



AGRICULTURAL FARMING SYSTEM IN INDIA

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In this paper an attempt is made to study the implications of collective farming and compare the farming system of China and Russia and the impact of farming system on poverty employment and production.

Dr. Ambedkar in his “States and Minorities” published in 1947 felt that state socialism was essential for rapid industrialization. He proposed that state should have an obligation to plan the economic life of people on the lines which would lead to highest point of productivity without closing every avenue to private enterprise and to provide for equitable distribution of wealth.ⁱ He proposed state ownership of agriculture with a collectivized method of cultivation and a modified form of state socialism in the field of industry. It should be the obligation of state to supply capital necessary for agriculture as well as for Industry. He also opined that consolidation of holdings and tenancy legislation are worse than useless. They cannot bring about prosperity in agriculture. Neither consolidation nor tenancy legislation can be of any help to the landless agricultural laborers. Only collective farms can help them.ⁱⁱ

On this basis Dr. Ambedkar enunciates principles around which collective farming shall be organized in India. They are as follows:ⁱⁱⁱ

1. “..... Agriculture shall be the state Industry.
2. Agriculture industry shall be organized on the following basis.

1. The state shall divide the land acquired into farms of standard size and let out the farms for cultivation to residents of the village as tenants (made up of groups of families) to cultivate on the following conditions.

(A) The farm shall be cultivated on a collective form, (B) The farm shall be cultivated in accordance with rules and directions issued by government, (C) The tenants shall share among themselves in the manner prescribed the produce of the farm left after the payment of charges properly livable on the farm.

II) the land shall be let out to villagers without distinction of caste or creed and in such manner that there will be no landlord or tenant and no landless labourers.

III) It shall be the obligation of the state to finance the cultivation of the collective farms by the supply of water draft animals, implements, manure, seeds etc.

IV) The state shall be entitled to

a) To levy the following charges on the produce of the farms

(I) a portion for land revenue

(II) A portion to pay the debenture holders and

(III) A portion to pay for the use of capital goods supplied and

(b) To prescribe penalties against tenants who break the conditions of neglect to make the base use of the means of cultivation offered by the state or otherwise act prejudiciously to the scheme of collective farming.

But Dr. Ambedkar's views on collective farming were not accepted by the constituent Assembly, thus, they were not included even under the Directive Principle of state policy in the India's Constitution. The idea of collective farming of Ambedkar was very revolutionary. It accepted would require the nationalism of agriculture. The Constituent Assembly was totally opposed to the Ambedkar's position, since it was dominated. Further the Government of India has opted for a more soft measure of land reforms instead of collective farming.

Hence, the Congress Agrarian Reform Committee under the Chairmanship of J.C. Kumarappa(1949) rejected the concept of capitalist farming as a form of agricultural organisation on the group that would deprive the agriculturist of their rights in land, turn them into mere wage earners and subject society to capitalist control on such a vital matter as supply of food. It would also create the problem of displaced personnel. The committee held that peasant farming would be the most suitable form of cultivation above the basic holding, although holdings smaller than the basic holdings, should be brought under a scheme of cooperative joint farming. But collective farming and state farming would be more appropriate for the development of reclaimed waste lands on which landless agricultural workers could be settled.^{iv}

It is true that to solve the problems of small and scattered holdings and agricultural labour problems, collective farms under the state control had been adopted in USSR and in China. This gave security of employment and minimum income to agricultural labourers besides solving the problem of inequality in the distribution of wealth and income. Through this system, the basic problem of rural poverty was solved.

COLLECTIVE FARMING OF CHINA AND RUSSIA

The 'collectivization' of agriculture, in 1955-56 in china and after 1929 in Russia, marked the transition from a private to a predominantly collective system of a agricultural ownership, production and distribution, it was probably the most important event in the agrarian histories of post-revolutionary periods in these two countries and the unique way in which it took place has had profound implication for the subsequent development of China and Russia.

