

Technology related reforms

## Economics Class 34

### PDS; REFORMS (09:01 AM)

- One nation one ration card or integrated management of PDS:-
- the objective of the program is to have a nation with the **portability** of ration cards under the NFSA.
- Through this migratory ration card, cardholders can lift their entitlement to food grains from any fair-price shop.
- **Technology-based reform** as suggested by the **Wadhwa committee**-
  - i) ~~They~~ help in plugging leakages
  - ii) Automation of FPS through the installation of electronic point-of-sale devices.
  - iii) States such as Chhattisgarh and MP have implemented measures to streamline TPDS through the digitalization of ration cards and the use of GPS tracking to track the movement of trucks carrying foodgrains from state Depoots to FPS.
  - iv) computerized allocation of FPS, for example, declaration of stock balance, web-based truck challans, etc.
  - v) issue of smart cards in place of ration cards (HR, AP).
  - vi) PDS and **UID** synergy to identify the right business through biometric authentication.

Unique Identifier i.e. Aadhar

### FCI; REFORMS (09:12 AM)

- **Shantakumar committee**-
  - No open-ended procurement
  - Appropriate quality checks
  - Popularised warehouse receipts
  - Decentralized procurement system
- **Storage**-
  - Optimization of storage capacity
  - Store using silos instead of gunny bags
  - Building warehouses and cold storage facilities through PPP finance
  - Stocking forex instead of grains

Procurement

Direct Cash Transfer

- **Transportation-**

- Containers instead of gunny bags
- Focus on mechanization
- Voluntary retirement to permanent staff
- Replace unwanted labor

- **Distribution-**

- NFSA to cover 40% of the population instead of 60%
- **DCT** to the lady of the house
- 6 months ration at once instead of monthly distribution to reduce storage requirements

**WTO v/s Welfare-**

Criticism:-

- Covering 40% population was criticized as favoring WTO
- PPP finance or privatization will increase the cost of ensuring food security
- The recommendations were based on NSSO data which may be faulty
- Using critical resources like forex to ensure food security may not be appropriate.
- **Open market sales scheme:-** (OMSS)
- The central govt recently discontinued the sale of rice and wheat from the central pool under the OMSS.
- under OMSS FCI sells surplus stocks of rice and wheat at predetermined prices through e-auctions in the open market
- The objective is to <sup>enhance</sup> ~~increase~~ the supply of food grains, especially wheat during the lean season to moderate the open market price, especially in the deficit region.
- FCI conducts <sup>weekly</sup> ~~week~~ auctions using platforms like National Commodity and Derivative Exchange Limited.
- State govt. and UTs are also allowed to participate in the e-auction if they require wheat and rice **outside** the TPDS and other welfare schemes.
- The reserve price is fixed by govt and tenders are floated by FCI
- The bidders can not quote less than the reserve price.

i.e. state govt. can't use this grain for welfare scheme.

## LAND REFORMS (09:41 AM)

- **Test Yourself-**

- *Question 1. Discuss the role of land reforms in agricultural development. Identify the factors that were responsible for the success of land reforms in india.*
- *Question 2. Establish the relationship between land reforms, agricultural productivity, and elimination of poverty in the Indian economy. Discuss the difficulty in designing and implementing agriculture-friendly land reforms.*

- At the time of independence there were 3 types of land tenure systems prevalent in the country-
- Zamindari
- Mahalwari
- Ryotwari
- In all the above 3 usual practices adopted was to get the land cultivated by tenant
- **There are 3 types of tenants-**
- **i)Occupancy tenant-**
- Enjoyed permanent and heritable rights
- Had security of tenure and could claim compensation from landlord for any changes affected on land
- **ii)Tenants at will -**
- No security and could be evicted from land based on the wishes of landlords
- **iii)Subtenants-**
- The position of these was similar to the position of tenants of tenants at will.
- The only difference was that subtenants were appointed by ~~subtenants~~.

↓  
Occupancy tenant



An agrarian system refers to the structure and organization of agricultural practices, land ownership, and social relations related to farming and rural life within a society. It encompasses the entire framework that governs how land is used, who controls it, and how agricultural production is carried out.



### Objectives of land reform-

- To eliminate all forms of exploitation and social injustice within the **agrarian system**
- To provide security to the tiller of the soil
- Ensure equality of status and opportunities to all sections of the rural population and increase efficiency of agricultural production
- It primarily focuses on **3 important aspects-**

A tiller refers to a person who works on or cultivates the land, typically a farmer or an agricultural laborer.

