



# Land

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## 1. MEANING

The term land, refers to the soil that is used or to be used for cultivation or for construction.

But in economics land has a wider meaning. It includes not merely land but the whole of the material and the forces which nature gives for man's aid. They are like land, water, air, light and heat.

In other words, many things such as sunshine, rain, wind, waterfalls, seas, rivers, minerals, magnetism and animals are included in it. In other words, everything given free by nature and economically useful to man is included in it. Thus the term land in economics denotes all natural resources available to man for producing wealth.

**Prof. Moreland** has used the term “**gifts of nature**” for land. But the term Land continues to be more prevalent and popular. According to **Marshall**, the term land is used for the following factors provided by the nature :

- (i) Upper surface of the soil, its fertility and forests and herbs existing thereon;
- (ii) Mountains, oceans, rivers, lakes, ponds and all animals and creatures living thereon;
- (iii) All minerals under the surface, viz., iron, gold, coal, crude-oil etc.,
- (iv) Climate, air, sunshine, heat, light etc.

## Definitions

Land can be defined as under :

According to **J. Ulmer** :

*"Land consists of all economic goods, wealth supplied by nature, natural resources in their original state."*

According to **Marshall**, land means,

*"the materials and the forces which nature gives freely for man's aid, in land and water, in air and light, and heat."*

**H.A. Smith** has correctly remarked :

*"Land applies to all those gifts of nature which man uses in providing the things that satisfy his wants."*

## 2. CHARACTERISTICS OF LAND

Following are the peculiarities of land :

**1. Land is the Free Gift of Nature** : The supply of land comes from the nature. No human effort or sacrifice was necessary originally to produce this land. That is why land has no cost of production.

**2. Limited in Supply** : The quantity of land is given and limited. Its supply can be neither increased nor decreased by any human effort. Hence economists remark that land has no supply price.

**3. Land is Heterogeneous** : Land like the other factors of production differs from one another in nature, fertility and productivity. It is on this basis David Ricardo classified the land as intra-marginal, submarginal and marginal lands.

**4. Land has Multiple Uses** : Land is used for variety of purposes like cultivation, dairy farms, sheep-rearing, building playground and so on. As it is demanded for multiple purposes its demand exceeds the supply, boosting its value to a very high level.

**5. Application of the Law of diminishing Returns** : The constant and continuous cultivation of the land with more application of labour and capital results in diminishing yield from the land.

**6. Difference in Fertility** : All lands are not equal in fertility. Some locations are very fertile while other land is totally not fertile *i.e.* barren and less productive. In the same way, degree of richness of mineral wealth varies from place to place.

**7. Indestructiveness of Land :** Land is indestructible factor of production. Man can change only the shape of a particular location but as such land cannot be destroyed.

**8. Immobility :** Land is an immobile factor of production. It cannot be shifted from one place to another. Some economists, however, describe land as a mobile factor on the argument that it can be put to several uses.

**9. Passive factor of production :** Land is a passive factor of production. It cannot produce anything of its own. Human- element and capital-inputs are required to be combined with land to attain yields from it.

### 3. PRODUCTIVITY OF LAND

It is the ratio of 'What is Produced' to 'What is required to produce'.

'What to Produced' is the Total Production or Output Value.

'What is required to produce' is the Total Input Value.

$$\text{Hence; Productivity of Land} = \frac{\text{Value of Total Output}}{\text{Value of Total Input}}$$

It is only when other factors, labour or other factors class of production are not fixed.

Similarly Productivity of other factors can be judged.

#### Average and Marginal Productivity of Land

The total output attained from land divided by the area of land is called **average productivity** of land. **Marginal productivity** of land refers to the increase in output when the land use increases by one unit while the other inputs are kept fixed.

### 4. FACTORS AFFECTING THE PRODUCTIVITY OF LAND

The productivity of land is greatly affected by various factors as discussed below :

**1. Natural Factors :** The productivity of land depends on the natural resources viz., climate, slope of land, chemical and biological properties of the soil, rainfall etc. All these factors are considered to be the basis of production.