CHINA AGRICULTURAL ORGANISATION AND DEVELOPMENT

After the setting up of the people's republic of China 1952, the basic principle of land reform was to confiscate the land of the landlord class and to redistribute it to peasants having insufficient or no land. Initially the government held that land reform would release some "productive forces" which, given certain productive relations, would lead to rapid

industrializations via increased agricultural production. The main features of the land reform law were as follows:

“The land, draught animals, farm implements and surplus grain of the landlords and their surplus houses in the country shall be confiscated. The rural land belonging to ancestral shrines, temples, monasteries, churches, schools, organizations and other land owned by public bodies shall be requisitioned. “Land and peasant dwellings in the country side which are owned by industrialists and merchants shall be requisitioned. “Land owned by rich peasants and cultivated by themselves or by hired laborers and their other properties, shall be protected from infringement. “Small portions of land rented out by rich peasants shall remain untouched. But in certain special areas. The land rented out by rich peasants may be requisitioned in part or in whole with the approval of the people’s government at provincial or higher level.” If the proportions of land rented out by rich peasants of semi land lord type exceed in size the land tilled by themselves and by their hired labourers, the land rented out should be requisitioned, Land and other properties of middle peasants shall be protected from infringement”^v

The basic aim of agrarian reform is not purely one of relieving the impoverished peasants stated hier Shao chi’, the then top most party theoretician but “is designed to set free the rural productive forces from the shackles of the feudal land ownership system of the land lord class in order to develop agricultural production and thus pave the way for new China’s industrialization. ^{vi} After the Chinese Communist party completed its nationwide programme of land reform in 1952, the party launched a new policy to promote collective agricultural production. The change went ahead rapidly and, by the end of this period, almost all farms were organized into collectives. Initially it was planned to move from rudimentary collectives. (Mutual aid teams) to advanced one i.e., socialist collective associations, but at the end of 1955 they pushed forward aggressively and by 1957 had completed the transition to advanced produces co-operatives which is step by step to end capitalist exploitations in the country side, to overcome the backwardness of small peasant farming and develop a socialist agriculture which will meet the needs of the nations socialist industrialization. The cooperatives averaged about 160 farms and 140 to 160 hacters. Agricultural production over these five years increased at an annual rate of 3.2 per cent (Table-2). In evaluating the growth of China’s agricultural production of 3.2 per cent per year between 1953 to 1982 and comparing China’s progress with India’s (3 per cent from 1952-56 to 1970) and other countries agricultural growth rates, the results obtained by the Chinese so far have been very impressive.^{vii}

This vigorous growth in agricultural production has been offset by just as higher rate of population growth as well as policy changes. Hence the rapid collectivization from late 1955 on is now criticized as an error of overly zealous leftist elements. Together with the introduction of large scale water conservancy projects and rural industrialization campaigns the Chines pressed forward with a campaign to organize people’s communes as from 1958 and these were made the basic units of social organization not only for agriculture but also for industry and other sectors. Large work forces were mobilized for the rural industrialization campaign. The average people’s commune initially consisted of 5000 farms and same 4500 hacters of arable land combining about 30 advanced producer cooperatives. The people’s commune campaign is also now criticized as an error of leftist tendencies in China. At the same time, as a result of the natural disasters of 1959 to 1961 and the over collectivization agricultural production declined

appreciably from 1959 to 1962. Then the government attempted to correct the excesses in collectivization and to reduce the size of the unit of agricultural production to the production team (30 to 50 farms) which corresponded to the rudimentary producer cooperative of the mid 1950's. A three level system of ownership was established wherein land draught animals, light agricultural machinery and the like belonged to the production teams; medium to large agricultural machinery, small scale water facilities and the like belonged to the production brigades: and heavy agricultural machinery medium scale water facilities and the like belonged to the people's communes.

In establishing this three-level system of ownership, it was planned that, in the process of future economic development, the basic economic unit would gradually change from the production team to the production brigade and eventually to the peoples commune. However, the three level system of ownership has also been attacked as being the outcome of inadequate correction of leftist tendencies. In the course of the economic difficulties created by the fall in production and as a reaction to the failure of the collectivization policy, in many areas the responsibility for production was assigned to individual farms. In the "Working Articles of the People's Commune" of 1962, however, which re-affirmed the three-level system of ownership. This individual farming system was again banned.

