

Relevance of the Remedies Suggested by Dr. Babasaheb Ambedkar to the Present Problem of Subdivision and Fragmentation of Land Holdings in India

Vidula Dnyaneshwar Vyawahare*

The problem of subdivision and fragmentation of land holdings which is one of the main reasons of low productivity of agriculture existed in India before independence also. According to Dr. Ambedkar existing land holdings were large taking into consideration available agricultural implements. Dependence of a large section of population on land was the real reason of subdivision and fragmentation of land holdings in India. Dr. Ambedkar observed that disguised unemployment in the Indian economy could be reduced by diverting surplus labour to the industrial sector. He also suggested collective farming and state ownership of agricultural land. He did not

*** Associate Professor, Department of Economics, Prof. Ramakrishna More Arts, Commerce and Science College, Akurdi, Pune-411044, Maharashtra (India)
E-mail: <vidulav@yhoo.co.in>**

**JOURNAL OF NATIONAL DEVELOPMENT, Vol. 36, No. 1 (Summer), 2023
Peer Reviewed, Indexed & Refereed International Research Journal**

believe in consolidation of land holdings. The state ownership of land suggested by Dr. Ambedkar is difficult as countries are favoring privatization in various sectors. However in case of marginal and sub marginal land state ownership of land may provide an income to the farmers by which they can support their families at a satisfactory level. Collective farming is voluntary so it is having and will have limited success in India. Thus we can say that Dr. Ambedkar diagnosed the problem of subdivision and fragmentation in a scientific way and suggested remedies which either require a long time span or the socialistic pattern of the government.

[Keywords : Dr. Babasaheb Ambedkar, Sub-division and Fragmentation, Land-holdings, Disguised unemployment]

1. Introduction

The problem of subdivision and fragmentation of land holdings which is one of the main reasons of low productivity of agriculture existed in India before independence also. The then British government tried to deal with this problem by establishing ‘The committee of Baroda’ to study the problem and suggested the remedy to solve this problem.

The committee suggested two methods of consolidation of land holdings giving preference to one method by which the size of land holdings will be economic. Dr Ambedkar discussed the concept of ‘economic holding’ and stated how consolidation of land holdings alone will not be able to solve the problem of subdivision and fragmentation of land holdings and low productivity of agriculture in India. He suggested other remedies like industrialization, state ownership of land and collective farming to improve the condition of agriculture.

2. Concept of ‘Economic Holding’ in view of Dr. Ambedkar

Dr. Ambedkar was of the opinion that the concept of ‘economic holding’ is normally explained from the consumption point of view. For that he referred to the quote of Mr. Keatings an economic holding is a “holding which allows a man a chance of providing sufficient to support himself and his family in reasonable comfort after paying his necessary expenses”. According to Dr. Ambedkar, defining size of land holding as economic which can support a family to a satisfactory level negates to treat farming as an enterprise. According to him, like any other entrepreneur farmer is also an entrepreneur and he also

employs the factors of production like. labour and capital for the purpose of farming. The farmer also has to find the right proportion of all factors of production to get maximum efficiency of all factors of production as the law of variable proportion operates in farming also. According to him an excess or defect in the volume of one in comparison with those of the others will decrease the efficiency of all the other factors thereby reducing total production.

So the holding in his opinion is economic when the pro rata return of each factor to the rest is the highest. The size of land small or large doesn't make the holding economic or uneconomic. According to Dr. Ambedkar existing land holdings were large taking into consideration available agricultural implements. The reason lying in outmodedness and inefficiency of the available agricultural implements. As these implements were inefficient in comparison with the size of the land and the farmer did not afford to buy the efficient implements, the holdings would remain uneconomic only.

3. Application of the Concept of Economic Holding as a Policy Measure to Solve the Problem of Subdivision and Fragmentation of Land Holdings

As suggested by Dr. Ambedkar to run farming as an enterprise the right combination of all factors of production on farm should be used. If we want to increase the size of land holding; the doses of capital should be increased. To match the increased doses of capital, the size of land holdings will automatically increase. He also states that capital in any economy can be created out of the savings of the people in the country and savings are possible when there is surplus. Dr. Ambedkar observed that the possibility of surplus in Indian agriculture was weak. Because India reflects a society where disguised unemployment prevails on a large scale and where the society did not have possessions for her sustenance. Therefore increasing the size of holdings by increasing the rate of capital formation will not be possible. Consolidation of land holdings as a remedy to the problem of subdivision and fragmentation suggested by the Baroda committee will fail. According to Dr. Ambedkar; the pressure of population on land was the reason of subdivision and fragmentation of land in India. Therefore this problem needed a remedy which would lessen the pressure of population on land and would help to create surplus in the economy. The law of inheritance

was supposed to be responsible for the subdivision and fragmentation of land holdings. But Dr. Ambedkar was of the opinion that dependence of a large section of population on land was the real reason of subdivision and fragmentation of land holdings in India and not law of inheritance. According to him the people were not adding to the national income of the country but they were eating the income to which he called dividend as they were not working. To increase the size of the land holding they should work.

