



# AMBEDKAR'S PERSPECTIVES ON SMALL AND MARGINAL FARMERS IN THE INDIAN ECONOMY

**Rajेशha. B<sup>1</sup>, Dr. Harisha N<sup>2</sup>**

<sup>1</sup>Research Scholar, Department of Economics, Karnataka State Open University, Mukthagangothri, Mysore,

<sup>2</sup>Assistant Professor, Department of Economics, Karnataka State Open University, Mukthagangothri, Mysore,

## ABSTRACT

India is one of the fastest-growing economies in the world. It is the seventh-largest country by area and the second-largest by population. Agriculture remains the most important sector of the Indian economy. It is also known as the backbone of the Indian economy. Small and marginal holdings (below 2.00 ha) constituted 86.08 per cent in 2015-16 as against 85.01 per cent in 2010-11 and had 46.94 per cent of the area in the recent census as against the corresponding figure of 44.58 per cent in 2010 -11 in the country. Ambedkar's views deal with agriculture and are a landmark in the field of economics. In contrast to the labour and resources of the farmer, Dr Bhimrao Ambedkar believed that the size of the agricultural sector determines the productivity of the industry. To solve the problem, he suggested intensive farming. His views on land tenure, collective farming and land revenue are most useful today.

**KEYWORDS:** Indian Economy, Agriculture Sector, Land holdings, Small Farmers.

## INTRODUCTION

Dr. Ambedkar was one of the great personalities who brought about dynamic changes in the society. He devoted his life fully to the betterment of the downtrodden people of India. He was a great politician, constitutionalist and economist. He was born on 14 April 1891 in the town and military cantonment of Mhow in the Central Provinces (now Madhya Pradesh). He was the 14th and last child of Ramji Maloji Sakpal, an army officer who held the rank of Subedar, and Bhimabai Murbadkar Sakpal. His family was of Maratha origin from the town of Amavade (Mandangad taluka) in Ratnagiri district of present-day Maharashtra. Dr. B. R. Ambedkar made an in-depth study of Indian agriculture, wrote research articles, organized seminars and conferences to solve the problems of agriculture and farmers and also led the farmers' movement. His thoughts on agriculture are found in his article "Small Businesses in India and their Remedies"(1917) and also in "Status and Minorities" (1947). He mentioned that the holding of land by a few people is an acute problem of Indian agriculture, which has various drawbacks such as difficulties in cultivation and utilization and resources, rising costs, low productivity, inadequate income and low standard of living.

## REVIEW OF LITERATURE

An essential part of the research is the literature review which enables the researchers to better understand the problem of the study. In this section, the researcher reviewed related research papers and articles.

Ambedkar B R.(1918) - "Small Holdings in India and their Remedies." The paper highlights that land is fragmented with low tenure and therefore there is an urgent need to introduce corporate and collective farming across the country.

Anjali and Dr. Archana Jaiswal (2023) in their research paper "Ambedkar's View on the Reformation of Agriculture for Economic Development" states that Ambedkar's looked at the problems of agriculture from the point of view of an economist and tried to look at all the problems that hindered the growth of agriculture in Indian society.

Kanchana Devi(2021)-"DR. Ambedkar's View on Indian Agriculture".This paper studies Ambedkar's Views on Indian agricultural problems and suggestions.



## STATEMENT OF THE PROBLEM

This study focuses on Ambedkar's views on the development of small farmers in India. Dr B.R. Ambedkar believed that the growth of agriculture is determined by its size rather than the labour and resources of the farmer. He stated that intensive farming can be used to solve the problem rather than expanding the agricultural sector. The decline in agricultural production was caused by an over-reliance on unpredictable rains and a lack of irrigation infrastructure. Farmers' poverty and ignorance prevent them from making significant capital investments and introducing sophisticated farming techniques. He argued that there are no such things as small and large enterprises if agriculture is to be considered an economic activity. The problem does not stem from the use of large or small farms, but rather from the absence of other agricultural components. The exploitative system was abolished in 1949 thanks to Dr. B. R. Ambedkar's legislation to end the ryotwari and khoti systems of the British administration. The main purpose of this paper is to Ambedkar's views on the economic development of small and marginal farmers in India.