During 1963-1965, China recovered from the fall in production of the preceding period. In 1965, grain production had climbed back to about the 1957 level and agricultural production was higher than in 1957. According to the criticism made in the following period, despite the fact that the working Articles on Peoples Communes has banned the individual farming system. It had been fairly widespread at this time and a policy of expanding the free plot economy had been adopted. The line taken after the third plenary session of the 11th Central Committee of the Communist Party (CCCP) was to highly commend the policy during this period as having effectively speeded up the recovery in production. On the other hand a socialist educational campaign was promoted with the view to curbing the trend toward individualization in the rural economy.

The latter half of the 1960's was the period of the Cultural Revolution while the first half of the 1970s was the era of the "Gang of Four". During this time, the government - focused ' on strengthening the collective economy. The years 1976 to 1978 can be seen as a transitional period to the agricultural policy of the third Central Committee of the Communist Party Plenary Session. The Individual farming system was criticized and stress was laid on a process of transition towards people's communes and the brigades as the basic economic unit. Agricultural production policy in this period was also marked by the "Take Grain as the Foundations" Policy and the "Learn from Dazhai" movement. It can also be said that the stress on grain production of the "Take Grain as the Foundation" policy was called for as a result of the acute grain shortage. On the strength of this policy the rate of increase in grain production during this period far exceed that of agricultural production. However, criticism has been levelled at the policy in that it laid stress solely on grain production and therefore disrupted the balance and delayed the development of total agricultural production. While at the same time interfering with the autonomy of the production teams in crop planning. Under the "Learn Frum Dazhai" movement, the government mobilized the rural work force for the construction of water conservation facilities and other basic supports for agricultural production.

During 1979 to 1982, under agricultural policy of third central committee of Communist Party Plenary Session. The transition to private management of agriculture had been taken. The policies adopted by the government in this period were dramatically opposed to those of the preceding period. With a view to establishing a system of responsibility for production, the government proceed to break down management organization to the individual unit and as from 1979 began to make substantial increases in the prices of farm products. As a result of these and other measures, agricultural production grew rapidly. However, the process of delegating responsibility for management to the individual farmer has been accompanied by a slower increase in the basic supports for production, which had previously been provided collectively. The government had divided not to raise prices for agricultural production further during the long term plan to the year 2000. Various "Systems of responsibility" linking remuneration without put were introduced following the third plenary. In 1979, most of these systems consisted in dividing up the land into "Small Work Groups" (5 to 10 families) with which the team signed on output commitment". In 1980, these output commitment began to be applied not only to the work groups but also to individual families. In all cases, this type of commitment maintained the collective management of the team, the output handed in by the groups of families being remunerated in the form of "work points" whose value depended on the results of the collective as a whole.

Since 1981, an system of responsibility came into use which spread thereafter to the whole of China. This system called "family farm commitment" or total farm commitment" is radically different from the others to the extent that it does away with the collective distribution of income and work points. The family with which the team has a contract for the land allocated to it becomes wholly responsible for its own profit and loss. Since 1983, these total farm commitments have been in use with nearly 80 per cent of farming families.^{viii} This extension of what is more or less a tenant - farming system to most of the agricultural population is tantamount to de facto de collectivization. The fact is that though the land is still "collective", labor organization, production and distribution management are now run by the individual families. They conserve only the task of collective regulation which covers the readjustment of land under contract, the planning of crops that are essential for meeting supply quotas, the management of big collective plant and machinery, irrigation net works, social assistance to the destitute. On the basis of this return to the family farm as the basic agricultural unit, various forms of spontaneous cooperation among farmers are encouraged. Farmers may form "New economic associations" for operations or activities that exceed the resources of individual farmers. These associations, based on the principles of voluntary membership and mutual benefit enable them to put together the necessary capital and to recruit a few employees to launch enterprises. The profits from which are shared among the families in the association in proportion to their contribution.

The extension of individual activity into the trading sector has been made possible by the partial lifting the state monopolies. Farmers now have the right to sell their surplus production on the free market once they have met their obligations with regard to deliveries to the state. The liberalization of economic life in the country and consequent threat of competition to the state sector from private enterprise in industry and trade have promoted a reform of the state network of purchasing and supply cooperatives. The later have reactivated their "co-operatives" futures by selling shares to farming families and distributing dividends.

