

# Co-operative Farming

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Co-operation cannot be applied to farming, argues the author, without first preparing the ground for it by sweeping away our present system of land tenure and organising a system of rural credit for financing agriculture which may absorb the village money lender into it through licensing and registration.

Co-operative farming, however, is only a second best and a half-way house to full fledged collectives. A beginning can be made in collective farming on lands reclaimed from culturable waste as a part of the programme for rehabilitation of refugees.

But co-operative capitalistic farms with membership composed of big landlords are a grotesque and unworkable extension of the principles of co-operation which can be applied to provision of credit, seeds or manure and to marketing but not to farming, side by side with capitalist enterprises. The author thinks they cannot go together; like oil and water, they do not mix.

**C**O-OPERATIVE farming is the first positive step towards building a democratic economy in which exploitation of labour power by individuals or institutions is not permissible. It is a powerful weapon to break the grip of monopolies and cartels in the field of agricultural production, and thus ensure the survival of consumers and petty producers. Historically, however, what passes as co-operative enterprise has been a residue of primitive, feudal and capitalistic methods of production. Looking from this view point in the Indian background, we are of the opinion that any genuine scheme of co-operative farming has to be pre-faced by the fulfilment of the following pre-requisites.

## ABOLITION OF LANDLORDISM

The arresting fact about Indian agriculture is its enmeshment by the present land tenure. "The organisation of agricultural production depends to a large extent", observes the Famine Inquiry Commission 1945, "on the system of rights and obligations of holders of land, that is, on the prevailing land system. ....The view has often been ex-

pressed that there is a close connection between many features of the present, land system and the efficiency of agricultural production, and that the latter cannot be materially improved unless changes are made in the former." (Final Report, page 249).

Therefore, abolition of various grades of landlordism is the first and the most important pre-requisite of co-operative farming. The logical sequel to yamindari abolition must be:

(a) Abolition of landlordism, with rehabilitation allowance for the 'petty landholders whose means of livelihood would be adversely affected.

(b) Curtailment of self-cultivated area of landholders, on the basis of an optimal or economic unit of cultivation to be decided, preferably, by elected peasants' committees. These committees will, however, take into account several important factors (e.g. the pressure of land) at the time of re-distribution.

(c) Then the land should be declared nationalised and the tiller of the soil should be declared the permanent owner of his holding with heritable but inalienable rights. The right to transfer his land should be rest-

stricted; in case he wants to abandon cultivation, he can give his holding to the village Panchayat, which may give him a rehabilitation aid, if needed.

The nationalisation of land is to be distinguished from socialisation of land where every sector of economy is socialised or organised on socialist principles. While the land is nationalised, private economy is also allowed to exist in a restricted form. This marks the transformation from a peasant economy to large-scale co-operative farming. Such a step will be in accordance with the existing property consciousness of the cultivators, as well. There is no contradiction in the co-existence of nationalised land and restricted private economy; it is only a matter of the dominant framework of social relations.

Such a step is needed because nationalisation of land, coupled with its redistribution, will break feudal relations; it will hand over the land to the tiller; it will end land monopoly, it will eliminate the power of merchant capital or land rural money by putting restriction on the sale of land. It will give security to the tiller and, finally, it will snatch away

the money lenders' right of attaching the property of the debtors in distress.

(d) The replacement of the complicated system of revenue collection and assessment of rent, either in cash or kind, which are feudal, uneconomic and oppressive, by a uniform system of graded and progressive agricultural income-tax above an exempted minimum.

**OVERHAUL OF RURAL CREDIT**

These reforms in land tenure must necessarily be accompanied by a change in the present system of rural finance. The existing debts of the agricultural labourers and small cultivators with uneconomic holdings should be liquidated through a state moratorium. The village moneylenders should be immediately licensed and registered in order

that their individual credit operations may be made to pass through co-operative Banks, so that the flow of rural credit may not be retarded and yet no exorbitant rate of interest is charged.

Alternately, it has been proposed that mere licensing and registration of moneylenders will eliminate the present evils in rural finance. But it should be remembered that the very institution of money lending by individuals gives use to exploitation and is oppressive. No amount of licensing and registration can alter this basic fact. These restrictions will result in evasion and may give rise to a new kind of black market operations in money lending. Only by forcing the money lenders to become share-holders of a co-operative bank can usurious merchant capital be turned into bank capital. In this way, the credit system will remain under the po-

pular control, provided co-operative banks are run on accepted democratic principles.

This plan will further assist the State in aiding programmes of rural reconstruction through a centralised system of co-operative banking for financing agricultural operations in the country. It is to be noted that the more extensive the operations of usurious merchant capital, the smaller the supply of industrial capital. Our national welfare demands an ever increasing flow of industrial capital.

Such a scheme will scale down debts immediately. It will ensure credit to the peasants and handicraft workers who will be able to utilise it for productive purposes, and finally it will increase their purchasing capacity.

Similarly, the unprecedented hierarchy of middlemen operating in the field of rural marketing is to be substituted by a net work of co-operatives. With these changes in the domain of agricultural production, rural finance and rural marketing, the stage will be set for setting up genuine co-operative farming. However, it is to be borne in mind that rural reconstruction is a matter of an integrated plan. Therefore, all these changes have to be effected simultaneously.

Some of our agricultural experts who have thought of applying the principles of co-operation to our agriculture, do not seem to have taken a broad enough view of the problems. Nor have they tried to relate the development of co-operation to the economic and social foundations of our rural life. Otherwise, they could not have indulged in dreams of "co-operative capitalistic farms with membership composed of big landlords." (Notes on Co-operative Farming by Sir Manilal B. Nanavati; *The Indian Journal of Agricultural Econo-*

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**S. C. SIRKER**  
Branch Manager,

*mics*, September 1948). Co-operative and capitalistic enterprises cannot go together. There is a fundamental contradiction in their connotation. The type of cooperation that I have suggested here would set our economy on a democratic footing. It has to be distinguished from Soviet Collectives.