## RESEARCH OBJECTIVES

The main focus of the study is the development of small and marginal farmers in India. The specific objectives of the study are:

1. To study Ambedkar's views on the development of small and marginal farmers in India.
2. To examine the current status of small and marginal farmers in India.

## RESEARCH METHODOLOGY

This study is based on secondary data and is a theoretical descriptive and evidence-primarily based diagnostic assessment. The data was collected from relevant research articles, journals, books, reports, writings and speeches of Dr. Babasaheb Ambedkar, newspapers and relevant websites.

### **Ambedkar's Views on Small and Marginal Farmers in Indian Economic Development:**

Ambedkar believed that land is only one of many factors of production and the productivity of one factor of production depends on the ratio in which other factors of production are combined. In his words: "The main objective of efficient production is for each factor in the concern to contribute as much as possible, and he can do this only when he can work with his colleagues in the required capacity. There is thus an ideal of proportion which should exist between the various combined factors, although this ideal will change as the proportions change. From this, he goes on to point out that if agriculture "is to be considered an economic enterprise, then there can be no such thing as large or small agricultural enterprises".

Ambedkar launched a movement against this system on 14 April 1929 at an agricultural conference at Chiplun in Ratnagiri district. He founded an independent labour party in 1936 and its manifesto gave high priority to the abolition of the 'Khoti' system. On 17 September 1937, Ambedkar introduced a historic bill to abolish the Khoti system in the Bombay Legislative Council. After a long struggle, the Khoti system was abolished in 1949.

He argued that industrialization and agricultural growth could boost the Indian economy. He emphasized investment in agriculture as India's primary industry. According to Sharad Pawar, Ambedkar's vision helped the government achieve its goal of food security. Ambedkar advocated national economic and social development, emphasizing education, public sanitation, community health and housing as basic amenities.

The problem therefore lies in the insufficiency of other production factors. The lack of capital needed to purchase "agricultural supplies and implements" results from savings. There is an almost prophetic statement he made long before modern development theorists systematized notions of hidden unemployment or underemployment: "A large agricultural population with the lowest proportion of land under actual cultivation means that a large part of the agricultural population is redundant. and idle". Even if countries are consolidated, enlarged, and cultivated by capitalist enterprise, this will not solve the problem, for it will only aggravate the evil by "adding to our stock of idle labour."

### **Collective Farming**

After observing unequal tenures and persistence of tenancy with unjust rents and insecure tenure till 1947," Ambedkar came up with the radical solution of nationalization of land and collective farming. He believed that neither business consolidation nor tenancy legislation was conducive to improving agricultural productivity. Moreover, these measures cannot help in solving the persistent problems of landless labourers and small farmers. As a solution to the ills of agrarian conditions, he proposed the nationalization of all agricultural land with



collective management. It should be the duty of the state to supply the capital necessary for both agriculture and industry.

Ambedkar's scheme suggested that agriculture should be a state industry. It is obvious that after independence, the average size of the holding has a constant downward trend. The main reason for the decline is the burden of land on the population, defective inheritance law, decline in cottage industries etc. 1970-71. India being the second most populous country in the world is facing many problems related to every sector of the economy in agriculture we are facing a low productivity rate and a high dependency rate without any technical improvement which is underpinned by several One of them is fragmented land with low share of the holding, so there is an urgent need to introduce corporate and collective farming throughout the country based on the opinion of Dr. Ambedker who was against this fragmented holding system.

### **Approaches to Land Reform**

In an article titled "Small Holdings in India and their Remedies" published in the Journal of Indian Economic Society, Ambedkar stated that consolidation can prevent the evil of scattered holdings but not the evil of small holdings within consolidated holdings as an economic holding." The traditional definition of an economic holding is "an enterprise which enables a man to produce enough to maintain himself and his family in reasonable comfort after paying necessary expenses." He pointed out that this definition of an economic holding was in terms of consumption rather than production. Because consumption has the value of the right scale, to which the economic character of the enterprise can belong. It would be perverse accounting to condemn a farm as non-paying because its total production does not support the Farmer's family as the proportional return for each of its components is the highest. He noted: "Therefore, any definition that relies on consumption returns the nature of the economic holding, which is essentially an enterprise in production; what is important for production is the process of combining the factors of production."