1. Abolition of Intermediaries
2. Tenancy reforms
3. Reorganization of Agriculture

→ To remove intermediaries and increase the efficiency of agricultural production.

### Risk of Cultivation:-

The new definition included the concept of the landowner taking on the "risk of cultivation." This means that the landowner had to bear the financial and production risks associated with farming, such as crop failure, investment in seeds, fertilizers, and other inputs. This clause was introduced to distinguish between those who actively participated in farming and those who merely profited from it without being involved in the actual risks.

### Labor:-

The definition now required that the landowner (or their family) provide the labor needed for cultivation. This could mean either directly working on the land or organizing the labor necessary for farming. The inclusion of labor in the definition ensured that only those who were genuinely involved in the physical work of farming could be considered as personally cultivating the land.

### Personal Supervision:-

"Personal supervision" was added to the definition to ensure that the landowner was directly overseeing the farming operations. It implied that the owner needed to be actively involved in managing and supervising the cultivation process, rather than delegating all tasks to others. This aspect of the definition aimed to curb absentee landlordism by ensuring that landowners were physically present and involved in the agricultural activities on their land.

### • i) Abolition of intermediaries-

- Even before independence, it was widely recognized that the main cause of stagnation in the economy was the poor status of agriculture
- This could be largely attributed to exploitative agrarian relation
- The chief instrument of exploitation was the zamindars promoted and patronized by alien govt. *Approx. 56 percent agricultural land was under zamindari system.*
- In some states legislation was passed for their abolition it was passed before 1951 but most of it was implemented during the period of 1st five-year plan.
- The ~~process~~ <sup>process</sup> of initiation and the passage of the bill for the abolition of zamindars have taken a very long time. *Abolition*
- for example- in UP Zamindari ~~Abolition~~ <sup>Abolition</sup> Act took 4 and half years to become law.
- once the stage of legislation was completed new difficulties were realized during implementation, zamindars were not willing to lay down their lands and turned ~~on~~ <sup>to</sup> to courts and the legal battle between Zamindars and the state govt took an unduly long time. *In spite of losing the battle zamindars refuse to handover land records and other documents.*
- The biggest loophole in the legal system was the one pertaining to permission to obtain land **for personal cultivation** (zamindars could evict tenants for this purpose)
- Personal supervision of zamindars or by his family members.
- In the 2nd five-year plan the definition of personal cultivation was changed by including the **risk of cultivation, labor, and personal supervision.**
- Though the official documents claim that the zamindari system has been completely abolished <sup>yet</sup> the fact is that it has originated in a different format.
- They are now ~~designated~~ <sup>designated</sup> as big land owners along with rich **peasantry**, and a dominant class of rural capitalism has emerged. *kisan log*
- Despite the above observation, the govt. was largely successful in reducing the exploitation and oppression of tenants and reforming the rural **feudal structure** of the country.

• *Test yourself-*

- *Question 1. State the objectives and measures of land reform in India. Discuss how the land ceiling policy on land holding can be considered an effective reform under economic criteria.*

• Personal cultivation was loosely defined to include

This system was characterized by a network of relationships based on land ownership, military service, and labor, where power and wealth were concentrated in the hands of a few, and the majority of the population lived under their control.

- **ii) Tenancy reforms**

- They focused on the following aspects-

**a) Regulation of rent-**

- In the pre-independence period, the rent charged by zamindars was **exorbitant**
- The British govt was only interested in sharing, therefore it gave unlimited powers of suppression to zamindars.
- It has been estimated that in Panjab as much as 80% of produce was extracted from the tenants in the form of rent.
- In Bombay, it was around 40-60%.
- The first five-year plan stated the maximum rent should be fixed at 1/4th or 1/5th of the total produce.
- except for states like Punjab, Haryana, j&K, ~~andhra~~ <sup>Andhra</sup> region of AP, this limit was adhered to by most of the states
- Legislations have been violated, because of the strong socio-economic and political hold of landowners in rural areas.
- This is partly due to the fact that in some areas the sharecroppers are not aware of legal provisions but more importantly, they are economically and socially weaker as compared to the landlord and not in a position to assert their rights.
- even though the law provides for the security of tenure most leases are oral and informal.