Alternatively they are encouraged to ally themselves with state agencies and producers - both collective and private - in "Joint Agricultural and Industrial or Commercial Enterprises" for the purpose of promoting certain specific activities whose growth depends closely on processing and distributing capacities. So the reform introduced with the "System of Responsibility" is not confined to mere changes to the organization of production and distribution in the agricultural collectives; in fact it is accompanied by a considerable upheaval in rural economic structure. The Chinese authorities see the changes in terms of new "Socialist agricultural development path of Chinese hue,"^{ix} its socialist feature being that it maintains the collective ownership of the land and the principle of remuneration according to the amount of work done. It is also cooperate in that it brings people into associations in many different ways in an overall process of production specialization and socialization, since the system of contracts links family enterprise, collective community and the state planning closely together.

Table-4 shows that Incidence of Poverty in China has been decreasing continuously. But in case of India, it shows a slow decline in the 1970's and a much faster decline in 1980's till 1990. Higher and more stable trend rate of agricultural growth in the 1980's than in 1970's was mainly responsible for this outcome. After that it has again raised upto 40.7 per cent in 1992. However, when comparing with China, incidence of poverty in India is much greater than in China rural poverty. In case of labour force in agricultural employment in both the countries is more than 60 per cent and it has been declining continuously over a period of time. In 1965, China had higher labour force rather than India. It is reversed in 1990 (Table-5)

After death of Mao 1976, changes gave the appearance of nothing more than fine tuning of the systems to overcome the aberrations resulting from the "misdeeds of the gang of four". The year 1978 was of crucial importance. At the end of that year a decisive victory for those who wanted change was won at the third plenary session of the 11th Central Committee of the Chinese Communist Party. Since then both the structure of communes and rural policies in China have been changing at a breath taking place. The level of collectivization was brought down to the level of teams and thus to smaller groups. This was soon replaced by a system of widespread contracting with individual households and workers. Private plots, sideline activities and private markets were vastly expanded and guaranteed as inviolate. The Relative success of China's collectivization appears to stem from the following factors.^x

First at the core of the explanation lies the greater strength experience and commitment of the Chinese communist party in the rural areas, reflecting in large measure, the different way in which the revolutionary seizure of power took place in China. Because of this, the Chinese leadership was able to press forward with a programmer of increasing socialization of the countryside after 1952, and avoid the problems. Secondly it is likely that differentiation in China's villages before the revolution was less highly developed certainly the tendency towards polarization after land redistribution was checked in China to a far greater degree. Thirdly faced with similar contradictions between the rate of industrialization and the level of agricultural marketings, China was forced by the absolutely low level of agricultural output per capita, to look more to a positive approach of trying to raise production and income as well as marketing's. China was further encouraged in this positive approach by the potentialities that existed for collective organization to raise output and income by mobilizing an increase in traditional inputs, such potentialities are far greater in a 'labor-surplus' agriculture

But one must also remember that Russia was the first in this field and some of its mistakes were not repeated by China because it was able to learn from Russia's experience. Finally, one may make the speculation that poor, overcrowded Asian countries are the most likely low for successful transformation to collective agriculture, due to the fact that the advantages of collective agriculture in raising output and living standards here have a potentially strong appeal to the majority of the peasant population. Under these circumstances a swift post-revolutionary transition to collective agriculture is made possible and perhaps this is a more auspicious circumstances for successful collectivization than waiting until modern inputs can be supplied to agriculture. It was this kind of possibility that Mao had in mind when he wrote: "Lenin said: "The more backward the country the more difficult is transition from capitalism to socialism". Now it seems that this way of speaking is incorrect. As a matter of fact, the more backward the economy, the easier not the more difficult, the transition from capitalism to socialism. The poorer people are, the more they want revolution."^{xi}

In both China and Russia the transformation of social relationships preceded the modernization of the productive forces. China was notably more successful in setting up socialist production relations and in providing a basis for long-run growth in agriculture, yet it had an even poorer and less modern agriculture than Russia. However, the collective farming was successful in China due to the fact that the advantage of collective agriculture in raising output and living standards here have a potentially strong appeal to the majority of the peasant population. Under these circumstances a swift post-revolutionary transition to collective agriculture is made possible and perhaps this is a more auspicious circumstances for successful collectivization than waiting until modern inputs can be supplied to agriculture. It was this kind of possibility that Mao had in mind when he wrote: "Lenin said: "The more backward the country the more difficult is transition from capitalism to socialism". Now it seems that this way of speaking is incorrect. As a matter of fact, the more backward the economy, the easier not the more difficult, the transition from capitalism to socialism.