Indeed, the absolute size of the land (which was small) was not the only decisive factor responsible for efficient production. It cannot be the language of economics to say that a large holding is economic while a small holding is uneconomic. It is the right or wrong ratio of other factors of production to a unit of land that makes it economic or noneconomic. A small term can be economic or non-economic because economic or non-economic does not depend on the size of the land but on the appropriate ratio between all factors including the land.

An economic enterprise is composed of land and labor in such a proportion that the proportional contribution of each in conjunction with the rest is the highest to the creation of an economic enterprise, the farmer must have the other means of production necessary to effectually change his enterprise, and he must preserve the proper proportion of all factors. Therefore, economic holding is not only a question of hand size, but it is a question of adjusting the land to the necessary equipment for its efficient cultivation.

### **The Khoti system is to be Abolished**

In some areas of Maharashtra, the Khoti system prevailed, exposing the vast majority of rural farmers to oppression and exploitation. Under the "khoti system", the "khoti" function as zamindars who are granted the right to land, which is then cultivated by farmers. The Khots were in charge of collecting the money and gave some of it to the government. Through an agricultural meeting, Ambedkar started a movement against the khoti system in 1929. He started a trade union whose main platform was the abolition of the "khoti system". The exploitative system was finally abolished in 1949 after a protracted battle.

### **Industrialization is Accelerating**

In a 1918 article, Dr Ambedkar stated that the answer to rural stress was rapid industrialization. He argued that the best solution to all India's agricultural problems was industrialization. The cumulative effects of industrialization, such as the reduced pressure of surplus labour and rising levels of capital goods, could force the creation of the economic necessity of enterprises. Industrialization also contributes to the devaluation of land and reduces the possibilities of land fragmentation and division. From his point of view, therefore, industrialization is a powerful natural medicine.

### **Land Nationalization**

Regarding land ownership, Dr Ambedkar thought that the state should own the land but not the individual. Land nationalization would solve most of the evils caused by small holdings and landless labour. Ambedkar thought that India could achieve impressive growth in the agricultural sector through the industrialization of the agricultural sector, which is only possible with the nationalization of land.



### **Land Holding**

Ambedkar was the first Indian economist to examine the problem of division and fragmentation of agricultural land and formulated a very scientific definition of economic holding. Ambedkar believed that the small size of land was one of the causes of production. Therefore, land holdings should be consolidated. The traditional definition of an economic holding was presented as "a chance to produce enough to maintain oneself and one's family in reasonable comfort after paying the necessary expenses."

It cannot be the language of economics to say that a large holding is economic while a small holding is uneconomic. It is the right or wrong ratio of other factors of production to a unit of land that makes it economic or noneconomic. A small concept can be economic or non-economic because economics does not depend on the size of the land but on the appropriate ratio between all factors including the land.

It is obvious that after independence, the average size of the holding has a constant downward trend. The main reason for the decline is the burden of land on the population, defective inheritance law, decline in cottage industries etc. 1970-71. India is the second most populous country in the world facing many problems related to every sector of the economy because in agriculture we are facing a low productivity rate and a high dependency rate without any technical improvement which is this cause is supported by many factors one of them is with fragmented land with a low share of holding, so there is an urgent need to introduce corporate and collective farming in the whole country based on the opinion of Dr. Ambedkera who was against this fragmented holding system.

According to agriculture census in India, this study reveals that we have increased the holding of marginal share from 8.98 per cent in 1971 to 18.72 per cent in 2000 and a large share of 30.88 per cent to 13.17 per cent in the same years, indicating that a large share in India the associated rate of decline is decreasing year by year also in the semi-median and median holding type. Similarly, the average holding size in India in 1970-71 was 2.30 and now the average holding size has come down to 1.16 in 2015-16. Analytically, we can say that the marginal share of the agricultural enterprise is increasing at an increased rate; Dr. Ambedker was against this low share and suggests that there is an urgent need for reform in the agricultural sector including corporate farming and the creation of corporate companies to develop our high productivity, low input agricultural sector.

