightly from 6.7 per cent to 6.6 per cent. Leased out area as a percentage of owned area declined from 8.9 to 8.4, but leasing-in as reported by the sample households increased from 8.8 to 10.7 per cent on the basis of ownership holdings, and from 12.4 to 14.2 per cent on the basis of cultivation holding. This difference may partly be due to the tendency to under-state leasing out and report fully the leasing-in by the sample households. This would amount to some degree of concealing the practice of leasing out. This is further supported by the fact that owned land self-cultivated declined by 1.7 per cent in respect of owned land and by 2.3 per cent in respect of cultivation holding. But it was noted that there was a decline in the area held by pure tenants (from 4.3 per cent to 4.0 per cent) though their number increased from 8.3 per cent to 9.2 per cent during the period. The net increase in cultivation holding during the period was to the extent of 2,337 acres or 6.4 per cent. It was found that 21.6 per cent of the sample households was affected by a decline in the cultivation holding amounting to 13.3 per cent and 38.7 per cent of the households was affected by an increase in the cultivation holding, the extent being 19.7 per cent. These changes were mainly attributed to fear of impending tenancy laws and not to the effects of zamindari abolition.

In Uttar Pradesh before zamindari abolition agricultural land was mostly cultivated by different grades of tenants, and this was so even in respect of *Sir* and *Khudkasht*[3] lands held, particularly, by the larger intermediaries. The tenant cultivators consisted of three groups, *viz.*, permanent tenants, temporary tenants and sub-tenants. Before zamindari abolition in the sample villages the share of cultivated land among these respective groups was 69.63 per cent, 6 per cent and 8.04 per cent, share-cropping was widely practised and the households under the system was estimated to be 4.2 per cent of the cultivating households. There was decidedly a tendency to under-state the extent of share-cropping even before zamindari abolition, according to the authors of the report.

The zamindari abolition created permanent tenures and restricted sub-leasing. It was estimated that, after land reforms, 2 per cent of the total area under the holdings in the sample villages was occupied by different types of sub-tenants. The inquiry revealed that the incidence of sub-tenancy declined after the zamindari abolition, from 8.04 per cent to 1.87 per cent of the cultivated holdings. Of course, this is exclusive of areas held as share-cropped and without consent. In the sample villages the so-called 'share-cropped' area was actually held by sub-tenants, but as sub-tenancy was not legal such cultivation was stated to be in the form of share-cropping. The actual extent under sub-tenancy, including share-cropping, was thus estimated to be 13.98 per cent of the total cultivated area before zamindari abolition and 10.50 per cent after. There was a decline in sub-tenancy (excluding share-cropping) by 66 per cent after the zamindari abolition. On

3. *Sir* lands in a village which are cultivated by the hereditary proprietors as their own especial share either by their own labourers or at their own cost or by tenants-at-will. *Khudkasht*—generally lands other than *Sir* which are under the personal cultivation of the landlord.

similar basis, the decline in share-cropping was only by 3.77 per cent. The Report says : "The fact is that zamindari abolition has had little effect on share-cropping and this Act has left a backdoor for sub-tenancy cultivation through this practice." [4] Cultivation on share-cropping basis was practised by all types of tenure holders; *Asamis* and non-tenure holders had as much as 83.87 per cent of their cultivation holding under this system, while for *Bhumidars* and *Sirdars* the percentages were 3.40 and 15.02 respectively. It is significant to note that though households below 10 acres in size amounted to 78.5 per cent of the sample only 53.3 per cent of the share-croppers fall in this group, showing that even relatively larger land holders also enter into this practice. In fact, 13.64 per cent of the households in the size-group 20 to 40 acres hold lands under share-cropping amounting to 8.78 per cent of their cultivation holdings. Thus in Uttar Pradesh though the changes in land tenure was wholesale, the persistence of share-cropping, which is essentially disguised tenancy, is a significant finding.

The tendency to conceal tenancy and share-cropping was noted in Rajasthan too, where restrictions on sub-leasing were more or less similar to those in Uttar Pradesh. There was one significant difference in sub-leasing after land reforms. Now, in place of the intermediaries, sub-leasing was practised by *khatedar* tenants and other influential members in the village community though the ex-intermediaries who retained their influence did not give up the practice. Sub-leasing was done "in such a manner that the name of the cultivator is not entered in the annual records of the revenue department."[5] The study showed the reluctance to reveal sub-tenancy and the prevalence of high rates of rent in spite of the legal maxima provided. Tenancy was also concealed by the practice of *hissedari* or *bhagidari*, invariably under an agreement, that goes by the name *Naukernama* (service agreement), signed by the share-cropper.[6] As this was done by mutual agreement and as, in the bargain, the land holder was in a much stronger position it always happened that the tenants received less favourable terms than what they used to in the past. This practice was more common in districts with higher pressure of population with 'backward' cultivators and where irrigation facilities were available. Thus in spite of the Rajasthan Tenancy Act the tenancy conditions after the intermediary abolition were in no way better than what they were previously.