INDIAN AGRICULTURAL FARMING SYSTEM

Hence the Government of India to overcome the problems in agriculture sought to achieve the amalgamation of small holdings into large holdings through the introduction of cooperative farming in agriculture. Co-operative farming bring a ray of hope in an much as it introduces economies of scale in farming and develops a sense of co-operation among individual farmers for the best use of land and other resources. Co-operative farming is a voluntary organisation in which small farmers and landless labourers increase their income by pooling land and resources. Under a cooperative farming system two or more farmers pool their land and other resources for joint cultivation, while individual farmers ownership right is maintained, benefits of large scale farming is supposed to accrue to all farmers who would find it profitable to introduce technological change on farms and reap the economics of increased resource efficiency. Farming cooperatives have been established in India with lands pooled by the members to be cultivated jointly with a view to increasing agricultural production and employment. Two main variants of cooperative farming prevalent in Indian agriculture are (a) joint farming (b) Collective farming.^{xii}

(a) Co-operative Joint Farming:

Here individual ownership of land is retained Membership is even open to absentee landholders. They pool their lands together for a minimum specified period under a written agreement. Farm operations are carried out jointly under an approved scheduled of work. Implements and cattle pooled together are retained individually. And if individually, the society will hire them for joint use. The society is for the joint use of the factors of production. Members including their family members if engaged in cultivation are paid wages either in cash or kind. The produce is divided among the members of the society in proportion to the value of land pooled.

(B) Cooperative Collective Farming:

Under the system of collective farming no land or any other asset will remain in the hands of any member. Individual ownership or individual operation in the farm is not permitted. Society is the owner of all lands (either freehold or leasehold) which are cultivated jointly. The members of the society share jointly the risk and responsibility of farm operations. Remuneration is paid to the member according to his labor contributed. Surplus is divided among the members according to the value of their allotted lands and inputs pooled. It is the society which controls the entire production process. The central government has fixed the guidelines and allotted finance to the State Government towards the development of co-operative farming. But the State government have not followed the central guidelines with equal zeal and emphasis. Consequently, the progress of cooperative farming has not been uniformed across the states. Andhra Pradesh is identified for the spectacular progress in cooperative farming.^{xiii}

Since independence, the government made efforts to strengthen the co-operative farming system. The suggestions of the first five year plan (1951-52 to 1955-56) that small and marginal farm should be encouraged and assisted to group themselves into co-operative farming societies. It strengthened during the second plan which laid down that the main task is to take such essential step as will provide sound foundations for the development of cooperative farming so that over a period of ten years or so, a substantial proportion of agricultural lands are cultivated on co-operative lines. Third Five Year Plan adopted a half hearted attitude towards the programme and stated that "in main, co-operative farming has to grow out of the success of the general agricultural effort through community development movement, the progress of co-operation in credit, marketing distribution and processing, the growth of rural industry and the fulfilment of the objectives of land reforms." In the subsequent plan, no special effort was made in organizing co-operative farms.

However, in a review of the progress of co-operative farming, although co-operative farming has been officially accepted as a way out in tackling the problem of full utilisation of land, so far no substantial progress has been made. Problems of motivation and organisation faced in this approach have not yet been successfully solved on any significant scale. Therefore, it is not surprising if the progress of co-operative farming in India remains very tardy so far.