### **Present Status of Small and Marginal Farmers in India**

The average size of holdings had shown a continuous decline over all the census periods from the fact that in 1970-71 it was 2.28 hectares, which reduced to 2.00 hectares in 1976-77, 1.84 hectares in 1980-81, 1.69 hectares in 1985-86, 1.55 hectares in 1990-91, which again declined to 1.41 hectares during 1995-96, 1.33 hectares in 2000-01, 1.23 hectares in 2005-06, 1.15 hectares in 2010-11 and 1.08 hectares in 2015-16.

Small and marginal farmers with less than two hectares of land account for a little over 86.08% of all farmers in India, but own only about 46.94% of the crop area, according to the 10th Agricultural Census 2015-16. Overall, the census showed that while Indian farms became more fragmented between 2010-11 and 2015-16, farm holdings continued to be distributed inequitably. During this period, the share of small and marginal farmers increased from 85.01% to 86.08% (an increase of around 9 million), while the total number of operating holdings increased from 138.35 million to 146.45 million. Moreover, these 126 million farmers owned an average of 0.6 hectares each, which is not enough to produce surpluses that can financially support their families, which explains the growing difficulties in Indian agriculture.

According to Ashok Gulati, professor of agriculture at the Indian Council for Research on International Economic Relations, "The increase in the number of small and marginal farmers means that the rest of the economy is unable to absorb the surplus. India has to live with its small farms for the next two decades and the way out is to give them access to the best technology and markets as China has done. It states that small farms can be economically viable through diversification into high-value crops and massive capital investment in value chains.

Small and marginal farmers (below 2.00 ha) constituted 86.08 per cent in 2015-16 as against 85.01 per cent in 2010-11 and had 46.94 per cent of the cultivated area in the current census as against the corresponding figure of 44.58 per cent in 2010-11 in the country. Semi-medium and medium operating plots (2.00 ha - 9.99 ha) were 13.35% with a cultivated area of 44.00%. The corresponding figures from the 2010-11 census were 14.29 percent and 44.82 per cent. Large holdings (10.00 ha and above) constituted only 0.57% of the total number of holdings in 2015-16 with a share of 9.06% in the cultivated area as against 0.70% and 10.59% in 2010-11.



## DISCUSSION

According to a report titled Status of Farm Households and Land and Household Livestock in Rural India 2019, released by the Department of Statistics and Program Implementation, most small and marginal farm households are now dependent on wage labour. The report says that on average; about 49.7 percent of these households' income comes from agriculture (including crop production and animal husbandry).

In recent decades the average land size is constantly decreasing, which is a major problem for Indian agriculture. Due to a defective system of inheritance law, excessive burden on the population and dilapidation of cottage industry, land fragmentation in India was initiated. Due to the fragmentation of land use, modern technology in agriculture faces barriers to adoption. So most farmers depend on inadequate primitives and traditional technologies that reduce agricultural productivity. So the concept of cooperative and collective farming only solves most of the problems arising in Indian agriculture. He emphasized the real cause of small land improvements, and for him excessive population pressure is rather the cause of fragmentation and the availability of other profitable sources is the main cause of small-scale farming.

## CONCLUSION

Ambedkar has convincingly demonstrated with sufficient data that Indian agriculture suffers from small holdings, with each holding highly fragmented. He also proved that small and scattered businesses are primarily responsible for the low productivity of agriculture. There are many evils due to small holdings. The cause of small businesses was excessive division and fragmentation, which, he said, had to be reduced by consolidating businesses to increase productivity in agriculture. The fragmentation of enterprises makes management highly inefficient. Tenure consolidation was designed to reverse the fragmentation of land holdings.

Ambedkar studied the problems of small farmers in India and suggested remedies that are quite relevant even today. He was a strong supporter of land reforms and the important role of the state in economic development. He recognized the injustices in the unfettered capitalist economy. His views on land tenure and the land revenue system are applicable today. The government must adopt cooperative farming to increase the size of the land holdings and ultimately boost productivity.

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