### SOVIET COLLECTIVES

In the collectives all the means of production are socialised. But each individual family keeps for its own use a house and garden and also small implements. Once a peasant has brought his land into the collective, he is not allowed to take it out again; but if he wishes to leave, he is provided with an equal amount of land outside the collective. It is the joint responsibility of the peasants to take proper care of common implements and essential instruments. Under this system the farm is guaranteed its land, the farmers, and the fruits of their labour. The collectives, in the words of their more enthusiastic supporters, 'ensure the complete victory over want and ignorance and over the backwardness of the petty individual household, achieve a higher productivity of labour and thus ensure a better life for the collective farmers.'

### THE RADIATING CENTRE

Even the Webbs were convinced that, in the ultimate analysis, collective farming was the only way to guarantee fuller employment, higher standard of living, immunity from exploitation and the possibility of the highest development of one's personality (Webbs, Sidney and Beatrice: *Soviet Communism*, pp. 938-47.)

Yet we do not belong to the circle of romantics who, charmed by the great Soviet experiment

and without understanding its full implications, advocate the immediate collectivisation of Indian Agriculture. At the present stage of our social development, any attempt at immediate collectivisation will fail and create such an unfavourable reaction as will put off the introduction of even co-operative farming into the remote future.

Therefore, the most practical proposition for our country is to start co-operative farming immediately or rather to push on with its preliminaries. At the same time, reclaimed lands, the areas carved out of the bigger land holdings, and waste-land should be utilised for collective farming, where agricultural labourers and small peasants could be rehabilitated. These farms will be the nuclei from which the co-operative farms will grow and spread over the countryside. Through them, the State should propagate in each district, machine hiring and other modern techniques of agricultural production. They should be the radiating centres of the co-operative movement, which will give land to the landless and jobs to the jobless in the rural areas. It implies that besides agricultural farming, village industries should also be organised to absorb a section of the surplus rural labour. These collective farms will also be the cultural centres of the locality and will have at least a library, school and cultural society. The former will spread education amongst the children and the adults, whereas the latter would revive folk songs and dances and adapt them to modern technique so that the different faculties of the 'whole man' may be developed. Then alone will the masses of labouring peasants, suffering from age long poverty, become the pioneers of the co-operative movement.

### CO-OPERATIVE FARMS

The next tier will be the co-operative farms, as a transitional measure from peasant farming to collectivisation. It needs to be emphasised that the type of tenure immediately after zamindari abolition will be a weak peasant proprietorship. The organisation of co-operatives should be flexible and full autonomy should be guaranteed. The cultivators of uneconomic holdings should be persuaded, with special care, through propaganda and education in the art of co-operation, combination and association, to join the co-operative farms. If the cultivators of a village having 50 acres of holdings agree to join the co-operative, the Government should give it recognition. For encouraging the cultivators to join the co-operative, it may be necessary to offer even stronger incentives. In this connection, redistribution of land, complete liquidation of all agricultural debts, State provision for agricultural finance, consolidation of holdings and subsidised distribution of seeds, implements, manure, fertilisers and use of tractors, etc., will be the most attractive terms. At the end of an agricultural season, or at any other convenient time, it should be open to any member to withdraw from the co-operative. Centralised control, coupled with de-centralised functional specialisation in management, and scientific propaganda are the keys to success. Once the peasants are convinced about the utility of co-operative farming, they will be psychologically prepared for the next step—the collectives. But once more it needs to be emphasised that persuasion, and not coercion and force, will impel the peasants to join the co-operatives. Scientific propaganda through mass meetings, pamphlets, publicity vans,

and magic lanterns will have to be carried on. Above all, the socio-economic consciousness is to be roused through the peasants' own independent organisations. Gradually, the success of co-operation will create more confidence in the peasants and they will become more efficient. Hitherto, they have worshipped every deity for their prosperity, except the deity of their own power. Now, they will see, through their own practice, that they can produce miracles. 'What a man sees he may doubt; what a man hears he may doubt, but what a man does he cannot doubt.'

#### FUNCTIONS AND FUNDS

The co-operative farms will take up the functions of (a) supplying the means of production e.g. bullocks, implements, seeds, irrigation, manures, etc.; (b) organisation of agricultural finance; (c) improvements in the technique of cultivation; (d) development of the farm and (e) organisation of the marketing of agricultural produce and purchase of essential commodities required by the members of the farm. They will also make efforts to raise the yield of the farm through irrigation, deep ploughing, manuring and scientific crop rotation etc. The production of fodder and improvement of meadows and pasture lands will also be undertaken by them.

The co-operatives will also raise the cultural level of the members by imparting social and cultural knowledge through the help of the village clubs which will organise folk songs and folk dances. Each club will also have its own library; such institutions will create a new life in the rural masses,

#### DISTRIBUTION

From a new social relationship

in the process of production, we have to gear the machine of social justice to create new values and relations in distribution. It has been suggested that the final goal in the re-organisation of agriculture is the collective farm. Therefore, the method of distribution is to be planned with a view to reach this final goal. But there are many hurdles.

The members of the co-operative with a relatively larger holding will have a strong *sense* of profit. They would like to distribute the dividend on a principle which guaranteed them a return in direct proportion to the size of their holdings. This can only be remedied by the introduction of Work Day Unit system.