TABLE-1
Trends in Agricultural Production and Grain Production in India

Years	Agricultural Production	Food Grain Production (Million Tonnes)
1953	55.5	60.7
1957	55.8	55.7
1962	67.4	67.3
1965	63.7	60.6
1978	105.0	107.0
1982	104.9	103.7
1992	151.5	144.3

Source: CMIE Report, 196 July (p.46)

Agricultural production performance in India since 1953 to 1992 is presented in Table 4.5 The agricultural production was at 55.5 million tonnes during 1953 which rose to 151.5 million tonnes by the year 1992. Whereas in China the agricultural production was 63.54 in 1953 and raised to 191.50 and the Grain Production in China was 344.1 million tonnes where in India it was 144.3 million tonnes in 1992. Thus, from the table it is clear that Indian agricultural and grain production was very low compared to China.

TABLE 2
Average Annual Rate of Growth of Agricultural Production and Grain Production in India

Years	Agricultural Production (%)	Grain Production (%)
1951 to 1964	3.1	2.9
1969 to 1980	2.2	2.2
1981 to 1994	3.8	3.5

Source: CMIE Report 1996 July, p.47.

Table shows the growth of agricultural production registered over 3% annual growth rate during 1981 to 1994, which was significantly higher than the annual population growth of 2.14% during eighties. where as the china it was over 7% during 1979 to 1982.

In some cases cooperative farming societies were organized mostly by large owners of land and not by small and marginal farmers as it was expected. In fact many absentee landlords and big farmers preferred to form cooperatives for two important reasons.^{xiv} First, co-operative forms were exempted from ceiling and tenancy landlords and big-farmers to join cooperative not so much for economics of scale, but for evading ceiling. Secondly, the cooperative farms were given heavy financial assistance and subsidies for efficient agricultural operations by the government and financial institutions in the rural sector. The big farmers were tempted to avail

of these assistance facilities which enabled them to undertake large operations and benefit. Thus, as a result of government encouragement of cooperative farming system, a whole group of absentee landlords continued to exist , a large sum of public money appears to have been misdirected in as much as financial assistance was given to those who perhaps did not need it.

In some cases, even the small and marginal farmers joined cooperative forming societies along with big farmers, it was found that in many of these societies no joint farming was in evidence, as both big farmers and small farmers were conscious of their unequal social status in the village and preferred to cultivate individually, through apparently within the cooperative society. It is true that small and marginal farmers with more or less equal socio-economic status formed some cooperative societies on government owned land, but the quality of such land itself was so poor that neither there was evidence of productivity increase after the formation of co-operative nor did the farmers and their administrators show any concern to improve the quality of such land. Their poor socio-economic status, ousted of receiving any sympathetic consideration, became a source of exploitation by the local bureaucratic administration. Consequently, the farmers lacked the very cooperative spirit so basic for the success of the cooperative societies.

On the whole, the co-operative farming movement failed to achieve its much repeated objective of raising farm productivity through cooperative effort of the farmers. The entire thing seemed to have taken a wrong direction and a larger part of inefficiency in such co-operative farms around be explained by the continued existence of feudalistic production relation on disguised form. Nor did the establishment of cooperative farming societies help to improve the economic condition of the rural poor by encouraging and assisting small and marginal farmers to join cooperatives and bring them within the mainstream of national economic development.^{xv}

The agricultural growth in terms of production is presented in table 1. The agricultural production was only at 55.5 million tonnes during 1950's and rose to 151.5 million tonnes by the year 1992 whereas in China the agricultural production was 63.54 million tonnes in 1953 and raised to 191.50 in 1992. Thus from this data it is clear that Indian agricultural growth was very low when compared with China which has been following collective farming oriented market farming system. When compared to agricultural growth. India has registered only 3% which is less than the China agricultural growth registered at 7% during 1990's

Low productivity and inability to absorb the growing labor force, skewed distribution of land proliferation of sub-marginal and marginal holdings make the agricultural sector in India witness to pervasive process of marginalization of rural poor. The period 1950-65 could be identified as agricultural growth through area expansion. The next period 1968-1981 is usually reckoned as the green revolution period. The first round of the green revolution was confined to only a few crops like rice and wheat being the major beneficiaries and selected wheat being the major beneficiaries and selected areas like Punjab and Haryana. The second round of the green revolution 1981-1992 had a more creditable record with almost entire growth rate of 3% coming from improvement in yields. The main point to be noted here is that over the post independence decades the agricultural growth rate has remained head of the population growth. But it could not alter the poverty and unemployment in India. Table shows the incidence of poverty in India It is clear that still 34.3% of population are below poverty line.