**b) Security of tenure-**

- Legislation related to this focused on the following-
- The tenant should not be ejected except in accordance with provisions of the law
- **In the event of reassumption of the land, the tenant is assured of a minimum prescribed area.**
- The implementation of the law **depends on the following-**
- The definition of the term tenant
- ->Status of land records
- ->Definition of the term cultivation
- ->Circumstances in which land owners are allowed to resume tenanted land for cultivation


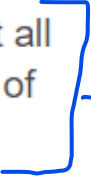
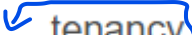

Land may be resume by the owner only for the personal cultivation.

The phrase "In the event of reassumption of the land, the tenant is assured of a minimum prescribed area" refers to a situation where, if the original owner or authority reclaims or takes back control of the land, the tenant (who was using or renting the land) is guaranteed a certain minimum amount of land that they can continue to use or retain.




In all tenancy laws of the country persons cultivating land of others on payment of rent either in cash or kind or both are treated as tenants. However in some states like UP sharecroppers are not treated as tenants thus all laws aiming at tenants are not applicable.

## Status of land reforms-

- Persons cultivating land in lieu of payment of either in cash or kind or both are treated as tenants. 
- Sharecroppers are not treated as tenants thus all laws aimed at tenants are not applicable
- The right of resumption combines the flaws of the definition of personal cultivation and has made tenants unsecured that is, landlords could eject tenants on condition of self-cultivation.
- It was on account of this fact that the 4th five-year plan recommended that all  tenancy should be declared resumable and permanent except in the case of landholders who are serving defense or suffering from a specific disability. 
- Another serious problem is related to voluntary surrender
- Many landlords compelled the tenants to give up the tenancy on their own accord and no laws can help the tenants if they give them their rights voluntarily
- Laws related to the security of tenure can be ~~commented~~ effectively only if current and up-to-date land records are available 
- A person can claim himself to be a tenant only if his name appears as such in the land records
- However, it has been observed that in many states either no records of tenancy exist or they are incomplete and outdated.

## c) Conferment of ownership rights- to tenant

- It has been repeatedly emphasized in a plan that the ownership rights have to be conferred on tenants accordingly by some states that have passed laws to confer it. 
- However, the process has been very unsatisfactory and it was envisaged in 6th five-year plan to confer ownership right to all tenants by the year 1982.
- Many tenants could not exercise their rights due to reasons like-
- Many tenants couldn't afford to pay the price.
- Many were unwilling to purchase the land reflecting the dominant controlling power of zaminmdars.

pradan karna

the Fourth Five-Year Plan recommended that tenancy agreements should be made permanent and secure to protect tenants from being easily displaced, with exceptions made for landholders who were in the military or had specific disabilities, allowing them to reclaim their land if needed.

sufficient

### Legal loopholes-

- i) Definition of personal cultivation - this was highly ~~unsatisfactory~~ <sup>unsatisfactory</sup>
- Personal supervision was taken to be part of personal cultivation that is it would **suffice** if supervision is done by any members of the landlord's family.
- ii) Transfer of land to family members
- iii) The definition of the term tenant was inadequate
- iv) Problem of ~~voluntary~~ <sup>voluntary</sup> surrender
- v) Lack of political will
- vi) Apathy of bureaucracy <sup>udasinta</sup>
- vii) Improper updation of land records
- viii) Inadequacy of land ceiling laws
- ix) Level of ceiling among different states and different areas of the same state <sup>referred considerably this created lot of</sup> which led to same confusion and frequent disputes
- Accordingly, a conference of state ministers was held in July 1972 to bring uniformity to ceiling laws.
- However, considerable damage has already been done and various transfers and other underhand dealings have left only small areas as surplus ~~as surplus~~.

### Positive side-

- i) Political will to insert 9th schedule and ~~also~~ <sup>abolish</sup> right to property as FRs
- ii) Land being a state subject these land reforms were particularly successful in the states of Kerala and West Bengal which had communist govt for several years.
- iii) Increasing literacy and awareness regarding land rights constitutional provisions
- iv) **Advent** of various NGOs and cooperatives that helped farmers reap the benefits of such laws.
- v) Land ceiling laws of different states
- vi) Bhoodan and Gramdan movements to ~~give up~~ <sup>encourage</sup> voluntary excess land and redistribution

### NEXT CLASS: REORGANISATION OF AGRICULTURE

Arrival