**2. Human Factors :** Land is unable to produce anything by itself. Man has to labour on it to produce for himself. Therefore, productivity of land also depends upon the knowledge and training of workers. A wise cultivator can produce more from the same land than an untrained cultivator.

**3. A passive factor of production.** Land is a passive factor of production because it cannot grow the commodities as needed by man by itself. Without man's efforts, land is unable to produce the needed type of goods. Thus, land is considered to be a passive factor production.

**4. Irrigation Potentials :** The productivity of land depends on the availability of irrigation potentials. The land which has rich irrigation potential will be more productive. Artificial means

of irrigation *viz.*, wells, tubewells, tanks, canals etc. help to keep up the supply of water. Thus, the productivity of land depends directly on the newly invented means of irrigation.

**5. Organisation :** Organisation has a pioneer role in the productivity of land. An efficient and capable organiser will be able to make available all those things which are of utmost importance to increase the productivity of land. Thus, organisation plays key role in raising the productivity of land.

**6. Location :** The location of land also affects its productivity. For instance, if the land is situated near the market, it will require no extra amount to bring the produce in the market. On the other hand, if it is situated away from the market, one has to pay some extra amount to transport the produce to the market. Therefore, transportation expenses make an addition in the price of its produce.

**7. Ownership of Land :** Ownership of land is an important factor affecting the productivity of land. Owners always take much interest in maximising the productivity. They encourage workers to work hard and increase the productivity. On the other hand, without ownership, one do not take interest in the cultivation of land.

**8. Availability of Capital :** The availability of capital is no more behind in affecting the productivity of land. The productivity of land can be increased with the help of improved seeds, chemical manures and machines. Thus, intensive cultivation gives a higher productivity on a small piece of land.

**9. Proper use of Land :** The use of land also affects the productivity. For instance, if a piece of land is suitable to produce corn but we try to produce wheat, in such a situation naturally the productivity of land will be adversely affected.

**10. Alternative uses :** Land use differs according to its productivity and location. Land near a city is used for industry and building while open area in the rural side is more often used for cultivation.

**11. Social and Economic Conditions :** Productivity of land also depends upon the socio-economic conditions in a country. The laws of succession and inheritance has led to the evils of sub-division and fragmentation of land. This has adversely affected land productivity. Similarly, economic factors like the availability of credit, development of means of transport etc. also affect land productivity to a large extent.

**12. Availability of Labour :** Labour is a fundamental factor affecting the productivity. As land alone cannot produce anything, one has to employ labour on land to produce more. Thus, the productivity of land depends on the efficiency of labour.

**13. Govt. Policy :** Productivity of land is considerably influenced by the Govt. policy regarding agriculture. Agricultural productivity starts increasing when the Govt. adopts a proper agricultural policy and provides required assistance to farmers. On the other hand state negligence towards agriculture is regarded as one of the causes of agricultural backwardness. This results in low productivity.

## MAIN POINTS AT A GLANCE

**What is Land.** Land refers to the soil that is used or to be used for cultivation or for construction. According to Marshall land means "the materials and the forces which nature gives freely for man's aid, in land and water; in air and light and heat."

**Characteristics of Land.** The main characteristics of land are as—Land is the free gift of nature and not man made one, limited in supply, land is heterogeneous, land has multiple uses, land is subject to the operation of the law of diminishing returns, land is passive factors and it is not destructible.

**Factors affecting the productivity of Land.** Natural factors, human factor, passive factor, irrigation potential, organisation, location, ownership of land, alternative uses, original power, land development, social and economic conditions, availability of capital, proper use of land, availability of labour, Govt. Policy, Agricultural research.

**Importance.** Basis of industry, transport, power, primary occupation, employment and the basis of life.

**Methods of Cultivation.** There are two methods of cultivation *i.e.* Extensive and intensive cultivation.

**Extensive Cultivation** refers to the methods of cultivation wherein production is sought to be increased by making more use of land rather than labour and capital.