The main reason for this is the Indian agriculture. The collective farming system would have definitely solved the basic problem of poverty had we opted for it. However, the collective farming was subjected too much criticism under state control. It is true that agriculture requires personal attention which is lacking in state farming. It implies that productivity suffers due to lack of personal attention. This means that collective farming under state helps in solving the basic problems of poverty like in China.

Thus, we may suggest that individual peasant farming backed by 100 percent activities on other lines should be the rule of India and as such for any democratic country of the world. Actually, such opinion had already been expressed by Indian and foreign economists as early as 1957. Prof. Amlan Datta^{xvi} and Dr. Otto Schiller^{xvii} e.g. had advocated individual farming, co-operative serving and village-level planning. As Professor Dutta Wrote: "the golden mean between capitalists and collectivist or State farming, if such a mean exists, lies in individual peasant farming, supported by cooperative servicing . Strictly speaking, there is no mean at all, but a third way; but it is perhaps, the only democratic way." Similarly Dr. Otto Schiller suggested that individual farming on cooperative lines would be the ideal method for India.

The essence of such a method is that "all functions which cannot be Executed on the limited boundary of a single small farm, or are beyond the capacity of the small holder such as planning including field arrangements and cropping scheme, the financing of investments, the keeping of large sized equipment, wholesale supply and marketing, etc., should be turned over to the cooperative society for improved individual farming which is very successful at present in use of China. All other functions of farm management, which can properly be executed within the boundaries of a single farm should remain with individual.

We may therefore conclude by recommending to India, Chinese agricultural farming system of individual farming or household farming on cooperative lines in which farming is to be undertaken on the basis of individual holding supported by the cooperation among the farmers in all outside farm activities. Individual farming on the basis of cooperation among the farmers in all outside field activities would avoid the disadvantages of large scale farming in the form of managerial or supervisory limitation and the loss of incentive of the producers, while producing all economies that may result from such cooperation.

CONCLUSION

Dr. Ambedkar opined that consolidation of holdings and enlargement of fragmented holdings will not solve the problem of agricultural labour and it cannot bring any prosperity in agriculture. The state socialism is essential for fostering economic development with justice. Under state socialism agriculture will be the state industry and the farms shall be cultivated as collective farms which had been adopted in Russia and China. This gave security of employment and minimum income to agricultural labours besides solving the problems of inequality in the distribution of wealth and income. Through this system, the basic problem of rural poverty was solved. In India there was a debate on the form of farms organisation and decided that the peasant farming would be the most appropriate form of cultivation above the basic holdings but the smaller holdings should be brought under the scheme of cooperative farming. But the cooperative farming did not materialize although family based peasant farming was adopted in India. Though land reform intermediaries could be abolished, but land concentration persists and it is the most important reason for the existence of higher incidence

of rural poverty in India compared to China despite tremendous increase in food production due to green revolution.

However, the agricultural laborers suffer from social discriminations and also economic exploitation. The condition of agricultural laborers was worse particularly on the eve of independence and collectivization would have definitely solved their basic problems of poverty, had we opted for collectivization of farms. However, collective farming under state control subjected too much criticism after the collapse of the communism in Eastern Europe particularly in Russia and subsequent shift to market oriented strategies of development. It was pointed out that when minimum needs were met by state in a regime of collective farming under state control, there was no incentive for people to work more and produce more. The state was used to take decisions regarding what to produce and who to produce irrespective of cost considerations without involving farmers in decision making. It is true that agriculture requires personal attention which is lacking in state farming. It implies that productivity suffers due to lack of personal attention and incentive to produce more. This means that collective farming under state helps in solving basic problem of poverty initially but it may not lead to increased productivity. Personal attention and incentive to produce more is ensured in the case of family based peasant farming above basic limit. But collective farming is better suited in the case of marginal farms, which constitute more than 50% of agricultural holdings, but control only about 12 per cent of area under cultivation and state should take the responsibility of supplying necessary capital and other agricultural implements.

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