Unfortunately, in the Saurashtra Report we do not have a meaningful account of the tenancy practices after intermediary abolition, though some details are given about the conditions prior to land reforms. In the *jagir* areas of Hyderabad, the practice of leasing out increased from 8.1 per cent of the owned area to 8.9 per cent between 1948-49 and 1953-54 and owned area self-cultivated declined from 80.6 per cent to 80 per cent. An analysis of cultivation holding in the *jagir* areas showed a similar trend. The 'owned and cultivated' area declined from 82.7 per cent to 82.3 per cent, and area taken on lease increased from 16.5 per cent to 17 per cent. These changes were meagre and what was important was the predominance of owner-cultivated area. An alternative approach by plot survey showed that the area under self-cultivation increased from 83.3 per cent of the cultivation holding to 86.4 per cent, and leased out area declined from 14.4

4. Baljit Singh and Shridhar Misra : *op. cit.*, p. 160.
5. Dool Singh : *op. cit.*, p. 165.
6. *ibid.*, p. 172.

per cent to 11.9 per cent. The corresponding changes in *Diwani* areas were more pronounced. For example, self-cultivated area increased from 71.9 per cent to 78.5 per cent and leased-in area declined from 21.6 per cent to 15.7 per cent. The difference revealed by the two approaches may be due to a certain degree of concealed tenancy practices, which is not discussed in the report. The author warns that the increase in self-cultivation need not necessarily be a healthy trend if such increase was a result of illegal eviction of protected tenants, which was very common in Hyderabad as revealed by the inquiry.

It is singularly significant that the abolition of intermediaries roused the suspicion of landowners in Andhra and affected the areas indirectly, while in Uttar Pradesh concealed tenancy thrived in the shape of crop-sharing. In Rajasthan, tenancy practices did not improve after land reforms and the abolition of intermediaries created a new class of landlords. Increasing self-cultivation in Hyderabad cannot be a healthy trend to the extent that this happened at the expense of protected tenants. We have, thus, no evidence to show that the tenancy practices changed to the better as a result of the abolition of intermediaries though the former tenants became owners under the law.

2. BORROWINGS

(*i*) *Limitations*

The actual cultivators under the intermediaries were subject to exactions of various types, thus reducing their capacity for investment. Hence the removal of the intermediaries should positively influence the investment pattern of these cultivators, other things remaining the same. This condition is stressed because in certain cases the cultivators were required to pay the price of the land over which they became owners. Where this was true investments would be impeded until such payments are completed and all debts raised on that account are cleared. There were still other inhibiting factors like disguised tenancy, absence of institutional finance, etc. In evaluating the effects of abolition of intermediaries on borrowings and investments such factors cannot be overlooked.

The studies in most cases covered periods during which the implementation was either just completed or was still in progress. This leaves no time lag to show the impact of the new situation on the investment pattern. To some extent this handicap could be overcome by taking annual averages of investments and borrowings for the period concerned. This was done to a certain extent in the Saurashtra Report.

The Uttar Pradesh Report does not go into borrowings and indebtedness and referred to investments only in a very superficial manner. The analysis in the Andhra Report does not enable one to make two-point comparisons because the data pertain either to the period 'after' land reforms or they are averages for the period studied. Another shortcoming is the failure of some studies to examine a sample of ex-intermediaries and their post-reform behaviour. This is true in respect of the Andhra, Hyderabad and partly the Uttar Pradesh studies.

Borrowings, investments, assets and production are closely connected and should be considered together if the analysis is to be balanced. Further, it is significant to see the shifting importance of the sources of finance, of distribution of borrowed resources into short, medium and long-term, and productive and

non-productive, as well as into agricultural and non-agricultural investments, and so on. It is disappointing for a comparative study that these aspects were not given at least a relatively uniform consideration in these Reports.

(*ii*) *Extent of Borrowings/Indebtedness*

In Andhra, 71.8 per cent of the sample households was indebted in 1953-54 (the period 'after' land reform) and the average indebtedness for the indebted households was Rs. 822 and for all the sample households it worked out to Rs. 590. Among the sample tenant households in Rajasthan only 44.9 per cent was in debt 'before' land reforms and 65 per cent 'after.' But the average debt per indebted household declined during the period from Rs. 902 in 1953-54 to Rs. 890 in 1960-61. It is interesting to note that the average debt taking all sample households in 1953-54 was Rs. 299 and this rose to Rs. 620 in 1960-61. Regionally, the incidence of indebtedness was high among the families in the mainly zamindari and *Khalsa* districts in 1953-54, *viz.*, 52.4 per cent and 52.8 per cent respectively, while in the mainly *jagir* districts only 39.2 per cent was indebted. By 1960-61 the proportion of indebted households was uniform, being 63.9 per cent for mainly *jagir*, 66.5 per cent for mainly zamindari and 66.6 per cent for mainly *Khalsa* districts. The data on the borrowings among the intermediaries are not adequate to show the regional and classwise variations or the overall extent of indebtedness among the families. Out of 754 sample occupant households in Saurashtra, 497 (65.9 per cent) were indebted. The average borrowings per indebted household was Rs. 504 and for all sample households it was Rs. 332. Taking all sample households, the average burden on *girasdari* tenant was Rs. 491 and on *barkhalidari* tenant Rs. 352. But one cannot say from the data in the Report as to what proportion of households among the latter two groups was indebted.

