

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

INDIAN ECONOMY 1950–1990

Question 5:

What is marketable surplus?

ANSWER:

Marketable surplus refers to the difference between the total output produced by a farmer and his on-farm consumption. In other words, it is that portion of the total output that the farmer sells in the market.

Marketable surplus = Total farm output produced by farmer – Own consumption of farm output

Question 6:

Explain the need and type of land reforms implemented in the agriculture sector.

ANSWER:

The need for land reforms in India was very necessary due to the following reasons:

1. Land Tenure System: There were three types of land tenure systems namely, the *Zamindari System*, the *Mahalwari System* and the *Ryotwari System* prevalent in the Indian agricultural sector at the time of independence. The common feature of these three systems was that the land was mostly cultivated by the tenants and the land revenues were paid by them to their landlords. This led to the exploitation of tenants in the form of exorbitant rents.

2. Size of Land Holdings: The size of land holdings owned by the farmers was very small. In addition, the land holdings were fragmented. This obstructed the use of modern techniques.

3. Lack of Initiative: As most of the land was owned by the landlords, so the farmers lacked initiative and neither had enough means to undertake mechanised methods of cultivation.

4. Traditional Approach and Low Productivity: Indian farmers used to rely on the conventional and the traditional inputs and methods and climatic conditions that hampered the productivity of agricultural sector.

5. Absence of Marketing System: Due to the absence of well developed marketing system, the farmers used to rely on the intermediaries to sell their product in the market. These intermediaries used to purchase the farm products at a very low price and sell them at higher price at market. Consequently, the correct profit share did not accrue to the farmer and, hence, this led to the lack of finance and investment on farm.

6. Nature of Farming: The basic motive for farming was for subsistence. That is, farming was done basically to earn survival and not for sale and to earn profit.

Due to the above problems in the Indian agriculture, it was very necessary to undertake land reforms. Land reforms comprise of the following steps:-

1. Abolishing Intermediaries: The prime focus of land reforms was to abolish intermediaries like *Zamindars*, *Jagirdars*, etc. There were many steps undertaken to make the tillers, the owners of the land.

2. Regulation of Rent: The cultivators were exploited in the form of exorbitant rents. In the first five year plan, the maximum rent fixed was one-fourth or one-fifth of the total farm produce (except in Punjab and Haryana, where it was rd). The regulations of rent not only reduced the burden from the tenants but also enabled them with greater portion of finance to invest on farm.

3. Consolidation of Holdings: As the land holdings were small and also fragmented, so it was very necessary to consolidate the land holdings for the use of modern and advanced technology. The farmers were given consolidated holdings equal to the total of the land in their various fragmented plots. This enabled them the benefits associated with the large scale production.

4. Land Ceilings: It means legislated fixed amount of land that an individual may hold. The basic motive behind this step was to promote equality of ownership of land holdings. This eradicated the concentration of land holdings in few hands. Government used to confiscate the excess land over the fixed amount of land and distribute it among the landless farmers.

5. Co-operative Farming: This step was taken to counter the problems due to sub-division of holdings. Small scale farming by an individual land holder is neither profitable nor productive, so, these steps encouraged different farmers to pool their farms and perform farming jointly. This enhanced the productivity and greater profits were shared by the individual farmers.