4. Industrialization as the Remedy to the Problem of Subdivision and Fragmentation of Land Holdings

Dr. Ambedkar observed that disguised unemployment in the Indian economy could be reduced by diverting surplus labour to the industrial sector. It would help the economy in two ways. In the first place it would reduce the pressure of population on land. The portion of population which was eating up national income would be gainfully employed in the industrial sector and the agricultural sector would be able to create surplus. The surplus would create capital and increased use of capital would necessitate increase in the size of land holdings. Secondly industrialization, absorbing surplus labour would stop further subdivision and fragmentation. This would be a natural and powerful remedy which may persist for long. On the contrary the consolidation by law would lead to again subdivision and fragmentation of land holdings due to law of inheritance. He referred to the reflex effect of industry which was experienced in the U.S.A. in 1883. It was observed that presence of a manufactory near a farm increases the value of the farm and agricultural labourers. Thus industrialization would benefit Indian agriculture as the price of farms near industries would increase and those working on farm would get high income than before. Dr. Ambedkar suggested industrialization as the ultimate remedy to the problem of subdivision and fragmentation.

5. Other Policy Measures suggested by Dr. Ambedkar

The increased pressure of population on land was the effect of the destruction of native industries in India. All these were small rural artisans. They had the skill of producing goods and services in their own industries. The British government abolished these industries to create market for their own industries.

Industrialization in the Great Britain also reduced the cost of production substantially. Therefore the demand for the products of these native industries reduced so much that these rural artisans had to search for another way to earn their livelihood. These rural artisans did not have other skills to create new job opportunities and as British government had made India as a compulsory exporter of raw material and a compulsory importer of finished goods coming from the Great Britain, there was very little development of industrial sector in India. Agriculture being an unskilled occupation was a compulsory option for this large portion of population. Due to this reason the pressure of population on land suddenly increased. It led to the subdivision and fragmentation of land holdings. Dr. Ambedkar observed that a large proportion of these landless labourers was from scheduled caste. Thus this problem had a social aspect also. The real reason found out by Dr. Ambedkar of subdivision and fragmentation of land holdings had its roots in this economic condition of India. Taking into consideration the pressure of population on land for earning livelihood and very low productivity of agriculture, Dr. Ambedkar advocated state ownership of land to improve the condition of agriculture. According to this ideology land would belong to the state and should be let out to the villagers and without distinction of caste or creed. There would be no landlord no tenant and no landless labourer. The state would supply necessary capital to the agriculture. The owners of land would be given compensation in the form of debentures and interest rate would be given on these debentures. Dr. Ambedkar was of the opinion that the key and basic industries should be owned and run by the government and agriculture should be treated as a key and basic industry. Collective farming was also an option suggested by Dr. Ambedkar to offset the effects of subdivision and fragmentation.

6. Critical Evaluation of the Thoughts of Dr. Ambedkar on the Problem of subdivision and fragmentation of Land holdings and its Relevance in Today's Era of Liberalization, Privatization and Globalization

The scientific definition given by Dr. Ambedkar of economic holding is from economic point of view. It is a technical definition. Today in the U.S.A. and Canada also such type of definition is used to explain the concept of economic holding. Farming in India is a way of

life on large rather than a profession. The opinion of Dr. Ambedkar that farming like all other enterprises should be treated as an enterprise holds good from production point of view. The proportion of all factors of production employed on farm need to be observed. The combination of factors of production which will give maximum efficiency of all factors of production should be chosen by the farmer. It will increase the productivity of land. However the definition of size of economic holding should have total income earned by the farmer in the end.. Farming is a source of livelihood for the farmer. The source should be able to create sufficient income for a farmer family also. The farm owned by the farmer as an enterprise should be able to generate that much income which will make the enterprise a viable undertaking for the farmer. Therefore, along with making aware the farmers of running the farm as an enterprise, the government has to make sure that the farmers are cultivating the land of a reasonable size. In the opinion of Dr. Ambedkar, the government's measures of consolidation of holdings fail basically because of the pressure of population on land. According to him, increasing the rate of capital formation will increase the size of land holdings because to match to increased doses of capital the other factor viz. land must be increased if farming to be treated as an enterprise. This opinion of Dr. Ambedkar may not hold good because already subdivided and fragmented land holdings which are legally in possession of the farmers will not automatically get consolidated. According to the observation of Dr. Ambedkar, the farmers were not in a position to buy new efficient impalements. Therefore only creating more capital will not induce consolidation of holdings. Consolidation of land holdings is possible only through law or cooperative farming. After the consolidation of land holdings it will again be the responsibility of the government that there is no further subdivision and fragmentation and the government may pass law to prohibit the subdivision and fragmentation below a certain size of land holdings. Which the government authority in India has already done.