Assuming that the 936 households were taken from the *jagir* areas and 201 from the *Diwani* areas in the Hyderabad[7] study, the average indebtedness (taking all sample households) was Rs. 59.14 and Rs. 118.35 in 1948-49 and 1953-54, respectively in the *jagir* areas, and Rs. 21.64 and Rs. 90.32 for the two years in the *Diwani* areas. There was 100 per cent increase in actual borrowings. However, the remarkably low level of average indebtedness is striking. The overall average borrowings increased. In fact, the increase in Hyderabad was substantial. However, the average per household still remained substantially lower than that in the other States.

(*iii*) *Source of Borrowings*

The increased borrowings would be all the more significant if there was a general visible trend in favour of institutional credit. The source of borrowings is shown in Table I.

A study of the data in Table I would reveal that the overall structure of financial resources in Saurashtra was most favourable : for example, the moneylender provided only 35.3 per cent and the government 36.4 per cent of the borrowings by occupants. The role played by the co-operatives was very significant (19.8 per cent of the borrowings) for occupants. The co-operative land mortgage

7. It is to be presumed to be so. See Seminar on Land Reforms, Proceedings and Papers, Planning Commission, Government of India, 1966, p. 152.

TABLE I—SOURCE OF FINANCE BEFORE AND AFTER LAND REFORMS

(*Percentage distribution*)

Source of finance	Andhra		Rajasthan (Tenants)		Saurashtra (Annual average)			Hyderabad			
								Jagir area		*Diwani* area	
	Before	After	Before	After	Occupants	*Girasdari* Tenants	*Barkhalidari* Tenants	Before	After	Before	After
1. Moneylender	—	90.6	85.7	80.1	35.3	24.1	43.5	79.5	75.1	95.4	88.3
2. Co-operatives	—	4.5	0.8	2.7	19.8	7.6	9.4	0.3	1.1	—	—
3. Co-operative land mortgage banks ..	—	2.0	—	—	8.5	46.1	2.0	—	—	—	—
4. Commercial banks ..	—	1.1	—	—	—	—	—	—	—	—	—
5. Intermediaries	—	—	2.0	1.5	—	—	—	0.8	—	—	—
6. Friends and relatives ..	—	—	6.2	9.0	—	—	—	11.0	17.3	4.6	7.1
7. Government	—	1.8	—	2.1	36.4	22.2	45.1	2.3	1.9	—	2.2
8. Others	—	—	5.3	4.6	—	—	—	6.1	5.5	—	2.4

banks advanced substantial amounts to the *girasdari* tenants to pay off the price of the land. Government provided 45.1 per cent of the borrowings of *barkhalidari* tenants. The financial provisions made by the Saurashtra Government for the implementation of land reforms speaks for this happy picture. Commercial banks, as a source of finance, was in the picture only in Andhra, and the intermediaries only in Rajasthan and Hyderabad. The qualitative shift in Rajasthan seems to be significant, where moneylender, ex-intermediaries and 'others' declined, and co-operatives, government and friends and relatives gained in importance. The shift in Hyderabad was not very marked, though the importance of moneylender in *jagirs* declined and the role of government also declined. It is interesting to note the considerable increase in the importance of friends and relatives as a source of finance. The disappearance of the intermediaries is understandable. In the *Diwani* areas the decline in the importance of moneylender was not followed by the entrance of co-operative credit, which is a disappointing trend. Government entered in the field 'after' land reforms and friends and relatives accounted for a larger share of the borrowings in 1953-54 compared to that in 1948-49. But co-operative credit was not available to the cultivators in the *Diwani* areas in both the years. These studies show that when the government took positive steps to finance the cultivators in the wake of land reforms the moneylenders lost their hold; where the government failed to do so the importance of the moneylender remained unaffected.

(*iv*) *Productive and Non-productive Borrowings*

The changing pattern of the types of borrowings would be interesting. As economic conditions change for the better and cultivators become more forward-looking, the non-productive borrowings decline. This would be on account of the incentives to invest, generated by the security and sense of ownership. The distribution of productive and non-productive borrowings is given in Table II.

