

INDIAN ECONOMY 1950-1990

Post Independence Reforms

TO STUDY UNDER THE FOLLOWING HEADS



Agriculture

Land Reforms
Land Ceiling
The Green Revolution



Industry and Trade

Public and Private sectors in Indian Industrial Development
Industrial Policy Resolution 1956 (IPR 1956)
Small Scale Industry
Trade Policy
Effect of policies on Industrial Development

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1. AGRICULTURE

FEATURES OF INDIAN AGRICULTURE DURING INDEPENDENCE



- Low Productivity
- Disguised unemployment
- High dependency on rainfall
- Subsistence farming
- Outdated technology
- Conflicts between tenants and landlords

1. AGRICULTURE

MEASURES TAKEN TO MITIGATE THE ABOVE PROBLEMS



1. Land Reforms

- It primarily refers to change in the ownership of landholdings.
- Abolition of intermediaries (zamindars, jagirdars) was an important feature of land reforms.
- Ownership of land was given to the actual tillers.
- 200 lakh tenants were brought into direct contact with the government.
- Sufficient capital was made available to them.
- It became an incentive to increase output.

1. AGRICULTURE

MEASURES TAKEN TO MITIGATE THE ABOVE PROBLEMS



2. Land ceiling

- It refers to fixing the specified limit of land, which could be owned by an individual.
- Beyond this limit, the excess land would be taken over by the government .
- The above-mentioned excess lands will be allocated to the landless cultivators and small farmers.
- But the act was challenged by the big landlords. They delayed its implementation.
- This delay time was used by them to register the excess lands in the names of their close relatives, thereby escaping from the legislation.
- Land reforms were successful in the states of Kerala and west Bengal.
- Governments of these states were committed to the policy of land reforms.
- Unfortunately, other states did not implement the policy sincerely and inequality in landholdings continued.



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3. Green revolution

- It refers to the large increase in the production of food grains resulting from the use of High Yielding Variety (HYV) seeds .
- These seeds were used in the places with adequate facilities of drainage and water supply.
- These seeds need heavy doses of chemical fertilisers to get largest possible production.
- In the first phase the use of HYV seeds were restricted to the states of Punjab, Andhra Pradesh, Tamil Nadu etc.
- In the second phase the technology was spread to large number of states.
- More variety of crops were grown on large quantity.

Effects of Green Revolution:

- Attaining Marketable Surplus: It refers to that part of agricultural produce which is sold in the market by the farmers after meeting their own consumption requirement.
- A good proportion of rice and wheat grown during green revolution was sold by the farmers in the market.
- Buffer stock of food grains: The government could procure sufficient amount of food grains to build a stock which could be used during times of scarcity.
- Benefit to low income groups: Due to large supply of food grains, the price of the grains declined. The low-income group people who spent a large portion of their income on food, benefitted from this decline in prices.

1. AGRICULTURE

MEASURES TAKEN TO MITIGATE THE ABOVE PROBLEMS



Risks involved under Green Revolution:

- Risk of pest attack: The HYV crops were more prone to attack by pests. Thus small farmers who adopted this technology could lose everything in a pest attack. But the risk was reduced by the services rendered by the research institutes established by the government.
- Risk of increase in income inequality: Mostly the big farmers could adopt the technology. Thus their income would increase considerably which may result in income disparity between small and big farmers.
- Even this risk was overcome because of the steps taken by the government.
- Government provided loans at a low rate of interest to small farmers.
- Fertilisers were provided at subsidised rates.
- Thus, even the small farmers could obtain the inputs for their crops.
- So the output on small farms equalled the output on large farms in the course of time.
- Thus the green revolution benefitted both the rich and the small farmers.
- But in the case of certain states where the respective governments did not play an extensive role in implementing green revolution, the technology favoured only the rich farmers.