In the opinion of Dr. Ambedkar, the pressure of population on land causing disguised unemployment and subdivision and fragmentation of land can be reduced which will be able to create surplus in agriculture is possible through industrialization. It will also provide employment to the disguisedly unemployed is also a strategy of the today's Indian government. The government is trying to absorb this surplus labour in the industrial sector. For this not

only literacy but skill is necessary for the employment in the industrial sector. Dr. Ambedkar did not refer to the necessary skill given to the farmers who lost their sources of livelihood due to destruction of native industries. These unemployed rural artisans could not get employment in the new industries as they did not possess the skill necessary in the new industries and had to depend on agriculture for their livelihood as an immediate solution to the problem of unemployment. Today Indian government is focusing on the skill development to reap the advantages of demographic dividend in India. It will also help to absorb the disguisedly unemployed population in the agricultural sector. Industrialization as the soundest remedy to the problem of subdivision and fragmentation suggested by Dr. Ambedkar will work out in this way.

Dr. Ambedkar suggested state ownership of land which will make the land holdings viable because the size of land holding for cultivation will be decided by the government and capital will be supplied by the government. Dr. Ambedkar was of the opinion that government should own the key and basic industries and farming being the most important occupation in India must be run by the government. There are administrative difficulties in transferring the ownership of land and government may have to face the resistance from the farmers. In today's LPG era where the size of public sector is reducing and inefficiency of public sector is observed in India and across countries, the solution of state ownership of land might not work as expected by Dr. Ambedkar. In a country like United States where most land was owned by the government, now roughly 27 per cent land was owned by the government in the year 2018. The crop land is mostly held by the private sector. The country like Georgia resorted to privatization of state owned agricultural land due to inefficiency of the public sector in the agricultural sector. Corruption, lack of interest in development of farm and decreasing productivity of land are observed in case of state ownership of land worldwide. However in India, the number of marginal and sub marginal farmers is still large and as their holdings are uneconomic state can own such small pieces of land and can employ the owners the way Dr. Ambedkar suggested. For that a law can be enacted which will decide the size of land holdings below which no private holdings will be allowed. Government can acquire such land for cultivation.

Collective farming was a remedy suggested by Dr. Ambedkar. Collective farming is a type of cooperative farming in which members

surrender their land irrevocably. Land, livestock and other equipments are joint. Work is common and management is generally through an elected council. Under this system of farming, besides wage every person gets a share in the surplus produce of the farm. The collective farm is a large scale farm and is highly mechanized. Collective farming can give all the advantages of a large scale firm. However surrendering the ownership rights of land for the farmers is the biggest obstacle in the implementation of collective farming as a remedy to the problem of subdivision and fragmentation of land holdings in India. Indian farmer is very much attached to the land. 'Land hunger' is a special feature of Indian agriculturists. Therefore any remedy which asks for sacrifice of the ownership of land might have limited success.

7. Summary and Conclusion

Dr. Ambedkar expressed his thoughts on the problem of subdivision and fragmentation of land holdings in India as a reaction to the remedies suggested by the committee constituted by the then British government. He tried to give scientific definition of 'economic holding' which was not given by any economist so far. This definition will help to run the business of farming efficiently. He did not comment on the size of land holding necessary to provide a family of 'normal size' a minimum standard of living. He did not believe in the consolidation of subdivided and fragmented land holdings by law. Because such land would again get subdivided and fragmented due to the law of inheritance. However he did not blame the law of inheritance for land getting subdivided and fragmented but the large number of people depending on land for earning their livelihood. According to Dr. Ambedkar, there existed disguised unemployment in agriculture and this idle portion of population was responsible for the subdivision and fragmentation of land holdings in India. Therefore the remedy to this problem is industrialization and absorption of surplus labour in the industrial sector. In the development phases of any country; industrialization is the first phase. it reduces the number of dependents on agriculture in any country. Dr. Ambedkar suggested this phase only. This was not an immediate solution to the problem of subdivision and fragmentation of land holdings in India as this structural transformation takes time. Therefore consolidation of land holdings by law was also necessary. The state ownership of land suggested by Dr. Ambedkar is difficult as countries are favoring

privatization in various sectors. However in case of marginal and sub marginal land state ownership of land may provide an income to the farmers by which they can support their families at a satisfactory level. Collective farming is voluntary so it is having and will have limited success in India. Thus we can say that Dr. Ambedkar diagnosed the problem of subdivision and fragmentation in a scientific way and suggested remedies which either require a long time span or the socialistic pattern of the government.

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