TABLE II—PERCENTAGE DISTRIBUTION OF PRODUCTIVE AND NON-PRODUCTIVE BORROWINGS

	Before land reforms		After land reforms	
	Productive	Non-productive	Productive	Non-productive
(1) Andhra				
General sample households	—	—	60.1	39.8
(2) Rajasthan				
Tenant households	29.9	70.1	35.2	64.8
(*i*) in mainly *jagir* districts	31.2	68.8	38.2	61.8
(*ii*) in mainly zamindari districts	21.0	79.0	26.3	73.7
(*iii*) in mainly *Khalsa* districts	42.6	57.4	45.7	54.3
(3) Saurashtra*				
(*i*) Occupants	—	—	73.3	26.3
(*ii*) *Girasdari* tenants	—	—	92.1	7.9
(*iii*) *Barkhalidari* tenants	—	—	84.6	15.4
(4) Hyderabad				
(*i*) All *jagir* areas	45.67	54.33	42.55	57.45
(*ii*) *Diwani* areas	38.62	61.38	45.66	54.34

* For Saurashtra the figures are percentages of the distribution of annual averages during 1947-1955.

It may be noted here that the definitions of productive and non-productive borrowings or indebtedness were not uniform in these studies. In the Andhra Report the reference was to indebtedness and for all the others to borrowings. From the data it would appear that the trend of borrowings in Saurashtra is exceptionally progressive. This is mostly explained by the fact that sources of borrowings were govermental and institutional, which advance loans mainly for productive purposes. The high share of co-operative and land mortgage bank loans coupled with governmental finances accounted for this extremely favourable position. The table shows that there was no quantitative decline in the distribution over the period in question (except in the *jagir* areas of Hyderabad). The proportion of borrowings productively used by tenants in the mainly *jagir* and zamindari areas (in Rajasthan) was relatively low even in the post-reform period, indicating the room still left for improvement. It is significant to compare the data for Rajasthan with those for Hyderabad. For the sample tenant households the proportion of productive borrowings increased from 29.9 per cent before land reforms to 35.2 per cent after land reforms. Among the three main regions, productive borrowings was highest in mainly *Khalsa* districts (42.6 per cent before and 45.7 per cent after land reforms) and lowest in the predominantly zamindari districts (21 per cent and 26.3 per cent 'before' and 'after' respectively). In the predominantly *jagir* districts, productive borrowings increased from 31.2 per cent 'before' to 38.2 per cent 'after' land reforms. It is worthy of note that in the predominantly feudal areas, the increase was more than that in the *Khalsa* areas, but still the proportion in the former remained lower than that in the latter. In Hyderabad one notes, strangely enough, a decline in the proportion of productive borrowings in the *jagir* areas from 45.67 per cent in 1948-49 to 42.55 per cent in 1953-54. On the other hand, in the *Diwani* areas the productive borrowings increased from 38.62 per cent to 45.66 per cent. Considering the situation in the *jagir* areas the Report says : "While the internal composition of borrowings worsened, the amount borrowed on both the accounts increased substantially, so that even if the value of money be regarded as lower in 1953-54 compared with that in 1948-49, it could not have been so low as to counteract the effect of a 100 per cent rise in the borrowings. Hence borrowings in real terms must be said to be bigger in the more recent year after the implementation of land reforms. If this means anything it perhaps means that credit facilities and creditworthiness have not made an altogether worse showing since land reforms than before it."[8] A further analysis of the borrowings was carried out to see how the agricultural and non-agricultural sectors fared. It was found that productive borrowings by cultivators increased by 107 per cent, while their non-productive borrowings rose by 108 per cent during the period. At the same time for the non-cultivators there was a decline in their productive borrowings by 41 per cent and their non-productive borrowings increased by 120 per cent. Thus what was shown by the overall picture concealed the fact that there was an improvement in the productive borrowings in the agricultural sector in the *jagir* areas. Hence, land reforms were not barren of results. Whether these results were adequate or to the appropriate degree is an entirely different question. The trend is clear and time would accelerate the process.

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8. A. M. Khusro : Economic and Social Effects of Jagirdari Abolition and Land Reforms in Hyderabad, Osmania University, Hyderabad, 1958, p. 121.

(v) *Short, Medium and Long-term Borrowings*

In Andhra, 24.9 per cent of the borrowings was used for purchase and improvement of land. Construction and maintenance of houses and farm buildings accounted for 5.3 per cent of the borrowings. These long-term needs accounted for 30.2 per cent of the borrowings. The current expenses of cultivation claimed 25.5 per cent of the borrowings. In Rajasthan, the current agricultural expenses were only 7.6 per cent and the long-term needs accounted for 21.5 per cent before land reforms. By 1960-61 the current requirements rose to 9.5 per cent and long-term needs to 24.3 per cent. The regional variations in this respect were significant and are shown in Table III.