**Intensive Cultivation** means that method of cultivation wherein production is sought to be increased by making more use of labour and capital rather than land.

## PROJECT WORK

- (A) Visit your nearby village and enlist the name of atleast twenty farmers. Get the information regarding :
- (i) Land under different crops
  - (ii) Enlist the production, yield per hectare and area under different crops.
  - (iii) Possession of other natural resources
  - (iv) Record how much produce is being kept for personal use and produce is taken for marketing.
  - (v) Characterise each land on the basis of fertility, location use, capital availability, irrigation.
  - (vi) Find out (a) How many farmers are making use of extensive and intensive cultivation.
  - (vii) Give your views on the pattern of Indian agriculture.
- (B) Suppose, in your locality, where you are residing, there is lying an idle piece of land. Under the guidance of your teacher, describe the following :
- (i) How would you like to use that piece of land; either constructing a House, Hospital, School, Cinema Hall or Market.
  - (ii) Give its effects on the people living in that locality and society as a whole.
  - (iii) Draw your conclusion with justification.

## REVIEW QUESTIONS

### A. SHORT QUESTIONS

**Q.1. Define land according to Dr. Marshall and Prof. J.K. Mehta.**

**Ans. Dr. Marshall,** defined 'Land means the material goods and forces which nature gives for man's aid- in land and water, in air, light and heat.'

**Prof. J.K. Mehta** defined land, 'as a specific factor or that it is a specific element in a factor or again that it is specific aspect of a thing.

**Q.2. Give the main features of land.**

**Ans.** Land has specific features as of free gift of nature, supply is fixed, difference in fertility, immobility and passive factor of production.

**Q.3. What is the significance of land ?**

**Ans.** Being original, land is the main source of all material wealth and have immense use to mankind. It is the significant factor of production and overall development of the economy is based on it. Thus, it is a useful source for agriculture, industry and trade.

**Q.4. What do you mean by productivity of land ?**

**Ans.** It is the ratio of 'What is Produced' to 'What is required to produce'.

'What to Produced' is the Total Production or Output Value.

'What is required to produce' is the Total Input Value.

$$\text{Hence; Productivity of Land} = \frac{\text{Value of Total Output}}{\text{Value of Total Input}}$$

**Q.5. How is land as factor of production differ from any other factor ?**

(ICSE 2017)

**Ans.** Land as a factor of production, is different from any other factor in the following manners :

- (i) Supply of land is fixed and supply of any other factor is variable over time.
- (ii) Land is immobile while any other factor can move from one place to another place or one useful occupation to another occupation.

**Q.6. Briefly explain two methods that increase land productivity.**

(ICSE 2014)

Or

**The area of cultivable land is more or less fixed in a country. Under such conditions, suggest two ways to increase the productivity of land.**

**Ans.** Two methods to raise the land productivity are given below :

- (i) **Proper use of land.** Productivity of land depends on the use of land. For example, some type of land would be suitable for the cultivation of rice than the cultivation of wheat.
- (ii) **Land Development.** Productivity of land is greatly affected by land development activities like provision of tubewell, proper drainage, fencing, irrigation and fertiliser facilities.

## B. LONG QUESTIONS

1. What is land ? Give its main four characteristics.
2. Land is a peculiar factor of production. Justify with arguments.
3. Explain land. Give its importance.
4. Explain the factors affecting the productivity of land.

## KNOWLEDGE BOOSTER

### IMPORTANCE OF LAND

Agriculture, industry and trade are greatly influenced by natural resources. The importance of land is given as below :

**1. Basis of Primary Occupation :** All primary occupations like agriculture, animal husbandry, poultry-farming, fisheries, dairying, forestry etc. are land-oriented.

**2. Basis of Industries :** Manufacturing industries get diverse type of raw materials from land; namely, raw cotton, sugarcane, raw jute, coal, minerals and metals etc.