TABLE III—PERCENTAGE DISTRIBUTION OF BORROWINGS IN RAJASTHAN

Sample tenant households	Before land reforms	After land reforms
Current needs	7.6	9.5
Long-term	21.5	24.3
I. Mainly *jagir* districts		
Current needs	9.5	10.4
Long-term	20.2	26.0
II. Mainly zamindari		
Current needs	6.7	9.5
Long-term	14.3	16.5
III. Mainly *Khalsa*		
Current needs	3.5	5.6
Long-term	38.7	38.1

The long-term needs of credit increased in the *jagir* and zamindari districts while in the *Khalsa* area it remained more or less static. It was found that the actual borrowings for current needs increased two-fold (201.4 per cent) and that for long-term needs by 183.7 per cent. The increase in current needs was uniform in all the three regions. In Saurashtra, among the *barkhalidari* tenants long-term borrowings were absent. Medium-term loans accounted for 79.2 per cent and short-term loans to 20.8 per cent. For *girasdari* tenants medium-term loans stood at 82.8 per cent and short-term loans at 14.50 per cent and long-term loans at 2.7 per cent. In respect of borrowings by the occupants, the percentages were medium-term 67.5, short-term 22.0 and long-term 10.1. In Hyderabad, in the *jagir* areas short-term loans declined between 1948-49 and 1953-54. On the other hand, in the *Diwani* areas short-term and medium-term borrowings increased by a larger margin than long-term borrowings, in which the increase was only from 2.30 to 3.03 per cent. Non-productive borrowings dominated in both the areas. But the Report says : "The cultivating community seems to have done better than the non-cultivating section....and this too is a point of similarity between the *Diwani* and *jagir* areas."[9]

9. A. M. Khusro : *op. cit.*, p. 127.

In view of the differences in the difinitions adopted one cannot draw very definite conclusions. It is seen from the data that generally speaking the cultivators show an increasing consciousness for the longer-term requirements of agriculture, and this is a welcome trend.

3. INVESTMENTS

(*i*) *Reporting Investments*

The removal of the intermediaries should lead to the removal of the impediments to greater incentives to invest more in agriculture. The test of the efficacy of the abolition of intermediaries lies in seeing if this anticipation has come true or not.

In analysing the investments and the patterns thereof, it would have been very helpful if two-point data were made use of. This was not done in the Andhra and the Uttar Pradesh Reports. To iron out the differences the Saurashtra study adopted the annual average for the period 1947-55 for analysis and to bring out the post-reform position compared the investments for the period 1947-55 and 1951-55. Only the Rajasthan and Hyderabad Reports give two-point data.

All sample households did not incur expenditure for improvements. The percentage of households reporting such investments varied considerably. For example, it was only 16.6 per cent in Andhra, being the lowest percentage among all these studies. In Uttar Pradesh, the proportion was 50 per cent, though it was 63 per cent among *bhumidars*, 47 per cent among *sirdars* and 44 per cent among the 'others.' In Saurashtra, the analysis showed that, between 1947 and 1955 as much as 55.2 per cent of the sample households reported some investment for land improvement. Actually 42.2 per cent of them made such investments after 1951 or during the period in which intermediaries were going out of the scene. This is a remarkable indicator showing the new incentives created among the cultivators. Among the three major groups there were some differences. Among the occupants 57.6 per cent of the households reported investments during 1947 to 1955, of which 42 per cent was between 1951-55. The corresponding percentages among the *girasdari* tenants were 58.6 and 52 and among the *barkhalidari* tenants 40.1 and 30.2. In spite of the fact that the *girasdari* tenants were required to pay the price for the land, they showed a higher degree of response compared with the *barkhalidari* tenants. In this study the author took into account only six items of investments for improvement of land and excluded even purchase of livestock. Among the sample of intermediary households it was found that developmental investments were reported by 30.6 per cent of the *girasdars* and by 17.8 per cent of the *barkhalidars*. The analysis in the Rajasthan Report is very fruitful. It showed that the percentage of tenant households reporting investments rose from 31.1 to 57.7. The regional variations were also noticeable. In the mainly *jagir* districts the proportion of reporting households increased from 23.3 to 50.2 per cent: in the mainly zamindari districts it rose from 42.3 to 67.3 per cent and in the mainly *Khalsa* districts from 40.8 to 68.6 per cent. Before land reforms, among the tenants only 31.1 per cent reported investments compared with 30.5 per cent among the intermediaries. But during the post-reform period 61.1 per cent of the intermediaries compared with 57.7 per cent of tenants reported such investments. This, in the context of the conditions in Rajasthan, indicates that the intermediaries were now compelled to take to agriculture for a regular income and as a means of livelihood.

(ii) Average Investment

The average investment could be viewed from four angles, *viz.*, (1) per reporting household, (2) for all the sample households, (3) per acre of reporting households and (4) per acre of all the sample households. The data given in the Reports do not present all these details. The details are given in Table IV. The data reveal a high level of investments by the ex-intermediaries. If the *bhumidars* of Uttar Pradesh are taken as predominantly ex-intermediaries, this conclusion is further strengthened. Although the average per reporting household was highest in Andhra, the *bhumidars* taken separately did better than that, and the intermediaries in Rajasthan spent Rs. 781 per reporting household compared with Rs. 354 by the cultivators. The *barkhalidars* showed the lowest average but if the per acre average (affected area) is considered the *barkhalidars* were ahead of all the others in the State. This shows that the intermediaries are showing increasing interest in agriculture, and the cultivators are themselves not much behind in their enthusiasm.

The per acre average in most cases is expressed in terms of the cultivation holding of all the sample households in the different groups. Only for Andhra the data relate to average per acre of the reporting households. The per acre investment for the affected area in Saurashtra for the intermediaries was Rs. 55.26 for *girasdars* and Rs. 89.96 for *barkhalidars* and for all the cultivating groups put together it stood at Rs. 63.11. The *barkhalidari* tenants had the lowest average, namely, Rs. 39.81. It is interesting to note the changes in the per acre investment among the tenants and intermediaries in Rajasthan and in the three distinct regions. The per acre investment by tenants increased by 260 per cent and that by the intermediaries by 174 per cent. In the mainly *jagir* districts the tenants showed 253 per cent increase and ex-intermediaries 376 per cent. But in the mainly zamindari districts while the investment by the tenants increased by 286 per cent that by the intermediaries slightly declined by 18 per cent. In the mainly *Khalsa* areas, on the other hand, investments by the intermediaries increased by 511 per cent compared with that of 222 per cent by the tenants. In Hyderabad, the per acre investment increased by 164 per cent in the *jagir* areas and by 181 per cent in the *Diwani* areas. Thus we notice a rather regular tendency revealing a higher level of investment after land reforms compared with that before land reforms. Further, this is not confined to erstwhile tenants who now emerged as new owners, though in the usual course of reactions they should have shown a far greater degree of response compared with that of the ex-intermediaries. It is, perhaps, the better creditworthiness of the intermediaries and the changed economic compulsion that brought about a fairly good response from these ex-intermediaries.

(iii) Pattern of Investment

From the data it would seem that purchase of livestock constituted the largest single item of investment for the cultivators. It accounted for 76.35 per cent of the total investments in Uttar Pradesh, 51.06 per cent among tenants and 57.1 per cent among intermediaries in Rajasthan (after land reforms) and 46.9 for the *jagir* areas and 66.53 per cent in the *Diwani* areas of Hyderabad (after land reforms). Only 32.5 per cent was devoted to this item in Andhra where irrigation

TABLE IV—AVERAGE INVESTMENT AMONG SAMPLE HOUSEHOLDS BEFORE AND AFTER LAND REFORMS

	Average per reporting households		Average for all sample households		Average per acre for reporting households		Average per acre for all sample households	
	Before (Rs.)	After (Rs.)	Before (Rs.)	After (Rs.)	Before (Rs.)	After (Rs.)	Before (Rs.)	After (Rs.)
(1) Andhra	—	640	—	107	—	81	—	21
(2) Uttar Pradesh (All categories)	—	561	—	282	—	—	—	—
(*i*) *Bhumidars*	—	709	—	446	—	—	—	—
(*ii*) *Sirdar*	—	484	—	228	—	—	—	—
(*iii*) Others	—	257	—	150	—	—	—	—
(3) Rajasthan								
(*a*) Tenant households	354	512	113	295	—	—	5.51	14.43
(*i*) in mainly *jagir* districts	462	561	110	281	—	—	6.29	15.92
(*ii*) in mainly zamindari districts	320	627	137	422	—	—	5.51	15.77
(*iii*) in mainly *Khalsa* districts	216	246	91	169	—	—	3.66	8.16
(*b*) Intermediaries	781	556	238	339	—	—	7.90	13.73
(*i*) in mainly *jagir* districts	493	539	92	307	—	—	3.60	13.62
(*ii*) in mainly zamindari districts	1,323	740	518	440	—	—	17.17	15.10
(*iii*) in mainly *Khalsa* districts	193	295	93	227	—	—	2.00	10.22
(4) Saurashtra								
All categories	449.92		233.04		63.11*			
Occupants	482.97		267.74		88.40			
Girasdari tenants	369.20		188.89		50.32			
Barkhalidari tenants	371.58		136.10		39.81			
Intermedaries								
Girasdars	472.63		144.83		55.26		3.11	
Barkhalidars	471.50		84.19		89.96		3.52	
(5) Hyderabad								
Jagir areas	—	—	—	—	—	—	3.73	6.13
Diwani areas	—	—	—	—	—	—	3.14	5.68

* For Saurashtra the average investments pertain to the area affected by investments to improve land and not the average per cultivation or ownership holding of the reporting households. It may be mentioned that for other cases the per acre average refers to the cultivation holding.

appeared as the main item of investment (36.5 per cent). In Uttar Pradesh, irrigation accounted for 14.68 per cent and in Saurashtra 18.7 per cent among the cultivators, 67.2 per cent among the *girasdars* and 93.3 per cent among the *barkhalidars*. Among the tenant households in Rajasthan, the percentage devoted to irrigation declined from 29.77 per cent before to 14.19 per cent after land reforms. This decline was more pronounced in the *jagir* and zamindari areas (from 39.1 per cent to 14.19 per cent in the former and from 20.2 per cent to 11.3 per cent in the latter) than in the *Khalsa* districts where, in fact, it remained steady (20.2 per cent before and 20.3 per cent after land reforms). In contrast, the investment by intermediaries in Rajasthan increased from 5.5 per cent 'before' land reforms to 23.9 per cent 'after' land reforms. The special privilege given to the intermediaries to choose *khudkasht* in the canal areas might provide part of the explanation, while the main reason is the greater interest shown by them in the cultivation of their holdings. It is noticeable that in Hyderabad the relative importance of irrigation declined during the period in both the areas. But in respect of investments for implements and equipments, improved seeds and manures, and for productive non-agricultural purposes, the *jagir* areas registered an increase in the proportion while the *Diwani* areas, in these respects, showed a decline. On the higher level of real investments the Report says : "The fact of greater real investment reflects, of course, the view which the community in question is taking of the future. It would seem to be a comparatively brighter view, revealing increased incentives, and a good part of it may have its origin in increased security of tenure, at least for some people, increased security of ownership and sense of possession, reduced land revenues, reduced rents in some categories of *jagirs*, and such other complimentary assistance that is being received from Government Departments which have taken over from the inefficient *jagir* administration."[10] The trend of investments in Rajasthan showed that investments by the tenant cultivators was marked, but the variations were equally significant. The increase in investments by tenants in the *jagir* and zamindari districts was larger than that in the mainly *Khalsa* districts. All these show that the new found sense of security and ownership acted as an effective lever to initiate a steady inflow of investment, however slow it may be.

The sample households among the ex-intermediaries in Uttar Pradesh received Rs. 54,373 as compensation and rehabilitation grants up to 1959-60. Out of this, only 11.01 per cent was used for permanent improvements, 6.20 per cent for purchase of bullocks and milch cattle, and 0.37 per cent for purchase of agricultural implements. House construction and repayment of debts accounted for 2.94 per cent. Non-productive uses like marriage expenses, consumption and miscellaneous expenses accounted for the lion's share of the amount (being 26.42 per cent, 18.29 per cent and 19.60 per cent respectively). Cash balance in hand was shown as 15.17 per cent.

This would show that productive investment was rather low while non-productive expenditure was so high that one would get the impression that these intermediaries were 'eating up' their capital. The Report says : "On the whole, the payment of compensation and rehabilitation grant in cash or in the form of bonds that the cultivators could easily dispose of at low prices did not help much in

10. A. M. Khusro : *op. cit.*, p. 112.

capital formation in agriculture."[11] Even with this low rate of capital formation among the intermediaries if they show a better performance than the cultivators it speaks for the poor capital formation among the latter. In the absence of norms to judge the performance of the various categories of cultivators, one will have to take into account only the relative performances. In all these exercises the changing value of money is not taken into account and hence whatever favourable impression that may be created would be inflated to certain extent.

(iv) Borrowings/Investments

It will be interesting to compare the borrowings and investments. This would help to bring out the extent of self-finance and the extent of borrowings in relation to investment. In Andhra for the entire period covered, the total investments stood at Rs. 8,66,700 and total borrowings at Rs. 6,91,000, indicating that the cultivators depended on their own resources to meet the gap between the two, which was to the extent of 20.3 per cent of the investments. Among the intermediaries in Rajasthan borrowed finance was 96.2 per cent of the total investment 'before' land reforms. In contrast, the borrowings constituted 110.5 per cent of investments 'after' land reforms. This implies that before land reforms when both borrowings and investments were at a lower level they depended to the extent of 3.8 per cent of the investment on their own resources and the situation practically reversed after land reforms in that their borrowings exceeded investments by 10.5 per cent. It might also be said that the ex-intermediaries did not utilize all their increased borrowings for investments. The picture of borrowings and investments by tenants appears to be just the opposite. Their borrowings before land reforms was in excess of their investments by 2.8 per cent, but after land reforms they depended on self-finance to the extent of 27.6 per cent of the investments. This is a very significant fact in the face of the substantial increase in both investments and borrowings during the period. The data given in Saurashtra Report are not adequate to make similar comparisons. Further the investments shown pertain to that for improvements of land and purchase of bullocks only which may not exhaust the list. However, the picture that can be constructed from the data available would show that borrowings far exceeded investments for all the types by cultivators, and for *girasdari* tenants it was 217.7 per cent of the investments. In the *jagir* areas in Hyderabad before land reforms borrowings constituted only 48.2 per cent of the investments; after land reforms it rose to 52.2 per cent. In other words, before land reforms 51.8 per cent of the investments was self-financed and this proportion declined to 47.8 per cent after land reforms. The change in the *Diwani* areas was more considerable, for instance, before land reforms 81.6 per cent of the investments was self-financed and after land reforms only 50.2 per cent was so provided, showing an increase in the borrowings by the cultivators.

4. INCOME, PRODUCTION AND ASSETS

In view of the difficulties involved in the collection and analysis of dependable data on income, production and assets, the studies in most cases have excluded these aspects. The Hyderabad Report analysed the changes in income and production but did not take up assets. The Andhra study examined changes

11. Baljit Singh and Shridhar Misra : *op. cit.*, p. 173.

in assets but did not go into income or production. The Rajasthan Report examined the data on production, as secured from the village officials. It also presented some data on the intermediaries' income but there were no references to the income of tenant cultivators. The Uttar Pradesh and Saurashtra studies make no references to income, assets or production.

In the *jagir* areas in Hyderabad, the per capita income declined by 31.9 per cent (at current prices) or by 11.7 per cent at 1948-49 prices. In the *Diwani* areas the decline at current prices was by 34.3 per cent and at fixed prices 10.4 per cent. In the Rajasthan Report, one gets an account of the percentage distribution of the income of intermediaries which showed some structural changes in the post-abolition period. Before land reforms income from rent amounted to 13.96 per cent which declined to 0.42 per cent in the post-abolition period. Income from cultivation of land increased from 73.82 per cent before land reforms to 80.04 per cent after land reforms. There was an increase in the proportion of income from other sources, trade, transport and miscellaneous sources. In the three regions, the changes were more or less of a similar pattern. The decline of rent income was total in the *jagir* and zamindari areas while in the mainly *Khalsa* districts it declined from 2.62 per cent of the total in 1953-59 to 1.87 per cent in 1960-61.

The decline in production in Hyderabad reflected the changes in income. In the *jagir* areas, production per standard acre declined by 5.3 per cent and in the *Diwani* areas by 6.7 per cent. Per capita production in the *jagir* areas showed a slight increase by 1.8 per cent while it declined by 13.3 per cent in the *Diwani* areas. In Rajasthan, the data showed that the yield per acre increased in respect of all crops except jowar, the increase being remarkable in the case of cotton, sugarcane and tobacco. The total production in the post-abolition period was substantially higher than that in the pre-abolition period. However, the Report is cautious in attributing all the improvements to land reforms and says: "But one thing seems to be certain that the tenants have been taking greater interest in their holdings now than before the abolition of the intermediaries and they have a better sense of ownership and security.....We believe the assured security of tenure and the regulation of rents have played increasingly greater role in motivating the cultivators to produce more in the post-abolition period."

In Andhra, the assets increased by 7.93 per cent between 1946-47 and 1954-55. This was only a small increase compared with the change in Rajasthan. Among the tenant cultivators total assets increased by 38.35 per cent in Rajasthan. Regionally tenants in the zamindari districts showed 47.43 per cent increase in assets while in the *Khalsa* districts it was 36.23 per cent and in the *jagir* districts 35.20 per cent. Among the intermediaries while the total assets increased by 24.44 per cent, the increase in the *jagir* districts was 16.34 per cent, in the zamindari districts 29.59 per cent and in the *Khalsa* districts 32.07 per cent. It is clear that the data showed a promising improvement.

SUMMING UP

It is possible now to look back on the few aspects discussed above and sum up the main features of the changes that are taking place or have taken place as a result of the land reform measures. In the first place, the abolition of the inter-

mediaries did not adversely affect the cultivation holdings of the ex-intermediaries.[12] In fact, more from among the intermediaries have taken to cultivation as a means of livelihood as is indicated by the greater investments and borrowings by them. Secondly, the tenancy practices in the feudal areas did not change for the better to any large degree. This statement is subject to the fact that the tenurial change on the removal of the intermediaries is not taken into account. In other words, the inquiries revealed a considerable extent of disguised tenancy, share-cropping and forced labour still in practice which speak for the existence of a class of influential landowners in the rural areas. It seems that this new class mostly consist of ex-intermediaries and the newly rich cultivators. In Rajasthan, it was found that the *khatedar* tenants were emerging as a new force in the rural areas with great influence. With the abolition of the intermediaries, however, the age-old institution was removed and it may not be possible for these new forces to assume similar or comparable position. Thirdly, in the matter of borrowings and investments this abolition of intermediaries played a significant and useful role. The cultivators have come to realize that they can enjoy the fruits of their labour and have started to borrow and invest more. In this respect the intermediaries were not behind the cultivators and in certain cases their performance was better. This explains the new set up in the rural areas where the intermediaries who were previously not directly interested in cultivation were now staking their capital and credit in this direction. Lastly in respect of income, production and assets the data collected, being very partial, do not tell us much. However, it is amply clear that after the abolition of intermediaries there was a definite improvement in production to which both the cultivators as well as the ex-intermediaries contributed: the cultivators out of the incentives generated from the new ownership and security of tenure, and the ex-intermediaries out of the economic necessity caused by the abolition of the feudal order.

12. See "Changes in Land Holdings Consequent to the Abolition of Intermediaries," P. T. George, *Indian Journal of Agricultural Economics*, Vol. XXIII, No. 1, January-March, 1968.